

## AVA REACTS TO SPRING STATEMENT ANNOUNCEMENT

Following two years of challenges and uncertainty as a result of Brexit and the pandemic, there was clear nervousness as we tuned into the spring statement announcement yesterday. Whilst small changes, we welcome the support that the government has announced to support individuals and businesses within the UK.

With continued uncertainty over pricing, the announcement that fuel duty will be cut by 5p a litre will act as a small help to the vending sector though prices have gone up over 20p a litre in the last month alone, as a result of further uncertainty due to the conflict in Ukraine. Our operators, who coordinate fleets of vans for deliveries in order to keep machines stocked and repaired have been feeling this crisis and it has created further uncertainty for businesses still recovering from the hardships of the pandemic. For this reason, we welcome this announcement and hope that it can be of some relief for businesses.

Whilst the announcement that the National Insurance threshold will be raised by £3,000 is a positive step, a wholesale suspension of the increase would have been more impactful. With prices rising on all fronts for energy, raw materials, coffee, food for example, this is *just* another increase in costs. This comes on top of all the other proposed increases facing businesses through forthcoming legislation, such as the Single Use Plastics Tax, Deposit Return Schemes, Extended Producer Responsibility – which will lead to the annual cost to industry increasing from £380 million to £3.8 billion.

The government is clearly sign-posting towards a greener future with the announcement of relief on energy saving measures, with 0% VAT on all energy saving materials. However, my initial question was what about commercial heating cost savings? It is positive to see that some small

steps have been taken to offset costs with the early introduction of business rate exemptions for installing lower energy equipment and systems – but this won't offset the significantly higher fuel and energy charges businesses are having to bear.

With the promise of a 50% discount in business rates up to £110,000 for retail hospitality and leisure sectors, we consider it to be vital that food service, catering & vending is overtly included in this step. When it was left to local authorities, our members had to fight every step of the way with little reward.

Overall, this spring statement highlights that there are tough times ahead, but we hope that these cuts and the support that was announced will act as some relief to our members who continue to navigate the ongoing industry challenges.

**David Llewellyn**  
**AVA Chief Executive**  
**March 2022**