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## Port tenants take rates battle to House of Commons

Felicity Landon - Monday 8 December 2008



PORT companies fighting crippling backdated business rates bills will take their campaign into the heart of government next Monday.

Claire Curtis-Thomas, Labour MP for Crosby, is to host a reception for the port rating group in the House of Commons dining room, at which campaigners will highlight “conservative estimates” that 30,000 jobs and £1.2 billion of economic impact are at risk nationally.

The issue is also expected to be raised by MPs during a debate on the economy on the same day.

“It is still ‘trench warfare’ but hopefully we can make this government realise what a nightmare they have created due to the incompetence of the Valuation Office Agency,” said David Johnson, spokesman for the Humber Dock Rating Group.

“In a time of great economic uncertainty, we are looking to the government to work with the industry to help develop a viable solution that will provide continuity of business, employment and government revenue.”

Because of the VOA’s delays in revaluing properties under the new rating system, port tenants at 55 ports around England and Wales have been landed with rates demands backdated for three years and adding up to millions of pounds. Many companies face insolvency if they are forced to pay up, and others are warning of job losses and cancelled investments.

Despite gaining a high profile for the crisis, which has been twice raised in the House of Commons treasury subcommittee, the campaigners are angry that the government’s only

response has been to allow longer for the bills to be paid – a concession which would not prevent many companies from being pushed into technical insolvency.

Peter Aarasin, chief executive of the RMS Group, which operates throughout the Humber ports, has written directly to Gordon Brown, “as it will seem that my colleagues have exhausted all possibilities of getting help from your ministers”.

Mr Aarasin, who led a £23m secondary management buyout of RMS in July last year, said: “Our industry is used as a punch ball between the VOA and ABP (Associated British Ports) on the Humber and the VOA has muddied the waters to the extent that your own ministers do not fully understand and appreciate the terrible situation which threatens to undermine our industry and, indeed, our company to the extent that we may not be able to continue in business.”

RMS employs 300 people directly and a further 300 are dependent on the company’s success, said Mr Aarasin. “We are paying all our taxes and dues on time, we are paying our business rates element via ABP but we now find ourselves in the strange position of having been issued with a backdated business rates bill in excess of £3.5m. This bill, which we dispute, has been backdated due to the Valuation Agency’s incompetence. It cannot be right that your government cannot take any action against your own civil servants and repeal this charge in its present form.”

Shadow shipping minister Julian Brazier again raised the crisis in the House of Commons at the end of last week, demanding an early debate on the matter.

“The woefully inadequate concession by the government on the ridiculous, huge backdating demand that has been put on hundreds of small businesses still leaves the directors in a position where they will be breaking the law if they continue to trade for more than another few weeks,” he said.

Harriet Harman, leader of the House of Commons, said Mr Brazier could raise the matter during a debate on the economy scheduled at the conclusion of the debate on the Queen’s Speech – on 15 December.



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