



AVA

The Vending &
Automated Retail
Association

SEPTEMBER 2022

AVA NEWSLETTER

AVA reacts to the mini-budget

Key Points for SMEs

Corporation Tax



As part of the Government's Growth Plan 2022, the planned rise in Corporation Tax, from 19% to 25% in April 2023 was cancelled. The Government claims that this will help the economy to grow by creating the conditions for businesses to thrive, which will hopefully lead to the creation of new jobs and increased investment in the UK. Following a challenging

two years for the vending industry, we hope that this will provide some relief for our members, particularly against the backdrop of a looming recession, fluctuating exchange rates and rising living costs.

If you have any concerns or questions about how this will affect your business, then please do get in touch for more information and we are happy to share further insights with our members. [Click here.](#)

National Insurance changes (up or down)

The plans to reverse the 1.25% rise in NI in November will affect all our members and their employees. Previously, the Government plan was to increase NI so that employers pay an extra 1.25p, to help fund the NHS and social care, however now they have scrapped these plans. We welcome this additional tax cut from the Government to offer support to individuals and businesses in the challenging months ahead.

For our members, they should see a reduction in their NI bills which should act as some comfort while other bills seem to be going up – each business will save an average of £9,600 each in 2023-24 according to the Chancellor.

Income Tax

There has been a cut in basic rate of Income Tax to 19% from April 2023, the Government estimates roughly 31 million people will receive at least £170 per year. Currently, people in England, Wales and Northern Ireland pay 20% on any annual earning between £12,571 to £50,270.

In addition to this, the 45% higher rate of income tax has been abolished for England, Wales and Northern Ireland taxpayers with a single higher rate of income tax of 40% from April next year.

Business Energy support – for 6 months. How it works:

One of the main focuses in the Chancellor's statement was how this Government will address the current energy crisis.

A discount will be provided on wholesale electricity and gas prices for non-domestic customers and will apply to fixed contracts entered into after 1 April 2022 as well as deemed, variable and flexible tariffs and contracts.

No action will be required by businesses and the discount will apply from 1 October and likely be recognised on November's bills.

As previously announced, it will run for only six months and, during that time, BEIS will review the criteria for support going beyond that period.

If you remain on a fixed price contract which dates from before 1 April 2022 but runs out within the 6-month period 1 October 2022 - 31 March 2023, then the capped price would be applied to your new contract for whatever remains of the 6-month period.

It is estimated that the Government support will provide an effective wholesale price of £211 per MWh for electricity and £65 per MWh for gas – around half of currently estimated winter energy costs.

New Living wage 10.1% increase

Although not part of the mini-budget announcements, there will also be a 10.1% increase in real living wage. Which is the largest year-on-year rise ever seen. The real living wage in the UK is now £10.90 in the UK and this rises to £11.95 in London, implemented to aid the cost-of-living crisis.

This will mean that almost 400,000 people that are working for 11,000 living wage employers will receive a boost that is vital in terms of getting through the cost-of-living crisis.

More detail can be found [HERE](#)

New Minister at Defra



Following the appointment of new Minister at Defra, Ranil Jayawardena, we are waiting for further information on the already much delayed next steps in Environment legislation for England, Wales and Northern Ireland, including the Extended Producer Responsibility (EPR) scheme, the Deposit Return Scheme (DRS) and Consistent Waste collection.

Our hope is that the progress already made will not be lost and the consultation process will not stall.

Which is why the AVA has joined in the following

UK Businesses Joint Letter to New Ministers

UK companies and Trade Associations have raised concerns with new Chancellor Kwasi Kwarteng and his fellow Ministers over the development of packaging reforms, where it is felt key Government departments are not listening to businesses who are seeking to ensure the new systems are well designed, fair and workable.

A joint industry letter signed by the AVA, BRC, FDF, FPA and INCPEN seeks action from newly appointed ministers as a matter of urgency. Businesses feel that an immediate review is needed, given the huge cost that the reforms will add to supply chains, resulting in higher prices. Meanwhile, the Government is not giving any reassurances that value for money will be achieved. A lot of consultation currently follows decisions that have already been made by government, rather than being developed in conjunction with business.

The AVA is not against the measures - this is a 'once in a lifetime' opportunity to provide a solution that will achieve greater circularity. The concern is that policies to deliver the proposals are not going to deliver the system needed, and so new ministers need to re-evaluate otherwise all the funds raised by EPR will simply add up to a tax on business and higher inflation for consumers.

AVA Christmas Luncheon - NOW SOLD OUT!!



Our annual Christmas luncheon is now sold out! If you haven't already booked, you can ask to be put on the 'alternative list' in case someone drops out.

The event is taking place on the 8 December at The Bloomsbury Ballroom, where we are providing our guests with food, drinks and special entertainment from the London Cabaret Club. If you managed to grab a ticket, we are very much looking forward to seeing you there.

P.S: The famous After Party will be taking place at The Cocktail Club, but don't tell anyone...

Don't forget AVA Live: On the Road @ Britvic

We look forward to welcoming our members at Britvic HQ, Breakspear Way. The event is a great chance to network with fellow members of the vending community and other AVA members. We will also be sharing updates and advise on upcoming legislation affecting the industry, including the proposals for Cup Levies in each of the Home Countries. Plus, updates on Deposit Return Scheme for Scotland. Email penny.rowell@the-ava.com for more information. Details and the agenda can be found [HERE](#)

AVA Team

News:



At the end of December this year, Steve Collins will be retiring from the AVA, after 23 years, over 2,000 audits, thousands of miles, a few AVEXes and several Chief Execs.

Starting as Quality Co-ordinator in 1999, Steve has made a significant contribution to the growth and development of the AVA. Always the steady hand and friendly face, his knowledge and support will be greatly missed by all of us here at the AVA office, the Board and, of course, our members.

We wish him well with his retirement plans – and grandchild sitting duties!

We are looking for a replacement in the role of Membership Services Manager and will be advertising the position soon. If you would like to find out more detail, contact

David.Llewellyn@the-ava.com

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Our mailing address is: info@the-ava.com.