# The Budget

## A playbook

What you need to know and do after the Autumn Statement 2025

womeninfood | Powering a thriving industry

Newton

# Contents

## What's included



## About Women In Food

### Powering a thriving industry

Women in Food empowers women across the food and drink industry to step confidently into leadership roles and shape the future of the sector.

Through valuable content, events tackling industry-critical issues and specialised training programmes, we create space for senior women to share their diverse perspectives and shape the future of the industry. We want to inspire and provide women with the tools to unlock visionary leadership, innovate and build confidence to solve market challenges. Our aim is to inspire future female leaders and foster collaboration to build a thriving food and drink industry.

Women in Food is led by Newton as part of our purpose-driven commitment to the industry.

## A way forward

**Jazz Swift**

Director | Retail

Women in Food co-lead

Newton

With the Autumn Statement happening during such a key retail trading period, it impacted the food and drink industry before it was even announced. As Emma Harris from M&S told me when we discussed the budget for this playbook:

> **"Everyone was expecting to be worse off which reduced demand in November, but it will be interesting to see if behaviour changes as people work out how the announcements will affect them.**

Now we finally know the details, how could the budget impacted consumers, your business and your role? That's what this Women in Food playbook aims to unpack.

There is always much debate around the budget. Our aim is to cut through the noise, providing practical next steps and considerations for female leaders specifically in food and drink, and provide the information to talk confidently about the budget within their business.

The playbook is divided into the two key areas where I see the budget having the biggest impact on our industry – the cost of doing business and regulatory changes. In each, we summarise the most significant changes, outline questions to ask by function and advice to consider as a leader. This is followed by a section on how the budget combined with these changes will impact consumer confidence.

The playbook is based on the insights of leading experts from across the industry (as outlined on the next page) who I have been lucky to speak to over the last few days.

Thank you for your candour, kindness and, of course, actionable advice.

I hope everyone at Women in Food, and those you share this document with, find it useful over the coming weeks as we all adapt to the new landscape. If you have any questions or feedback, I'd welcome the chance to discuss them with you.

## Thank you to our Women in Food expert panel for their time and generosity in sharing their thoughts.

### Karen Betts OBE

Chief Executive

Food and Drink Federation

Karen is an Adviser to the UK Government's Board of Trade and was the CEO of the Scotch Whisky Association, representing the UK's largest food and drink exporting industry, advocating for and regulating the industry in the UK and export markets on trade, legal/IP, environmental, tax and skills policies. She was a diplomat in the Foreign & Commonwealth Office for 16 years, holding a variety of posts in London and overseas. In 2022, she was awarded an OBE for services to international trade.

### Sarah Bradbury

CEO

IGD

Currently CEO at IGD, Sarah is on the Women in Food Steering Group and has spent more than 25 years' in retail, most recently as Group Quality Director at Tesco. She was responsible for delivering high-quality safe products, sustainability, agriculture and regulatory compliance, as well as working collaboratively to influence and drive change across the entire supply chain. Sarah held senior commercial and marketing positions at both Tesco and Aldi and co-chaired IGD's Technical Leadership Forum, helping to drive change and mobilise the food and consumer goods industry as a force for good.

### Christina Clark

Director Consumer Goods

Newton

Christina, along with Jazz Swift, co-lead the Women in Food initiative with the Steering Group. She is a senior leader with extensive experience driving transformation and productivity across consumer goods and retail sectors. Through her work at Newton and previously at Diageo working across manufacturing and supply chain, she delivers lasting and sustainable change across the end-to-end value chain for consumer goods organisations. Having spent several years in male dominated operations environments, she is extremely passionate about increasing female representation in the food and drink industry.

**Emma Harris**

Finance Director

M&S Food

Emma, who sits on the Women in Food Steering Group, is a highly experienced finance professional with a 25-year career spanning major UK and global businesses. She spent 15 years at ASDA before a move to Finance Director at Boots and then Chief Financial Officer of Global Brands for Walgreens Boots. For the last five years at M&S, she has worked across three of the high street stalwart's major divisions – food, property, and retail. Next year, she is set to join restaurant chain Mitchells & Butlers as CFO.

**Lindsey Roberts**

Chief Financial Officer - UK

Valeo Foods Group

Lindsey is also on the Women in Food Steering Group. As Valeo Foods UK's CFO, she holds responsibility for the full finance function, legal and executive oversight of procurement. She has extensive knowledge within the food industry having worked at Board level for several years, including five spent as Chief Financial Officer for the UKI region of Pladis Global. She has worked across listed, private and PE-backed businesses, spending significant time leading strategy and transformation, including during 20 years at Kerry Foods.

**Jazz Swift**

Director - Retail

Newton

Fellow co-lead of Women in Food, Jazz has spent the last decade driving strategic change for major grocery retailers and leading high street fashion brands. Her programmes enhance retail operations, supply chain efficiency and investment in physical estates. Starting her career working on the shop floor within Sainsbury's, Jazz has a deep understanding of the sector that now underpins her work in transforming operations. A passionate advocate for equality, diversity and inclusion, she champions career development and opportunities for women across the food and drink sector, including co-leading Women in Food, to create pathways for future leaders and foster a more inclusive industry.

Autumn Statement announcements, impact and actions

# COST OF DOING BUSINESS

The cost of doing business continues to rise with a number of the key announcements poised to hit profitability at retailers and manufacturers.

> **It is hard to identify any policy measures that are making it easier for food businesses to operate.**

**Sarah Bradbury** | CEO
IGD

# Business Rates

## The announcement

"The government is introducing a higher rate on the most valuable properties – those with rateable values of £500,000 and above, representing around 1% of properties... A package worth £4.3 billion over the next three years will support businesses as they transition to their new bills. The government will also introduce new permanently lower retail, hospitality and leisure multipliers."

## The impact

This is a significant announcement for the industry, impacting every element of the end-to-end supply chain. Large supermarkets, distribution centres and factories will face higher fixed costs. Online food and drink businesses operating significantly sized fulfilment centres will see similar cost increases. Smaller cafés, shops and rural outlets, while shielded by SBRR, may still feel indirect effects through higher supplier prices.

However, although some of the larger retailers are expected to see their annual tax rise by almost £100 million, the impact is much less than previously feared. The Chancellor seems to have listened to retail leaders' requests for relief for retail businesses not protected by the Small Business Rates Relief (SBRR), having introduced a £4.3 billion relief scheme to provide pressure release for larger retail spaces.

## Higher rate on the most valuable properties

+£500,000

£4.3 billion

*three year support package*

**"All properties subject to business rates are due to be revalued next year, which means that almost all business rates bills will increase as a consequence of rising property values. The Government has agreed to introduce some transitional relief for the largest rate-payers so that they won't be hit by those bigger bills until 2030.**

**Sarah Bradbury** | CEO
IGD

**"We were promised an overhaul of business rates that levelled the playing field between online and bricks and mortar retail. We've ended up with a fudge that has caused problems for business across sectors, big and small. We still need fundamental reform that supports growth and protects the high street.**

**Emma Harris** | Finance Director
M&S Food

# Minimum Wage

## The announcement

"From 1 April 2026, the National Living Wage will increase by 4.1% to £12.71 per hour."

## The impact

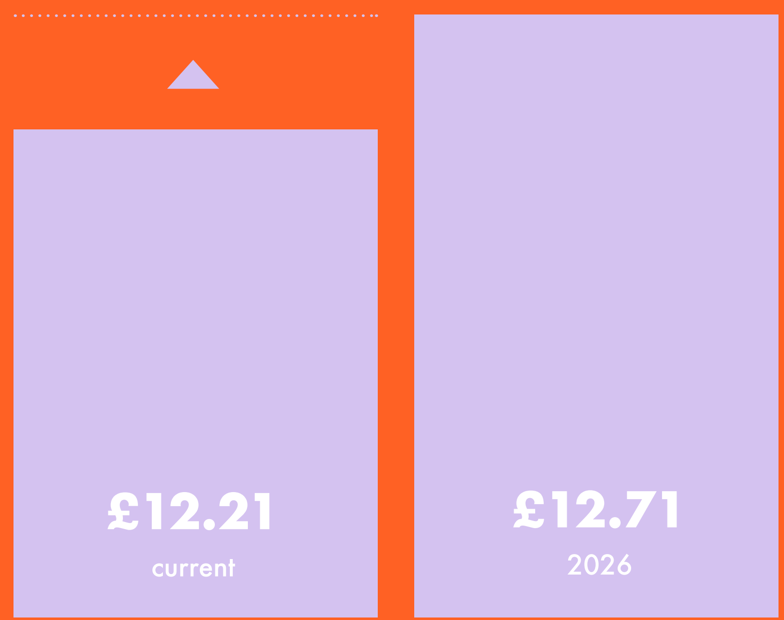
Wages are a significant proportion of manufacturers' and retailers' cost base and they have already risen recently. Manufacturers may now be looking to move volume to other countries which will have a ripple effect on all salaries across all pay scales to maintain fairness. This rise could also reduce opportunities for less experienced employees, potentially leading to higher youth unemployment.

> **"This is a cost that somehow we need to find a way to offset, amongst other things, most companies will look at their pricing strategy.**

**Lindsey Roberts** | Chief Financial Officer - UK
Valeo Foods Group

## Increase in national living wage

**+4.1%**



# Salary Sacrifice

## The announcement

"The government will charge employer and employee NICs on pension contributions above £2,000 per annum made via salary sacrifice."

## The impact

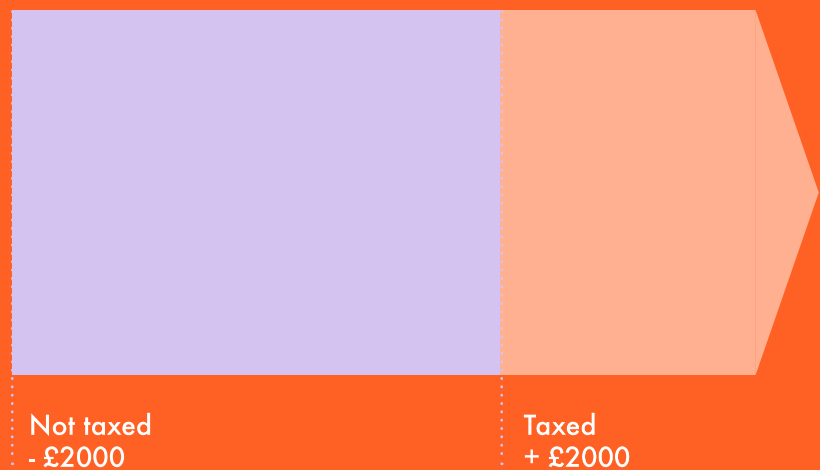
Across the food and drink supply chain, the cost of offering pension contributions could rise, especially in labour-intensive areas such as factories, processing and retail stores. Not only that, but there is also a risk of disincentivising full-time work for women in leadership roles, as it makes them less financially rewarding at the same time that childcare allowance could be removed.

> **Companies might have to rethink pension and benefits provision as matching schemes all of a sudden become a significant bill.**

**Lindsey Roberts** | Chief Financial Officer - UK
Valeo Foods Group

**Taxed for contributions above**

**+£2,000**




*Within salary sacrifice pensions contributions*

# Fuel Duty

## The announcement

"The government is extending the 5p fuel duty cut until the end of August 2026, with rates then gradually returning to March 2022 levels by March 2027. The planned increase in line with inflation for 2026-27 will also be cancelled."

## The impact

Supermarkets and cafés will see margins squeezed as distribution and delivery costs rise. Online and convenience retail, dependent on delivery fleets, will face particularly sharp increases. There is the potential for some of these costs to be passed on to the consumer through reduced free delivery options or higher retail prices. It could also accelerate the adoption of Click and Collect and in-store pick-up options to mitigate delivery costs.

> **We have our own fleets and as soon as fuel duty increases then the cost to ship is going to become more expensive.**

**Lindsey Roberts** | Chief Financial Officer - UK
Valeo Foods Group

## Increase in fuel prices

*Cutting of fuel duty by March 2027*

## Energy Costs

The government rolled out the British Industry Supercharger scheme to put Britain's energy intensive industries on a competitive footing globally. Food and drink manufacturing is excluded, meaning no access to these electricity cost reductions.

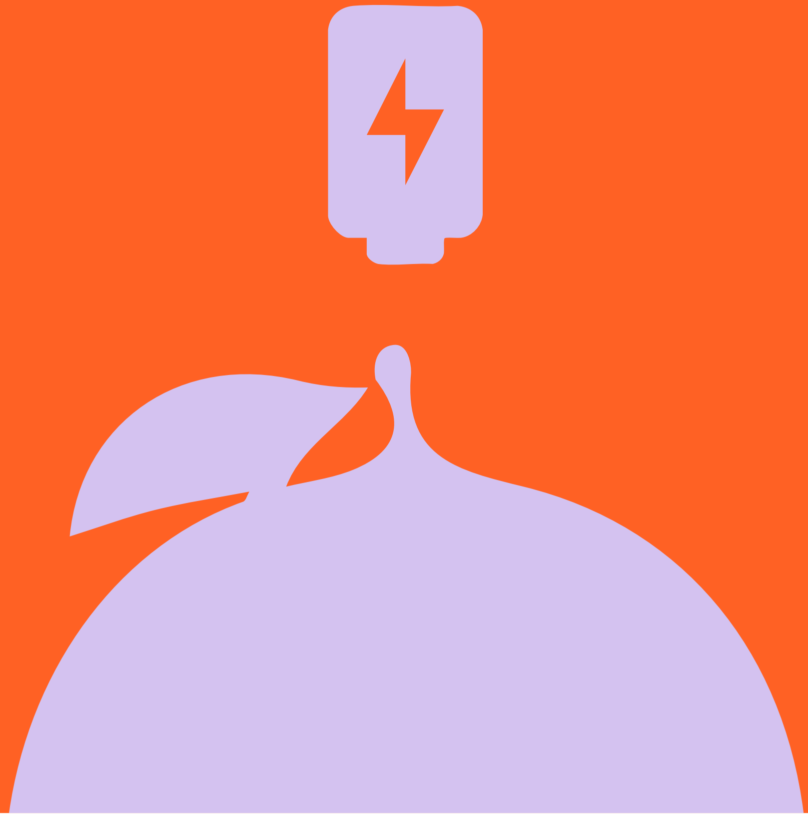
### The impact

Energy costs are an issue across the food chain, so the cumulative impact for consumers of extra costs to retailers, suppliers and manufacturers will be significant. Rising energy costs will squeeze margins further, especially for energy intensive processes like refrigeration and baking. UK food and drink firms may face higher costs compared to international competitors benefiting from similar schemes.

> **"Despite food and drink being the largest manufacturing industry in the UK, it was not included in the government's recent Industrial Strategy, and is therefore not entitled to this scheme. This is frustrating and we will continue to advocate for it to change.**

**Karen Betts OBE** | Chief Executive
Food and Drink Federation

## Excluded from the British Industry Supercharger scheme



## Commercial, finance and compliance

What is the direct cost of business rate increases per site, and how will this affect profitability across our estate? Which sites (existing or planned) are most exposed due to high rateable values (RVs)? How should 2026+ financial models be adjusted to reflect higher multipliers?

Retailer specific: How do I validate supplier CPI (cost price increase) requests linked to fuel duty? Can I use data to distinguish genuine transport inflation from opportunistic price rises?

## Marketing and customer insight

How will consumers react to potential price increases, and which trade-offs (pack size, promotions, value tiers) will they accept? Could demand shift between premium, mainstream and value ranges, and how should brand positioning respond? How will others retailers respond? Who will invest to keep prices steady or even competitive? Will suppliers' margins be squeezed even further, or will they be able to pass through CPIs?

## Store and site expansion

Are new sites viable once projected rate increases are factored in? Should expansion favour smaller-format or convenience stores less exposed to high RV thresholds?

Manufacturer specific: With these tax implications and increased costs on fuel, what is the best balance of centralised distribution centres vs. additional more regionalised distribution centres?

## Technical and product development

Will technical teams be required to find new efficiencies in manufacturing to offset higher fixed costs? Should product reformulation be prioritised to reduce costs while maintaining quality and compliance? How will cost-saving pressures impact timelines for innovation or rollouts of new product development (NPD)?

Retailer specific: Will suppliers need to reformulate pack sizes or specifications to optimise loads and cut fuel costs per unit? Are shelf-life and packaging choices still fit for higher-cost distribution networks?

## Factories, suppliers and processing plants

What will the uplift in inbound and outbound transport costs mean for unit production costs? Can efficiency gains or modal shifts (rail, shared loads) offset higher delivery charges? What will higher business rates mean for our own factories, warehouses, or offices, and how much will fixed costs rise?

Will these cost increases affect margins or decisions on automation and investment? How can we find the capital to invest in automation so that we are in the leading pack of innovators?

Retailer specific: How will increased retailer costs affect contract terms, pricing and volumes with suppliers?

## Distribution and logistics

How sensitive is my fleet to duty increases per mile? Do I need to renegotiate contracts with retailers and suppliers to include fuel surcharges?

## Cost of doing business

> **"The implications of a short-term focused budget like this are far reaching in the longer term.**

**Lindsey Roberts** | Chief Financial Officer - UK
Valeo Foods Group

Operating costs across the UK food and drink supply chain will increase due to these budget announcements, placing further financial pressure on businesses, contributing to overall cost inflation and consumers paying more at the till.

## Leadership considerations

### Collaboration and strategy

Do you understand across departments what the cumulative impact of those cost changes will be on your business, and how that will shape your business strategy? Working across departments will unlock truly end-to-end decisions.

### Remuneration and talent

Map how changes to pensions will affect your business combined with minimum wage increases and frozen tax bands – at all levels and across departments. Will planned salary increases need to be higher to have the same impact for people, or else risk a brain drain? How can you create a strong talent pipeline, encourage women through programmes like Women in Food's Rising Stars, and make sure they are not disincentivised financially to take on leadership roles? Is there a place for apprenticeships to encourage young talent and prevent skills gaps?

> **"The cost of employing part-time workers has grown far more than for their full time equivalents. The food industry has huge numbers of workers on part-time contracts, and they are predominantly women. There is therefore a risk that any reductions to the workforce could disproportionately impact women – worth considering that when having to make tough decisions.**

**Sarah Bradbury** | CEO
IGD

### Innovation and growth

Accelerate investment in automation, digitisation and robotics to maintain competitiveness by focusing on improving effectiveness and opportunities for growth. Look to where the biggest value levers and impact are available and start there first.

## Autumn Statement announcements, impact and actions

# REGULATION

Regulation levels for food and drink businesses will increase, impacting the cost of doing business and adding to the inflationary impact just described. To try to stagger the impact of costs, the government has committed to ensuring key changes happen at different moments.

> **“The pace of regulation in the food industry will not be easing up anytime soon.**

**Sarah Bradbury** | CEO
IGD

## Plastic Packaging Tax & Extended Producer Responsibility

### The announcements

#### Plastic Packaging Tax (PPT) rate and threshold 2026-27

"To incentivise businesses to use recycled instead of new plastic in packaging, the government will increase the Plastic Packaging Tax (PPT) rate for 2026-27 in line with CPI inflation." From 2027 companies will be able to use a mass balance method to attribute chemically recycled feedstock to new packaging.

#### Extended Producer Responsibility (EPR)

"The government will continue to make improvements to the packaging Extended Producer Responsibility." Under this scheme, packaging producers will be required to cover the cost of recycling and disposing of waste packaging materials.

### The impact

As costs for non-recyclable packaging are increased, businesses are being incentivised to use sustainable packaging. Whatever decisions businesses make as a result, there is a need for compliance and reporting as producers will need to assess the recyclability of their packaging and report accordingly to comply with the new EPR regulations. With mass balance accounting, manufacturers should have a clearer route to meeting the 30% recycled content threshold that avoids the tax. The measure will also remove pre-consumer waste from the definition of recycled content for the tax. The positive step forward is that the process will become producer-led, giving the industry more control over recycling schemes and potentially reducing the costs passed onto consumers.

## Costs for non-recyclable packaging are increased

**"This change is important as it gives companies confidence that producers will control the EPR system and run it efficiently and at as low a cost as possible for producers and consumers.**

**Karen Betts OBE** | Chief Executive
Food and Drink Federation

## Soft Drinks Industry Levy (SDIL)

### The announcement

"The government will reduce the threshold at which the SDIL applies from 5g to 4.5g sugar per 100ml and remove the exemptions for milk-based and milk substitute drinks with added sugar to create a level playing field between pre-packaged beverages." These reforms come into play in 2028, providing a longer period for reformulations than was originally expected.

### The impact

These measures generate revenue for the government and while they are a compromise after industry feedback, they will still lead to rising costs for consumers as they add cost and complexity for retailers and manufacturers. However, the announcement will have less of an impact than some were predicting as the government was rumoured to be looking at a 4g limit which would have meant more reformulation was required.

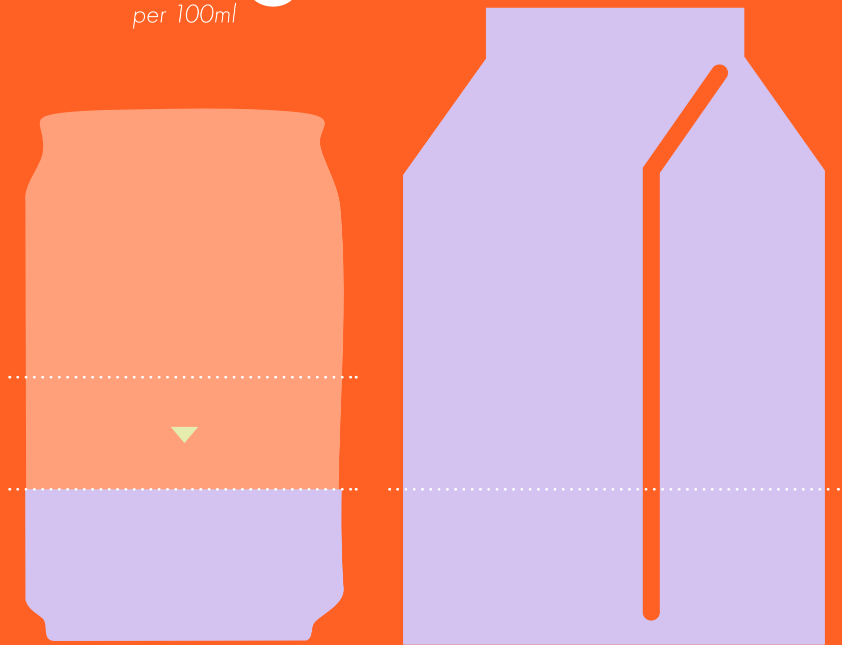
> **Food and drink are non-discretionary so consumers cannot avoid these costs, making the 'tipping point' of any real health behaviour change hard to define.**

**Emma Harris** | Finance Director
M&S Food

## Reduce SDIL threshold to 4.5g and exemptions for milk products

4.5g

*per 100ml*



## Food Inflation Gateway

### The announcement

"The government also recently announced a Food Inflation Gateway to assess and monitor regulation which could add to food prices."

### The impact

To keep consumer prices lower, the government is asking the industry to help ensure changes work practically and has committed to viewing regulatory changes in the round to avoid simultaneous cost increases for food businesses. For instance, the implementation of the Sugar Levy no longer coincides with the Deposit Return Scheme.

> **"I was very pleased to see this positive move which we hope will enable the government to sequence regulatory changes to provide food businesses with a single line of sight to keep prices as low as possible.**

**Karen Betts OBE** | Chief Executive
Food and Drink Federation

## Food Inflation Gateway to assess and monitor regulation

# Agricultural Property

## The announcement

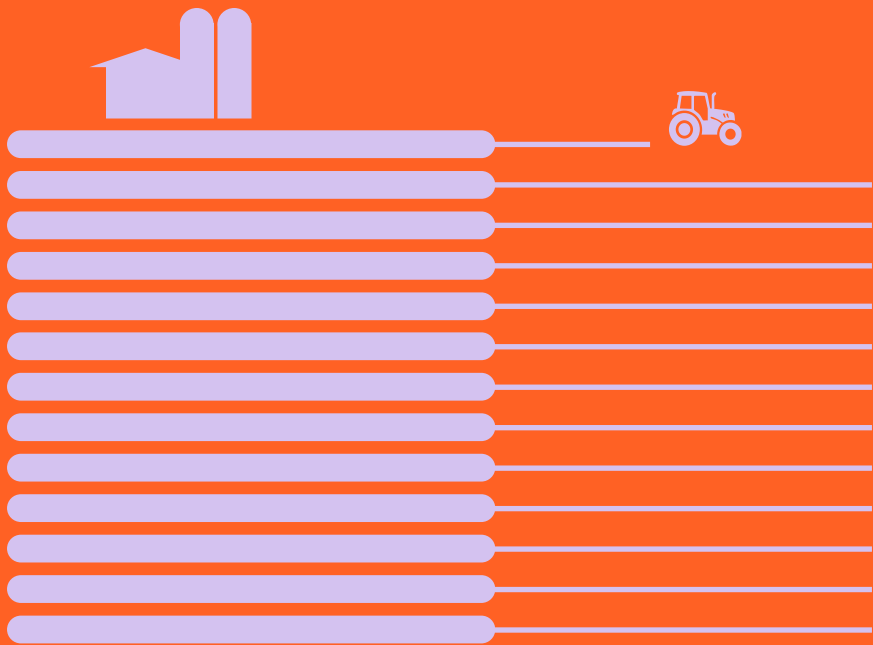
"The £1 million allowance for the 100% rate of agricultural property relief and business property relief will be transferable between spouses and civil partners."

## The impact

This allowance can be transferred between spouses, and the tax can be paid in interest-free instalments over ten years. This will provide some relief for smaller farms but larger estates will still be significantly impacted, highlighting the importance of having a succession plan in place to manage inheritance tax liabilities.

## Allowance for agricultural property transfer

£1m



## Commercial, finance and compliance

How much will modulated EPR fees increase our packaging costs per product line? Do we have reliable data to calculate per-tonne fees and ensure accurate reporting? Are our packaging labels aligned with the new "Recycle/Do not recycle" binary system? What products, or how can you make products, meet the 30% recycled content threshold that avoids the plastic tax?

How will the SDIL affect profitability? Will it change pricing? How will we ensure compliance?

Retailer specific: How will EPR and PPT costs affect margin and pricing strategy? Which suppliers are absorbing vs. passing on costs, and how do we negotiate? Do we have a model for annual cost exposure under modulated fees?

## Marketing and customer insight

Could eco-design create a competitive advantage with customers demanding sustainable packaging? Are we building sustainability benefits into product messaging and claims without risking greenwashing?

What low sugar options are consumers excited by? What opportunities are there to innovate in this space?

Retailer specific: Are we communicating packaging and recipe changes in a way that builds trust? How do consumers respond to new formats (e.g. fibre trays replacing plastic)? How do consumers respond to new product types (e.g. swapping added sugar for sweeteners)? Are there opportunities to be leveraged as an authentic brand differentiator in a competitive market?

## Distribution and logistics

Will packaging changes (lighter or bulkier) impact palletisation, shelf-ready packs, or transport efficiency? Are reverse logistics (for recyclables) part of our strategy? How do packaging redesigns affect waste handling costs across the network?

## Technical and product development

Can packaging be lightweighted (using less material) without compromising shelf life, food safety or supply chain robustness? Do our current packaging changes require new product testing or reformulation (e.g. barrier coatings, sealing methods)? Are suppliers ready to provide compliant materials at scale?

Are the materials we use for packaging classified as recyclable under the Recyclability Assessment Methodology (RAM)? Could we substitute current plastics with lower-fee, more recyclable alternatives (e.g., mono-materials, fibre-based)? How will the removal of pre-consumer recycled plastic (from April 2026) affect our packaging specifications?

Based on consumer demands and needs, where should we reformulate to prevent the SDIL impacting? How will we plan this into other regulations to minimise workload and cost implications?

Where will we need to work with retailers closely to execute required changes? How can we do this in a cohesive and collaborative way? What options are there to reduce ingredient and processing costs during product renovations?

Retailer specific: Do our product specifications reflect the 30% recycled content requirement (post-2026, post-consumer only)? Are all packaging lines correctly labelled under new binary recycling rules? Do we need product revalidation (e.g. food contact safety testing) when changing packaging materials?

How will the SDIL affect our product range? How can we work with suppliers to agree on a price and product strategy to meet consumer needs?

## Factories, suppliers and processing plants

Are our current packaging formats RAM-compliant (recyclable, easy to sort)? Can we reformulate packaging to reduce weight or switch to mono-materials without affecting product safety or shelf life? What is the estimated increase in per-unit cost due to modulated EPR fees? Are we set up to cope with trials of new formulas and packaging? What capacity will this require and what will it do to the site efficiencies and cost to manufacture?

**“We will see a swathe of new HFSS restrictions in addition to changes flowing from the Employment Rights Bill and new reporting requirements relating to deforestation. We also expect a new Circular Economy Strategy which will almost certainly add new duties in addition to plans for mandatory healthy sales reporting.**

**Sarah Bradbury** | CEO
IGD

**“If a company has to employ 10 people to do compliance across this range of regulation, those are 10 people who are not employed to go out and look at new business opportunities, look at growth opportunities for their business - which is significant opportunity cost.**

**Karen Betts OBE** | Chief Executive
Food and Drink Federation

While industry challenge has lessened some of their impact, these regulatory changes still have significant cost and operational implications for food and drink businesses. To compound the issue, this increased workload will distract from potential growth opportunities – a significant risk to individual organisations and the country’s economy as a whole.

## Leadership considerations

### Influence government

The British Retail Consortium’s (BRC) letter to the chancellor ahead of the Autumn budget and the FDF’s continued work with the government to directly influence this budget has shown the influence the industry can have on policy. With further regulatory burden coming, there are upcoming opportunities to feed into government decisions. How will you, and your business, help influence how and when these regulations are imposed?

### Innovation alongside regulation

There is a need to work across departments to map out the impact of regulation changes across the business. But by understanding how your competitors will likely adapt, and what your consumers need, there is an opportunity to identify products in your portfolio affected by these regulations that can be changed in a positive way for the consumer. These changes offer an opportunity to innovate something that could disrupt the market and drive growth and a way to review the current cost base of your products.

### Collaboration across the food supply chain

Breaking down barriers across the supply chain will be critical to ease of implementation, reporting, keeping down costs and the ability to execute brilliant products for consumers. Understand how you can build better relationships and get better visibility with your customers and suppliers to ensure that you understand the true end to end impact of the regulations and your decisions.

Autumn Statement announcements, impact and actions

# IMPACT ON CONSUMER CONFIDENCE

How will these changes and the budget more widely impact people's daily lives and spending? We already know consumers have been spending less in the run up to Christmas but, with prices set to rise due to the issues already outlined in this playbook, confidence is unlikely to bounce back anytime soon, despite changes to Universal Credit and a freeze on the personal allowance.

# Consumer Confidence

## The announcements

### Universal Credit

The maximum amount that can be reimbursed for childcare costs for eligible Universal Credit claimants will increase by £736.06 for each additional child above the current maximum cap for two children."

### Income Tax Personal Allowance and higher rate thresholds

"The government is maintaining the income tax Personal Allowance at £12,570 and higher rate threshold at £50,270."

## The impact

Household income may increase due to the freezing of income tax thresholds and the minimum wage rise (and wages likely increasing in-line). But even with relief measures, the increased business rates and regulatory burden discussed earlier in this playbook will lead to rising food and drink costs. This will be passed onto the consumer. Buying power will not rise at this same rate. In fact, it is likely to reduce, causing fiscal drag.

> **Consumers are getting used to an environment where there are big shocks to the system but that uncertainty makes it difficult for people to plan and for retailers to confidently set strategy.**

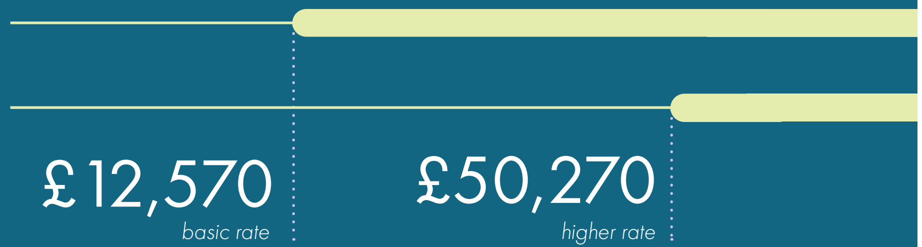
**Emma Harris** | Finance Director
M&S Food

> **The major challenge is that food inflation is ongoing, outrunning both general inflation and incomes. This makes food more expensive in "real terms", damping down confidence and spending power. We expect this to continue into 2026 and 2027.**

**Sarah Bradbury** | CEO
IGD

## Scrapping two child benefit cap


## Freezing Personal Tax Allowance



## Adapting for the consumer

The UK has some of the lowest food prices in Europe and consumers generally understand rising costs are driven by external factors, not greed. But that doesn't make it any easier for them to afford the changes. Customers will be making choices, cutting down or deliberately maximising their spend. In this world of the price conscious shopper, loyalty is hard to maintain. Many are actively choosing retailers offering the best value, considering both online and in-store options.

"Unlike in previous high-inflation periods, there's not been a major switch from branded to own-label products, even though promotions have increased significantly," says Emma Harris from M&S. Loyalty schemes are still being seen to drive perceived value but heavy promotions are creating complexity and undermining sustainable profitability.

So, how is it possible to deliver profitably in this environment? How you market to your customers is key. What are the factors, other than price, that you can win on? Do you need to review your range? Start NPD? Is there a case to be made for showing how you're investing into those core essentials where customers are consciously looking to pay the best price? How can you ensure high availability without increasing waste? How can you create premium or treat experiences in store or restaurant environments – a potential growth area?

**Latest IGD Shopper research**

84% of consumers expect their tax bills to rise (up from 75% in June)

33% intend to cut back on spending on food and groceries (up from 29% in June)

33% of consumers expect to be worse off next year (up from 25% in September)

> **We're in a really competitive sector, with little population growth so we're all chasing the same value pool of consumers and spend. The most important focus becomes where to invest strategically.**

**Emma Harris** | Finance Director
M&S Food

> **Understand what the changes mean for your business, prioritise what you really need to think about and focus on what you can actually control.**

**Lindsey Roberts** | Chief Financial Officer - UK
Valeo Foods Group

> **Household income will increase but buying power will in reality reduce. The consumer has already become an adaptable buyer, and they will be looking now more than ever to maximise their buying power, not just on essential items but across premium, food-to-go and hospitality.**

**Jazz Swift** | Director
Newton

> **"People have not been spending as much in the run up to Christmas. Will the budget change that? For workers on the minimum wage, pay is going up and the tax changes will have the least impact. But further up the pay scale, people are paying more tax and costs will increase, so they are unlikely to feel they have more in their pockets to spend.**

**Karen Betts OBE** | Chief Executive
Food and Drink Federation

> **"IGD shopper research shows that many shoppers believe the Budget will actually leave them less wealthy overall - including those that it was meant to help. Few think it will actually assist them. These responses may be based on perception rather than experience, but perception can still shape shopping behaviour.**

**Sarah Bradbury** | CEO
IGD

Spending will likely remain cautious despite wage increases because inflation, pension changes and frozen tax thresholds will weigh heavily. This is especially true for consumers higher up the pay scale, likely impacting premium retailers the most. But even for discount retailers, the question remains whether people will want to spend any potential pay rise in the supermarket.

## Go for growth

**Christina Clark**

Director | Consumer Goods

Women in Food co-lead

Newton

It's been clear during my conversations with the experts who have kindly contributed to this playbook, as well as with my clients, that this is a tough Autumn Statement for the food and drink industry.

Growth projections have fallen since the full details emerged, with many observing that the budget's aim is to generate short-term revenue to urgently plug fiscal gaps. Its focus is surprisingly narrow, missing the opportunity to stimulate growth within the UK's most significant manufacturing sector. Worse still, without a real understanding of commercial dynamics of food and drink, even over the next few months, the expected outcome is rising prices and a further decline in consumer spending. The increased regulation too, while well-intentioned, will also add complexity for the industry and cost for the consumer.

That said, it's clear that the government is listening – opening the door to better visibility and engagement with the industry to ensure our voices are heard and businesses can make better-informed decisions. Next, we need the government to recognise the incredible potential of food and drink to grow the UK economy, with the right support and investment.

Otherwise, the risk is that as consumer confidence decreases and food and drink costs rise, UK manufacturing volumes could shrink, efficiencies could fall, and sites may need to consolidate to remain competitive. If the UK becomes a less attractive market internationally, there could be a net movement of skills and higher earners over the long-term.

I don't believe we're at a tipping point – yet. Spend on food and drink will not fall off a cliff, but how and where it is spent will shift.

> **"We need to be even more purposeful in our search for inefficiencies and cost reductions, while also identifying exciting opportunities to invest in products and experiences that will fuel customer connection and growth.**

# womeninfood

## Powering a thriving industry



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