

## British Aggregates Association

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25<sup>th</sup> February 2013

Rt Hon George Osborne MP  
Chancellor of the Exchequer  
HM Treasury  
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Dear George

I am writing further to previous correspondence most recently 20<sup>th</sup> March last year requesting that the Aggregates Levy be repealed.

The British Aggregates Association (BAA) is the representative trade body for the independent UK quarry operators who supply 12% of national output. We have seventy member companies operating some two hundred sites and a further forty associate members supplying equipment, advice and service to the industry. As you are aware our sector which feeds the construction industry has operated at 40% below the pre-recession output levels for over 5 years with little or no indication of any improvement in the foreseeable future.

The aggregates levy brings little if any net cash benefit to the public purse. However its removal would help to protect jobs in the quarry sector, provide a welcome boost to the construction sector and send a strong signal that the government is supporting growth nationally.

The levy has no "green tax" credentials and it has not delivered any environmental benefits. Perversely it has actually done the opposite increasing transport miles, and placing previously saleable lower-quality materials outside the market. Your own *Office of Tax Simplification* report of March 2011 made specific mention of the levy's complexity (and its 28 exemptions).

The public sector uses well over 50% of national aggregate output and the removal of the tax would enable considerably more activity for the same cash spend at local level on much needed road repair work to proceed.

Repealing the levy would not only assist with the government growth agenda, but would also resolve the issues arising from the rulings from the EU General Court of and the very specific problems relating to Northern Ireland.

We strongly urge you to boldly axe this disastrous tax in the forthcoming March budget!

Yours sincerely,  
Peter.



Cc

Rt Hon Danny Alexander MP, Chief Secretary to the Treasury

Rt Hon Greg Clark MP, Financial Secretary

David Gauke MP, Exchequer Secretary

Sajid Javid MP, Economic Secretary

Lord Deighton KBE, Commercial Secretary

Rt Hon Dr Vincent Cable MP, Secretary of State for Business, Innovation and Skills, and  
President of the Board of Trade

Rt Hon Michael Fallon MP, Minister of State BIS

Mark Prisk MP, Minister of State (Housing) DCLG

Richard Benyon MP, Parliamentary Under Secretary of State DEFRA

Rt Hon Theresa Villiers MP, Secretary of State for Northern Ireland

Margaret Ritchie MP

Rt Hon Oliver Letwin MP, Minister for Government Policy, Cabinet Office