

Guide

# WHAT WAS ANNOUNCED IN THE 2022 SPRING STATEMENT?



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The Chancellor announced three major updates in the latest Spring Statement, including a cut on fuel duty. We look and give our insights into how these changes could affect you and your business.

The Chancellor announced the latest Spring Statement on 23 March, raising three main points that could affect your business, your fleet and your drivers. We look at each a little more closely and Tash Turner, one of our Fleet Consultants, gives her opinions on each:

## Fuel Duty

The biggest announcement to affect your fleets is undoubtedly the reduction in Fuel Duty for petrol and diesel. Cutting the cost by 5p (which equates to 6p with a VAT saving) means a £5 billion saving over the next year, saving £200 for the average van driver.

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With the average price of petrol having risen by more than 40p per litre since last year's Spring Statement, a reduction in duty will help alleviate the rising cost of fuel for drivers.

Overall this will help to mitigate the rising transport/mileage reimbursement costs for fleets – although with fuel prices expected to continue to rise, the rather small cost savings achieved here will likely become more insignificant over time.”

Tash Turner, Fleet Consultant



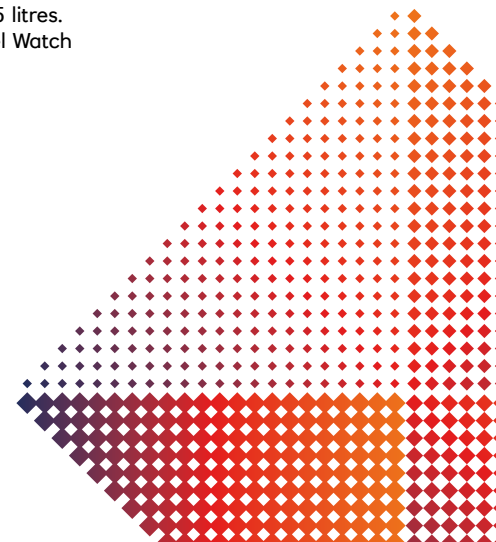
**Tash Turner**  
Fleet Consultant



	Petrol	Diesel
Current price	167.03p	178.97p
Full tank cost	£91.87	£98.43
<b>What happens if fuel duty is cut by 5p?</b>		
New price	161.03p	172.97p
Savings per litre	6p	6p
Full tank cost	£88.57	£95.13
Tank savings	£3.30	£3.30

Estimates based on comparisons with average pump prices as of 20 March 2022. A full tank is assumed to be 55 litres.

Source: RAC Fuel Watch





## VAT

A five-year, zero-rate on VAT for installing certain energy-saving materials, including insulation and solar panels (and wind turbines). However, it doesn't include public network chargers, which is an oversight.

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With VAT scrapped on home energy-saving measures such as insulation, solar panels and heat pumps, it was disappointing to see that VAT on public network chargers has not been addressed. Currently, VAT at public chargers is four-times higher than on a domestic charger – continuing to create an unnecessary barrier to the uptake of EV's. Reducing the current 20% rate on energy at public facilities to match the 5% domestic rate would have been a welcomed addition to the Chancellor's statement.

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Tash Turner, Fleet Consultant

Want to read more? You can find out about each piece of legislation below:

- [Business support](#)
- [Fuel Duty](#)
- [VAT](#)



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