Rt Hon John Healey MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Rd
London SW1A 2HQ

9th September 2026

Dear Chancellor,

Autumn Budget 2026: submission from the Horticultural Trades Association (HTA)

I write on behalf of the Horticultural Trades Association (HTA) and its 1,400 member businesses, including growers, retailers, landscapers, garden designers, manufacturers and service providers. These businesses grow, design, deliver and maintain our green infrastructure - gardens, trees, and our public and private green spaces - providing multiple benefits simultaneously across the economy, environment and communities.

Each year, the sector contributes £38bn to GDP and nearly £8.4 billion in tax revenues, supporting 722,000 jobs. But the benefits felt by communities are even broader. The sector has the potential to deliver even more but achieving that will depend on the decisions taken on 28th October.

Our green infrastructure is not an optional luxury. Five successive heatwaves and almost nationwide droughts should demonstrate its importance, but too often, our sector is still seen as a "nice to have" and not treated with the same urgency as others. While we do, of course, recognise the importance of supporting UK food production, without our pollinators, we simply won't have the food we need. Those pollinators rely on the trees, plants and green spaces around the UK, provided for by the environmental horticulture sector.

Our green infrastructure doesn't just support food production, but is critical in cooling our towns and cities, reducing flooding, improving air quality, and making people healthier, happier, and more productive. It feeds directly into the Prime Minister's commitment to regenerating places and communities.

The last two Autumn Budgets have increased costs significantly for business – particularly SMEs, which make up more than 90% of our sector. It is critical that the cumulative impact of these policies, introduced across multiple departments, is understood.

Our members want to invest, innovate, and grow but we need the policy landscape to enable that. This Autumn Budget provides an opportunity to demonstrate that this Government is genuinely pro-growth and pro-business, while recognising the vital benefits our sector can provide across multiple areas. We stand ready to support you and other ministers in delivering this.

Theme	Summary of key asks
Reduce financial and regulatory barriers undermining UK businesses' ability to invest and grow	• Reverse the increase in employer NICs • Conduct a post-implementation review of the Employment Rights Act • Expedite Business Rates reform to deliver fairness and reduce the tax burden • Review VAT on plants and products that green our nation, lower VAT rates in hospitality, including in mixed-use businesses • Introduce Business Rates Relief for incorporating and maintaining green spaces on site • Invest in UK growers so that more green infrastructure can be grown in the UK • Align Simpler Recycling with Extended Producer Responsibility requirements • Ensure Environmental Horticulture businesses can utilise the Growth and Skills Levy
Recognise that improvements to climate resilience, infrastructure, and health and community outcomes boost productivity and growth	• Establish a cross-departmental taskforce to explore policy solutions provided by Environmental Horticulture • Develop a long-term water resilience strategy focused on water storage • Fund therapeutic horticulture for health creation • Ensure green design and maintenance are baked in at the start of planning processes
Deliver a UK-EU SPS Agreement as soon as possible	• Reschedule the UK-EU Summit to unlock detail for business certainty • Ensure adequate resourcing for SPS Agreement implementation, building back supply-chains and growing UK exports • Work with DEFRA and DAERA to support the trade of plants between GB and Northern Ireland

THEME: REDUCE FINANCIAL AND REGULATORY BARRIERS UNDERMINING UK BUSINESSES' ABILITY TO INVEST AND GROW

Increases in employer National Insurance Contributions (NICs) and the National Living Wage alone cost the environmental horticulture sector an extra £134 million each year. Consumer confidence remains low, energy and fuel costs have increased, business rates have gone up – despite the lower RHL multiplier - trade costs remain high, and regulations

like Extended Producer Responsibility, coupled with investments needed for water resilience and peat-free growing have hit horticulture businesses at once.

The government's renewed focus on youth employment and support for those not in education, employment or training (NEET) could present some opportunities for the sector, given the wide range of roles available but if ministers are serious about reducing youth unemployment, employment policy must not make it harder for businesses to create the flexible, entry-level jobs that give thousands of young people their first opportunity.

Changes introduced under the Employment Rights Act are already having an impact, with higher costs and claims for Statutory Sick Pay (SSP) since its introduction as a day one right in April 2026. Potential changes to guaranteed hours present a further risk to our sector, which relies on a range of workers – including full-time, part-time, and seasonal.

At precisely the moment, the UK needs more employers willing to give someone their first job, businesses across the economy are increasingly cautious about hiring because of successive policy changes increasing cost, administrative burden, and perceived risk. That is why we ask HMT to:

- **Reverse the increase on employer National Insurance Contributions (NICs)**

The increased contribution rate together with the reduction in the secondary threshold has added a £25 billion tax increase on businesses - effectively a tax on work. One HTA member business told us: *"our garden centre is 54 years old and has never been less profitable. Every year, our employment costs rise – that's been exacerbated by increases in National Insurance, a business rates increase, and higher energy and fuel costs. As a result, we've had to reduce our staff headcount by six, remove bonus payments and cannot afford to take the risk of hiring younger, less experienced staff. Nobody in a business wants to make these decisions – we want to reward our staff, we want to give young people opportunities, but the policy landscape is making that increasingly difficult."*

Government should reverse the increases to employer NICs and increase the threshold to £6,000 which would boost opportunities for younger workers, semi-retired workers, and those with caring responsibilities, while still supporting public services.

In addition, government should pause plans to align the minimum wage for 18–20-year-olds with the adult rate. We support fair wages, but annual increases, particularly for younger people is resulting in less job opportunities for them, as highlighted in Alan Milburn's interim report on young people and work.

- **Conduct a post-implementation review of the Employment Rights Act in relation to SSP**

The Employment Rights Act has added considerable cost and additional administrative burden on businesses. Since the introduction of day one rights in April 2026, many HTA member businesses have reported an increase in Statutory Sick Pay (SSP) claims and payments. While we support measures that seek to provide fairness and certainty for workers, it is important that government analyse the impact on businesses as a result of the Employment Rights Act to date, and reflect the feedback received on additional legislation like guaranteed hours.

Under the Act, staff who work fewer days and are sick and unable to work on their shift day, where this is a qualifying day, can receive more in SSP than those working more days. This is because SSP is calculated by dividing the weekly rate by the number of qualifying days. The HTA raised this issue with DWP and were advised *"this is a result of the long-standing structure of SSP…government will conduct a post-implementation review of the Employment Rights Act within five years."* Given increased costs to business, and irregularity within the SSP system, a post-implementation review should be conducted immediately with a view to updating how SSP is calculated as soon as possible.

- **Expedite reform for fairer Business Rates for retailers to deliver fairness and reduce the tax burden**

The rhetoric on reforming business rates, particularly focused on pubs and hotels is welcome, but it is critical that retailers are not overlooked in any review or subsequent support. While the RHL multiplier was permanently lowered in the 2025 Autumn Budget, the RHL relief was removed at the same time – resulting in many HTA member businesses paying higher rates overall. Overhauling the business rates system, to ensure fair and accurate valuations from the outset, must remain a priority for all businesses.

Government should increase the rates relief threshold for small businesses and freeze the CPI uplift to the RHL rates multiplier, which would provide retailers with more certainty on costs.

- **Introduce a 'Greening' Business Rates Relief for those which incorporate and maintain at least 0.5 hectares of green space on site**

Access to green spaces makes people healthier, happier, more creative and more productive. It also reduces workplace absence. People who spend 20 hours or more per week in a green space feel 41% more productive than those who spend less than 30 minutes a week outside.

Trees and plants also provide effective shade, with one large tree cooling its surroundings by the same amount as ten air conditioning units working simultaneously. This is likely to be an increasingly important design element in workplaces, as our summers get hotter, and demand for the introduction of maximum working temperatures increases. In wet winters, trees and plants can act as sponges, collecting rainwater which helps prevent damage to sewage infrastructure during flash flooding. Lessons should be learned from Hamburg's Green Roof Strategy which, within five years, had transformed 168 hectares of city roofs into water and heat resilient living spaces.

- **Invest in UK environmental horticulture growers so that more plants, trees and critical green infrastructure can be grown in the UK**

UK environmental horticulture supplied £1.6 billion of plants, trees, flowers and bulbs in 2025 with UK growers eager to deliver more. But achieving that means transforming the way trees and plants are produced. Growers, while keen to invest, often cannot raise the capital required quickly enough, especially given the volatility of weather-related demand. Government should work with the sector to ensure that finance can be raised for investment in automation, and access to R&D funding into areas like novel plant protection products, AI, and irrigation robotics are made available to the sector.

- **Ensure Environmental Horticulture businesses can effectively utilise the Growth and Skills Levy**

Environmental horticulture businesses are yet to feel the full benefit of the Growth and Skills Levy due to the timelines for relevant apprenticeship units to be rolled out. The defunding of certain apprenticeship units, including management, is disappointing. Government should work with the sector to ensure that they can effectively utilise the levy – this includes consulting environmental horticulture businesses on any future change to the levy. The recently announced financial incentives for SMEs who take on an apprentice aged 16-24 should go some way in easing the pressure put on employers, but more must be done to reduce the cost of employment.

- **Align Simpler Recycling legislation with requirements around Extended Producer Responsibility**

An FOI by the HTA shows that less than half of councils are complying with Simpler Recycling legislation and collecting non-black plastic plant pots at kerbside. This means that HTA member businesses could pay £750,000 more in EPR fees because plant pots won't achieve the required "widely recycled" status required to be classed as 'green' under the Recycling Assessment Methodology (RAM). Businesses using fully recyclable

materials should not pay higher rates because of the failure of Local Authorities to comply with legislation. This is particularly frustrating as EPR fees are given to Local Authorities for recycling performance, yet compliance with Simpler Recycling is not included in the audits.

Government must therefore remove the requirement for non-black plastic plant pots to meet the 75% "widely recycled" threshold and only re-introduce it once all Local Authorities in England are fully compliant.

In addition, government should scrap the Packaging Recovery Note system. Spot prices are being driven higher because of increased recycling rates, higher demand, and lower supply. The average price for a plastic PRN in 2025 was £350 per tonne. Glass was £100-120; wood was £15 and paper just 5p per tonne. In summer 2025, the predicted cost to one HTA business was around £7,000. In summer 2026, the same number of PRNs would cost around £56,000. These fluctuating costs are piling more pressure on horticultural businesses, already paying for improved recyclability via EPR.

- **Review options, including lowering/zero-rating VAT on plants, to reduce the tax burden on businesses that deliver greening and lower VAT rates in hospitality, including in mixed-use businesses**

We ask for all options to reduce the tax burden faced by SMEs across the country who are delivering plants, trees, shrubs and more for the UK's green spaces are reviewed, including lowering/zero-rating VAT on plants. Furthermore, the HTA supports industry calls for VAT rates to be reduced to 10% in hospitality, aligning with other European countries like Spain, Italy and France. However, any reductions must extend to mixed-used businesses, for example garden centres – the majority of which have a café or restaurant on site and face the same challenges as other hospitality venues.

THEME: RECOGNISE THAT IMPROVEMENTS TO CLIMATE RESILIENCE, INFRASTRUCTURE, AND HEALTH AND COMMUNITY OUTCOMES BOOST PRODUCTIVITY AND GROWTH

Climate change is reshaping daily life, and urgent action must be taken across all levels of government to cool communities in hotter summers and better protect and store water in wetter months. According to Verdant, the economic cost of successive heatwaves from May to the end of July 2026 was at least £4.4bn due to decreased productivity alone.

To increase productivity and grow the UK economy, we must address climate change, recognising the economic, environmental, and societal costs if we fail to act. Horticulture

businesses have a critical role to play but need policy to support them to make the investments needed for a more resilient future. That is why we ask HMT to:

- **Establish a cross-departmental taskforce to explore the multiple policy solutions the Environmental Horticulture sector provides, from growing our economy and export potential, to protecting our environment and supporting climate adaptation, to community health creation.**

The UK's gardens and green spaces are high-value national assets, with around £4.2 billion of international and domestic tourism spending attributed to UK parks or gardens. Our green spaces cool our towns and cities, reduce surface water flooding through sustainable drainage, improve air quality, support biodiversity, improve productivity, and contribute significantly to people's physical and mental wellbeing. For example, children living more than a 20-minute walk from green spaces exhibit over 2 hours more screen time and have poorer mental health than those living less than a 5-minute walk away.

The United Nations estimates that 60% of the world's population will live in cities by 2030, presenting a lucrative opportunity for the UK to support other nations realise the benefits of green spaces for health, climate change mitigation, and economic growth. Government should work with the sector to develop an International Growth Strategy for Horticulture, that recognises our world-class horticultural products, and renowned knowledge and expertise.

- **Work with DEFRA to develop a long-term water resilience strategy focused on capturing and storing water, recognising the critical role and needs of our private and public green spaces, and work with industry to deliver it.**

The degradation or loss of our green spaces would have a significant economic, environmental, and social impact; threatening food supply, limiting our resilience to extreme weather events, reducing air quality, and hampering our communities.

We are a sector that relies on water to grow and maintain our critical green spaces, yet growers and garden centres are responsible for just 0.2% of the UK's total water consumption. The UK's lack of a long-term water resilience strategy sees water restrictions introduced every year, hitting HTA members – the very businesses that can increase our resilience - hardest. The third round of DEFRA's Water Management Grants is welcome, but to truly protect our resources in a sustainable way, government must press ahead with the construction of more reservoirs and develop a strategy that focuses on storing water in winter, ready for increasingly hot, dry summers.

- **Provide funding for therapeutic horticulture with pilot schemes across the UK to support health creation**

Green spaces in the UK were estimated to save the NHS around £111 million per year in 2018 – equivalent to £148 million in 2026 prices - in reduced GP visits alone. Trellis's GP Pilot Trial in East Lothian, which ran throughout 2025, saw a 67% reduction in GP appointments three months after the programme ended, reducing waiting time for other patients and highlighting the power of therapeutic horticulture as a health intervention.

Government should provide funding for NHS pilot schemes across the UK, learning from the pilot in Scotland, to raise awareness about the role of therapeutic horticulture, aiding health and recovery outcomes, and supporting potentially economically inactive people back into work. Many HTA member businesses already play an active role in their communities, providing therapeutic classes and opportunities to engage with nature. Any pilot scheme should be run in conjunction with the environmental horticulture industry, who can help facilitate this work.

- **Ensure green design and maintenance are baked in at the start of any planning process, whether for a public space, infrastructure or a housing development.**

When green infrastructure is built into our urban developments, property values increase, and this drives more consumer spending as homeowners release equity to make investments or other purchases, increasing tax revenues. The Green Space Factor should therefore be mandated in the development of local plans to ensure that all developments include enough high-quality green space. HMT should work with MHCLG to strengthen the National Planning Policy Framework making the guidelines statutory National Development Management Policies, particularly those that relate to conserving and expanding our critical green spaces. This would ensure that green infrastructure is included in the design phase of any development.

THEME: DELIVER A UK-EU SPS AGREEMENT WITH EASEMENTS AS SOON AS POSSIBLE

The EU is our closest trading partner. 79% of UK growers rely on plant imports with 99% of those imports coming from the EU, so it is critical that government delivers an SPS Agreement as soon as possible to enable that trade to continue efficiently. In addition, we continue to call for easements at the border, in relation to the movement of plants, which could be delivered while negotiations are underway. That is why we ask government to:

- **Reschedule the UK-EU Summit as quickly as possible to deliver the detail and certainty businesses need**

The UK-EU Summit, due to be held on 22 July, must be rescheduled as soon as possible, particularly if we are to remain on track for an anticipated mid 2027 delivery.

- **Ensure adequate resourcing for SPS Agreement implementation, including in relevant DEFRA departments, and for building back supply-chains and growing UK exports**

The processes and systems required to implement the SPS Agreement require proper funding and resourcing if they are to deliver the anticipated benefits for UK environmental horticulture businesses swiftly and effectively. For example, the proposed National Notification System for high-risk plants must be fully integrated and digitised to ensure no extra burden is placed on horticulture businesses.

Other DEFRA directorates are also implementing significant changes over the coming 18 months relating to the environmental horticulture sector. For example, a programme of CITES legislative reform is expected to deliver benefits to those businesses who come under these regulations, however the proposed digital system required to implement the changes needs to be properly funded, developed and designed for both compliance and trade purposes.

To be able to take advantage of the deal, businesses need support to build back supply-chains, from communications across borders, to support for international trade shows and market access, the UK government needs to work in partnership with sectors to maximise the opportunity for UK businesses.

- **Work with DEFRA and DAERA to support the trade of plants between Great Britain and Northern Ireland**

The movement of plants between Great Britain (GB) and Northern Ireland is still difficult, despite the implementation of the Windsor Framework. Many GB businesses have withdrawn from the Northern Ireland market altogether. This adds significant cost for member businesses in Northern Ireland, wishing to stock British products, who face border delays, logistical costs, and higher rates because of supply constraints. As a result, many are buying directly from the EU meaning less spend on British goods and in some cases, reduced product availability for Northern Ireland consumers. We appreciate the complexities under the Windsor Framework, but as part of the United Kingdom, businesses and consumers in Northern Ireland should not be disadvantaged, unable to source products their mainland counterparts can. Once the SPS Agreement takes effect, sourcing from Great Britain will reduce paperwork requirements for Northern Ireland businesses, however supply chains will need to be reestablished with GB suppliers. Government must work with the sector to support activities related to this.

We would be happy to discuss this submission in more detail with you and your officials and can also arrange a visit to one of our member businesses where we can highlight key challenge and economic opportunities.

Yours sincerely,

Fran Barnes, CEO
Horticultural Trades Association