

13th September 2024

Rt Hon Rachel Reeves
HM Treasury
1 Horse Guards Road
Westminster
London
SW1A 2HQ
United Kingdom



Dear Chancellor,

SUPPORTING THE COLD CHAIN TO KICK-START GROWTH ACROSS THE UK.

As the CEO of the Cold Chain Federation, I am eager to work with you and the HM Government to support the country's growth, security and future prosperity.

The cold chain sector is a cornerstone of the UK economy. In 2023, it contributed a staggering £14 billion in gross value added, supported 184,000 jobs, and generated £3.7 billion in tax revenue. The cold chain's primary role is to ensure the safe and efficient delivery of essential goods such as food, plants, and medicines across the nation. It is a critical service that all UK citizens rely on each day.

We do not seek major funding. We seek the opportunity to work in partnership to tackle some of the day's major issues that affect the safe, sustainable, and secure delivery of food and medicine to the UK public.

As we approach the upcoming October budget, I am writing on behalf of the Cold Chain Federation to advocate for several crucial initiatives that would significantly benefit the UK's cold chain sector. The cold chain is integral to safeguarding public health and the economy by ensuring the safe storage and transportation of temperature-sensitive goods.

We believe that the following measures would play a pivotal role in bolstering our sector's capabilities:

1. **National Wealth Fund for Infrastructure Investment:** A National Wealth Fund could be instrumental in addressing the pressing infrastructure challenges the cold chain faces. By investing in grid improvements, we can enhance efficiency, resilience, and, ultimately, the overall performance of our sector.
2. **Tax Incentives for Next-Gen Transport Refrigeration Units (TRUs):** To accelerate the adoption of more sustainable and energy-efficient TRUs, we urge you to consider implementing tax credits for their purchase and installation. Exploring scrappage schemes and registration processes could further incentivise the transition to greener technologies.
3. **Business Rates Reform for Cold Storage Facilities:** The current burden of business rates on cold storage facilities can be a significant obstacle to operational viability. We recommend a review of

these rates to ensure they accurately reflect the critical role these facilities play in the national infrastructure.

4. **Continuation of Fuel Duty Cuts:** The recent fuel duty cuts have provided much-needed relief to our sector, which relies heavily on transportation. We urge you to maintain these cuts to support our members in maintaining operational efficiency and consumer affordability.
5. **Extension of Full Expensing for Leased Assets:** Extending full expensing for leased assets would enable businesses in the cold chain sector to invest in state-of-the-art equipment and technologies. This would enhance their competitiveness and capacity to meet evolving market demands.

We appreciate your ongoing support for the cold chain sector and believe these proposals align with the government's broader objectives of promoting sustainability, economic growth, and public health. We stand ready to provide further information or engage in more detailed discussions.

Thank you for your time and consideration.

Yours



Phil Puck
Chief Executive