

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

Dear Chancellor,

As leading environmental, transport and business organisations, we are committed to helping the Government rapidly increase the uptake of electric vehicles, as highlighted at the recent Zero Emission Vehicle Summit.

Upgrading to cleaner vehicles is a vital tool in the fight to address climate change and tackle poor air quality, which is damaging the health of people across the UK and placing a burden on employers, the economy and the NHS. To do so, we recommend the Government brings forward the planned lowering of Company Car Tax thresholds for electric vehicles to 2% from April 2020 to April 2019.

The rental and leasing sector has recently pledged to increase the number of plug-in electric vehicles from 50,000 today, to 720,000 by 2025, showing a willingness and readiness to make orders. However, as businesses make decisions today on what cars to introduce to their employees – a decision which will serve them for the next 3-5 years – the current climbing BIK rate (peaking at 16% next year) has proven a barrier to the uptake of electric vehicles.

We recommend that the right tax incentives must be in place now to enable UK businesses to make cleaner and greener vehicle choices today, not tomorrow. Only by doing so, can the Government achieve its ambition to lead the way on the journey to zero emissions.

With best wishes,



Edmund King OBE, President,
The AA



Darren Shirley, CEO, Campaign
for Better Transport



Dustin Benton, Policy Director,
Green Alliance



Nina Skorupska CBE FEI, Chief Executive,
Renewable Energy Association



John Pryor, Chairman,
Association of Car Fleet
Operators



James Thornton, CEO,
ClientEarth



Paul Hollick, Chairman,
Institute of Car Fleet
Management



Gerry Keaney, CEO, the British
Vehicle Rental and Leasing
Association



Dr David Muir, Chair, Executive
Committee, Environmental
Protection UK



Pete Williams, Head of External
Affairs, The RAC



Gareth Redmond-King, Head of Climate and
Energy Policy, WWF-UK