AVA issues urgent call to Government for support for UK Vending

Press release
October 2020

The UK vending industry is calling on the UK government for renewed and further support to help vending operators and their direct supply chain to survive the pandemic as research shows one in five jobs in the sector could be at risk.

The Automatic Vending Association (AVA), the trade body representing the vending industry in the UK, is calling for urgent support for operators to continue their work, including an extension of the Coronavirus Job Retention Scheme (CJRS) for hospitality businesses and specifically vending companies, or an increase in the level of Government support to the Job Support Scheme beyond the current 22%, purely for the Hospitality and Foodservice industry.

The AVA has also asked the government to consider an additional financial grant to cover percentage of lost revenue during the crisis or the removal of Employers NI and employee pensions payments, with an increased contribution towards paying people to work.

Since the initial lockdown in March, vending operator have suffered a devastating impact on business. As people were directed to work from home where they could, turnover plummeted to an average of 34% of its previous level and over 60% of the workforce were furloughed.

AVA’s Chief Executive, David Llewellyn comments, “The COVID-19 pandemic has had a devastating impact on the hospitality industry, but it is vital that Vending is not forgotten. The impact may not be as immediately obvious on Out of Home and Foodservice industries such as Vending, but as the government advises people to stay at home and places more restrictions on movement, without support, our industry will be damaged further.

“We are calling for urgent support from the Government to help vending companies and the direct supply chain, to ensure that we can navigate this pandemic and our members can continue to operate throughout, and into the future.”

See the complete letter below.

For further information on the Automatic Vending Association visit: https://www.the-ava.com/
Notes to editors
The Automatic Vending Association (AVA) is the trade body of the vending industry in the UK. It consists of 160 members which manage the 460,000 vending machines across the UK today. The role of the AVA is to promote, protect and enhance the vending industry, as well as offer a standard of service for its members to follow. David Llewellyn is Chief Executive for the AVA and has held the position since April 2018 however, has been in the vending industry since 1994. Most recently as a senior director at global vending company Seaga Manufacturing.
The statistics available in this release come from the 2019 AVA Census survey which is sent to all operators in the wider AVA member base. Further data from this survey is available upon request.
To: The Rt Honourable Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
The Correspondence and Enquiry Unit  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Chancellor,

The Automatic Vending Association (AVA) is the Trade Association for the vending industry, representing machine and ingredient manufacturers and suppliers, cup manufacturers and vending machine operating companies throughout the United Kingdom.

The UK vending and unattended retail industry has an annual turnover of £1.6bn and a tax contribution of around £400m a year. It is an industry employing 24,500 people directly, which is supplemented by those employed within the wider vending channel supply chain.

Vending Operating companies, those which supply, fill and maintain vending machines, providing food, soft drinks, water coolers, hot and cold beverages and snacks are, with one or two exceptions, small or medium sized enterprises, often family owned.

Over 70% of the equipment sited and operated by our members is in the Business and Industry sector. The impact of the varying guidelines which have been put in place since initial lockdown in March have had a devastatingly negative impact on our business. As people were directed to work from home where they could, turnover plummeted to an average of 34% of its previous level; over 60% of the workforce were furloughed.

The Prime Minister’s exhortation for people to return to work was beginning to have a positive effect. But the swift about-turn on this advice stopped progress in an instant.

Rates relief and the various loans available have provided a “sticking plaster” for many of our members. Some are just about managing to keep going, but many will not, especially those who provide services to city centre offices and businesses where employee numbers have dropped dramatically.

As we approach the end of the Coronavirus Job Retention Scheme (CJRS) and as restrictions on movement determine by the three tiers begin – and its impact on those not going in to work – there will be many redundancies. Our research currently says up to 25% of all employees – over 6,000.
With your proposed support for those hospitality businesses forced to close or impacted by Tiered restrictions, we would implore you not to forget the Out of Home and Foodservice industries – and specifically Vending, The impact may not be as immediately obvious, but as with all Hospitality, Foodservice and Catering outlets, advising that people stay at home and placing more restrictions on movement will devastate our industry.

We ask for urgent support to help vending companies and our direct supply chain. To achieve this, we need:

1. An extension of the CJRS for hospitality businesses and specifically vending companies.
2. Or, an increase in the level of Government support to the Job Support Scheme beyond the current 22%, purely for the Hospitality and Foodservice industry.
3. Or, Financial grant support to cover a percentage of lost revenue during the crisis, to enable these SME’s to hold on to their skilled workforces whilst waiting for the post-pandemic recovery.
4. Or, Removal of Employers NI and employee pensions payments and an increased contribution towards paying people to work.

We look forward to hearing from you.

Yours sincerely,

The Board of the Automatic Vending Association,

October 2020