

**David Roberts**  
**VAT Projects Team**

**Cc:**

**Rt Hon George Osborne MP**  
**Chancellor of the Exchequer**

HM Treasury  
1 Horse Guards Road  
London  
SW1A 1HQ

17<sup>th</sup> May 2012

Dear Mr Roberts,

**Proposed removal of the zero rating for VAT on approved alterations to listed buildings**

As Chief Executive of the British Woodworking Federation (BWF), I am writing on behalf of the UK woodworking industry in response to the consultation document 'VAT: *Addressing borderline anomalies*', which includes proposals for a 20% increase in VAT on approved alterations to listed buildings. This change could have significant impact on many UK joinery businesses who supply into this sector, at a time when our industry remains squeezed by rising material prices and already constrained demand.

The woodworking sector has always been and remains a fundamental part of the UK manufacturing sector. Today, the sector represents an estimated £5 billion spread across 5,500 firms in the UK and employing 100,000. These businesses span the full range of companies, from family businesses, to large corporations. Our companies operate throughout the UK and provide genuine employment opportunities in parts of the UK that are often areas of high unemployment.

A strong tradition and history should not be confused with an old-fashioned sector - our products and processes are constantly innovating to meet ever intensifying cost pressures and environmental, durability and fire safety requirements.

With unnecessary work on listed buildings controlled by the need for listed building consent, we feel that an increase of 20 per cent to the cost of approved work would only serve to deter the necessary alterations our historic buildings need to ensure that they can continue to be of social, cultural and economic value. Our members have already informed us of projects that are being shelved because of the proposals and are also concerned that, where projects are going ahead, property owners will be looking to cut corners which will result in the use of inadequate and poorly suited products. We are especially concerned as, once the zero rating for alterations is lost, EU law means that it cannot be reinstated.

Given the clear benefits to the nation of boosting construction work, it seems perverse that the government would want to implement a measure that would actually lead to a fall in construction activity.

We therefore request that the government should scrap the 2012 Budget proposal to remove the zero VAT rating on approved alterations to listed buildings.

On behalf of the BWF Membership, I thank you for taking the time to consider our recommendations.

Best regards,

A handwritten signature in black ink, appearing to read 'I. McIlwee', with a long horizontal flourish extending to the right.

**Iain McIlwee**

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British Woodworking Federation  
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