



## NEIL PARISH

*Member of Parliament for Tiverton & Honiton*

Rt Hon Philip Hammond  
Chancellor of the Exchequer  
HM Treasury  
1, Horse Guards Rd  
Westminster  
London SW1A 2HQ

22<sup>nd</sup> October 2018

Dear Chancellor,

**Re: Budget 2018: Incentivising the rental and leasing sector to generate jobs and growth**

We are writing ahead of the Autumn Budget to urge you to use this upcoming fiscal event to stimulate the uptake of electric vehicles by bringing forward the reduction of Benefit in Kind (BiK) to 2%.

As a cross-party group of parliamentarians who strongly support efforts to increase the number of electric vehicles, we want to work with you to deliver this ambition.

**How the Treasury can influence consumer choice**

Taxation policy is a critical lever in stimulating demand for electric vehicles. Ensuring the right tax incentives are in place is essential to enable this. We believe this relatively small change to Company Car Tax (CCT) would visibly demonstrate the government's determination to increase the number of electric vehicles on our roads and would have a significant impact on driving consumer behaviour.

Bringing forward the reduction of BiK to 2% would incentivise consumers to purchase more electric vehicles. The CCT rate for these vehicles is currently set to increase for the next two years, up to a rate of 16% in 2019/20, before falling to 2% in 2020/21. The delay of the 2% rate is discouraging those considering purchasing an electric vehicle and, in our view, is slowing the rate of potential electric vehicle uptake.

The government is currently pursuing an ambitious programme to reduce the nation's carbon emissions, improve local air quality, protect our constituent's health and embrace new transport innovations that will change the way we move people, goods and services across our constituencies. We are eager to ensure this programme delivers on its promises as soon as possible and delivers benefit to our constituents.

Ensuring sufficient fiscal drivers are at the heart of Treasury policy is crucial if government is to realise the full potential of these agendas. The Budget provides a chance to ensure this - by driving positive and discouraging negative behaviours through clear fiscal incentives towards purchasing electric vehicles.

The rental and leasing industry has recently set out an ambitious but achievable commitment to significantly increase the number of electric vehicles, with the plug-in vehicle fleet size growing from 50,000 today to 720,000 by 2025. This can only happen if the right incentives – including fiscal incentives – are in place. Key to delivering this pledge and benefit for our constituents is bringing forward the reduction of BiK to 2%.



We are calling on you to take this opportunity and work in closer partnership with industry to increase the number of electric vehicles in our constituencies by making this small change. This will stimulate jobs and economic opportunity, in addition to helping the UK stay competitive in the electric vehicle market. As a cross-party group of parliamentarians committed to rolling out electric vehicles, we would be keen to meet you ahead of the Autumn Budget to discuss this further.

We look forward to hearing from you.

Yours sincerely,

Neil Parish MP  
Chair of the Environment, Food and Rural Affairs Select Committee

Adrian Bailey MP, Former Chair, Business, Innovation and Skills Select Committee

Alan Brown MP, SNP Westminster Energy and Transport Spokesperson

Alex Sobel MP, Former Shadow Transport Minister

Andrew Selous MP, Vice Chair, APPG on Electric and Automated Vehicles

Baroness Altmann

Baroness Randerson, Liberal Democrat Transport Spokesperson

Barry Sheerman MP, Labour Environment, Food and Rural Affairs Backbench Committee Chair

Ben Bradshaw MP, Member, Health and Social Care Select Committee

Bob Blackman MP

Cheryl Gillan MP, Chair, APPG on Electric and Autonomous Vehicles

Daniel Zeichner MP, Member, Transport Select Committee

David Simpson MP, DUP Business, Energy and Industrial Strategy Spokesperson

Drew Hendry MP, SNP Business, Energy and Industrial Strategy Spokesperson

Geraint Davies MP, Member, Environmental Audit Select Committee

Jamie Stone MP

Jim Cunningham MP

Jim Shannon MP, DUP Health and Transport Spokesperson

John Grogan MP, Member, Environment, Food and Rural Affairs Select Committee

Kerry McCarthy MP, Member, Environment, Food and Rural Affairs Select Committee

Lord Berkeley

Lord Campbell-Savours

Lord Whitty

Martin Vickers MP, Member, Health and Social Care Select Committee

Martyn Day MP, Vice-Chair, APPG on Fair Fuel for UK Motorists and UK Hauliers

Mary Creagh MP, Chair, Environmental Audit Select Committee

Matt Western MP

Nigel Evans MP, Member, APPG on Electric and Automated Vehicles

Peter Kyle MP, Member, Business, Energy and Industrial Strategy Select Committee





Richard Benyon MP, Chair, Environment APPG

Ronnie Cowan MP, Member, Transport Select Committee

Roger Godsiff MP, Member, APPG on Electric and Automated Vehicles

Sir Greg Knight MP, Treasurer, APPG on Electric and Automated Vehicles

Sir Ed Davey MP, Former Secretary of State for Energy and Climate Change

Sir Vince Cable MP, Leader, Liberal Democrats, Former Secretary of State for Business, Innovation and Skills

Stephen Lloyd MP, Former PPS to the Energy and Climate Change Secretary

Steve Double MP, Member, Transport Select Committee

Tom Brake MP, Member, Environmental Audit Select Committee

Vernon Coaker, Member, Business, Energy and Industrial Strategy Select Committee

Virendra Sharma MP

Wera Hobhouse MP

Zac Goldsmith MP, Member, Environmental Audit Select Committee