

November 2020

Dear Chancellor,

We are writing as businesses and organisations concerned about the impact of air pollution on people's health, who want to work with you and your government to support a green, resilient economy as we emerge from the Covid-19 pandemic.

We welcome the Prime Minister's Ten Point Plan announced last week including the bringing forward of the ban on the sale of new petrol and diesel vehicles to 2030 and proposed support for the rollout of electric vehicles. The commitment will help not only to rebuild the UK economy at a critical time but is a crucial step towards seizing the opportunities through creating cleaner, healthier towns and cities for those who live and work in them.

However, illegal and harmful levels of air pollution in the UK are estimated to cause the equivalent of over 40,000 early deaths each year and impact the lives of hundreds of thousands of people, particularly vulnerable groups including children. Children should not have to wait another ten years to breathe clean air and we stand ready to work with government now on a detailed roadmap that will help position the UK to "lead the world in zero emission vehicle technology".

The one-year Spending Review is a crucial opportunity to begin turning ambition into reality through putting in place the funding streams and incentives that will give industry the support and confidence it needs to invest in cleaner forms of transport to meet the 2030 target.

The following measures will help achieve this:

- A **'mobility credit scheme'** to incentivise people to switch from an older polluting vehicle to a cleaner mode of transport. As recent studies have shown,¹ even the newest diesel vehicles are not as clean as the motor industry purports. Anyone scrapping an old vehicle should be given a fixed sum of money to use towards the purchase of a zero exhaust emission vehicle (ZEEV) or a 'mobility credit', which would contribute to the cost of a cleaner mode of transport – including car clubs or rentals, e-bikes, public transport season tickets. This should be delivered in a way that supports people on low incomes and Small and Medium sized Enterprises (SMEs). It should also help businesses and individuals adapt to the introduction of Clean Air Zones in their area, as these have been identified by government as the most effective means of reducing illegal air pollution in the shortest time possible;
- **Provide increased funding** for businesses developing technologies that support a zero emission transport system. This will give the UK a real stake in the future of automotive manufacturing, including cars, taxis, vans, buses and lorries, and in particular vehicles operating in urban areas to improve air quality. It will also create high quality jobs that are distributed across the country. A broad range of growth opportunities exists for the UK in relation to ZEEV manufacturing, from research and development through to manufacture and assembly, and from the production of batteries to their reuse and recycling. £500m announced in the Ten Point Plan will help boost electric vehicle (EV) battery production.
- **Incentivise the uptake of Cleaner Vehicles** until they reach cost-parity with petrol and diesel counterparts. This could include reviewing taxation to consider measures such as: **reforming Vehicle Excise Duty** to incentivise cleaner vehicles; **extending the 0% company car tax (BiK) rate for ZEEVs** to ensure the UK's 890,000 company car drivers have the opportunity to take

¹ Transport & Environment: [New Diesel, New Problems](#), January 2020

full advantage of the policy; or **delivering a time-limited VAT rebate or exemption** for ZEEVs which could be an option in the UK following the Brexit transition period and used to reduce the upfront purchase cost of ZEEVs, including electric bicycles and cargo bikes, discouraging the uptake of the most polluting vehicles. We welcome the commitment in the Ten Point Plan to making increased funding available for **Plug-in Car Grant for ZEEVs**, these should be temporarily increased and to broaden the scope of vehicles covered by the Plug-In Grant for large vans and trucks.

- We support the further £800m committed for public charging infrastructure in the Prime Minister's Ten Point Plan to support the rollout of EV charge points in England. However, what is needed now, in addition to funding, is a clear, **long-term plan for delivering ZEEV infrastructure** which also provides clarity and support for commercial fleet charging infrastructure. This will help unlock the private sector investment necessary to help shape the UK's ZEEV market.

We would welcome the opportunity to discuss these ideas with you in greater detail, and how we can work together to clean up our air and make the UK a world leader in the manufacture and adoption of zero emission vehicles.

To arrange a meeting or for further information, please contact: Dominic Phinn, Clean Air Business Forum Coordinator, dphinn@clientearth.org or 0303 050 5962.

CC:

Rt Hon. Grant Shapps MP, Secretary of State for Transport

Rt Hon. Alok Sharma MP, Secretary of State for Business, Energy and Industrial Strategy

Rt Hon. George Eustice MP, Secretary of State for Environment, Food and Rural Affairs

Rt Hon. Matt Hancock MP, Secretary of State for Health and Social Care





VOLTA TRUCKS

