



The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
SW1A 2HQ

By email: externalaffairs@hmtreasury.gov.uk

24th January 2024

Dear Chancellor,

Spring Budget 2024 – an opportunity to support scaffolding and access businesses and the wider construction industry to meet new housing targets.

The Scaffolding Association is the UK's largest dedicated trade association representing the scaffolding and access industry. Our membership includes 650+ businesses who between them employ 18,000 scaffolding contractors – over half of those working within the sector.

The forthcoming Spring Budget provides you with the opportunity to support our members and the wider construction industry.

The government has ambitious plans to build 300,000 new homes by the end of 2024 and regardless of whether this target is achieved, a thriving construction industry is needed to maintain an ongoing supply of new homes as well as supporting commercial and domestic construction demand.

However, our members and other construction businesses face several challenges which threaten their survival including rising costs of materials and labour, skills shortages and meeting net zero targets.

In view of this, we ask you to consider the following measures ahead of the Spring Budget on 6th March 2024:

Payment – We welcome the announcement made in your Autumn Statement last November that from April 2024, companies with a turnover of £5million or more will not be able to bid for public contracts if they have a record of paying their suppliers on average after 55 days or more. Further, your commitment to reduce this to 45 days and then to 30 days in line with the Prompt Payment Code.

We ask that the exchequer goes even further to support the construction sector, which has more SME's than any other industry sector, and apply these requirements to all businesses awarded public contracts regardless of their turnover.

Corporation Tax - Since 2010, the government has reduced corporation tax from 28% to 19%. However, the increase to 25% from April 2023, for businesses with taxable profits over £250,000, means that cash reserves which could help to offset rising cost pressures, and provide confidence to businesses needed to invest in measures to support the transition to net zero, is instead being consumed in rising taxes. We are therefore calling on the exchequer to revert to the pre-April 2023 flat rate of 19%.

Capital Expenditure – Early in 2023, the government announced full expensing from 1 April 2023 to 31 March 2026. Later the same year, the government announced that it would go one step further and make full expensing a permanent measure to encourage businesses to make long-term investments. However, this latest intervention is not as beneficial to businesses as the 130% first-year capital allowance for qualifying plant and machinery assets; and a 50% first-year allowance for qualifying special rate assets which was available from April 2021 to March 2023 known as the super deduction. We are calling on the exchequer to reconsider its position on full expensing in place of a more favourable arrangement such as the super deduction.

Other Taxation – To support construction businesses with one of their most significant overheads – commercial vehicle fleets, we are calling on the exchequer to ease the financial burden of running HGV's by maintaining a freeze on fuel duty and temporarily suspending Vehicle Excise Duty (VED) and the HGV Road User Levy.

I hope that this letter provides a useful outline of the challenges, uncertainty, and opportunities our sector faces and that you and your officials will give serious consideration to our asks ahead of the Spring Budget.

Should you or your officials require any further information please do not hesitate to get in touch.

Yours sincerely.



Robert Candy
Chief Executive