



Right Hon. Kwasi Kwarteng
11 Downing Street
City of Westminster
LONDON, SW1A 2AB

8th September 2022

Dear Chancellor of Exchequer,

Commercial laundries play a central role in enabling our NHS to provide sterile surgical procedures and keeping hospitality and manufacturing industries open for business. There is no primary/secondary sector that will not be critically impacted in two days if commercial laundries cannot survive this energy crisis. In your previous role as the Secretary of State for BEIS, you would be acutely aware of the challenges faced by businesses that fall between the strict classifications of manufacturing and services. Back in January we wrote to your predecessor explaining the importance of the commercial laundry. We asked, on behalf of our members, for him to provide support for a sector that is vital for the continued survival of UKPLC. We received no response.

The TSA recently surveyed its members about the changes to energy costs they are facing. The response showed that the majority are looking at increases from 300% up to 1500%. This is unsustainable and will doubtless lead to many going out of business if swift action isn't taken.

The implications of this go far beyond the laundry industry alone. Commercial laundry is a load-bearing part of so many sectors from NHS to hospitality to food manufacturing. 90% of healthcare laundry is outsourced to our members, and the hospitality industry is largely dependent on commercial laundries.

None of TSA's advice is getting close enough to the extent of measures needed in this situation, but with bills set to rise by an order of magnitude, businesses simply cannot survive without significant support!

We call on you to not make the same mistakes of the previous government and ensure that the commercial laundry sector is included in any government support package developed to support energy-intensive users. As laundry falls between the strict definitions of primary and secondary sectors we have thus far missed out. Without remedies like rate relief, grant funding, long-term low-interest energy loans, subsidised energy costs, and an industrial energy cap, the UK risks losing companies that are vital to many other primary and secondary sectors. We also need assurances that if rationing is to be introduced, commercial laundry retains its status as an essential user.

Yours,

David Stevens CEO of the Textile Services Association