

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



20 November 2017

Dear Chancellor

### **Changes to the tax regime to tackle illegal and harmful levels of air pollution**

Air pollution is a health crisis that as a country we simply can no longer afford to ignore. It affects all of us from the time that we are in the womb and into old age. Not only has it been linked to premature births but it can also stunt children's lung growth, leaving them at higher risk of developing further health problems in later life. Air pollution affects all of us but for the 12 million people who live with a lung condition and the 7 million people who have cardiovascular disease in the UK, air pollution poses a daily risk to their health and may force them into hospital or worse. We all deserve to breathe clean air.

We know that this is a problem that your government has inherited but it is now in your hands to take action to protect the health of people across the UK in the shortest time possible. We hope that unlike others before you, you will not shy away from this duty and right the wrongs of the past.

Your government has recognised that diesel vehicles, in particular diesel cars, are a major source of pollution in our towns and cities. Your own tests have revealed even the newest diesel cars emit more than six times more NOx on the road than the laboratory test limits for the latest Euro 6 standard. It is, therefore, perverse to maintain a tax regime that still encourages people and businesses to buy diesel vehicles. Particularly as the new Real Driving Emissions test will still allow new diesel cars to exceed emissions limits on the road by a factor of 2.1 until 2021 and 1.5 after that.

The government has a moral and legal obligation to protect people from harmful levels of air pollution. It is only fair that the tax regime should reflect the extra financial and health impact that diesel vehicles have on society. Furthermore, if Local Authorities are to be expected to play their role then it is also only fair that the Government should use all the levers it has to encourage a shift from diesel to cleaner alternatives, including helping more people onto public transport, walking and cycling, as well as helping businesses operate more efficiently and reduce their impact. Without this action not only will we fail to protect people's health but we will miss out on the opportunities to become world leaders in developing the solutions that we and other countries also need to tackle this serious public health problem.

A change to the Vehicle Excise Duty (VED) first year rate would avoid penalising drivers for past choices made in good faith and it would also send a vital signal to the market about the direction of travel towards a cleaner future. A study by Policy Exchange proposed an additional £800 additional charge for all new diesel cars on their VED first year rate, which could generate £500 million a year to fund measures to tackle air pollution. This captures the damage cost of the extra nitrogen dioxide diesel cars emit compared to their petrol counterparts. This is a conservative figure, however, and could be higher if the findings of the Department for Transport's investigation into diesel car emissions were applied. Money raised should be used for to help fund measures to tackle air

pollution, such as a targeted scrappage scheme for lower income drivers and small businesses. This scheme should offer a vehicle exchange in return for help with the cost of a less polluting hybrid vehicle, a zero-emission vehicle such as electric or subsidised car club membership, free public transport season tickets or e- bike purchase loan.

We urge you to back this proposed change to VED to protect people's health and ensure the UK does not miss out on the economic opportunities offered by embracing ultra-low emission vehicles.

Yours sincerely,



Kay Boycott, Chief Executive, Asthma UK



Dr Penny Woods, Chief Executive,  
British Lung Foundation



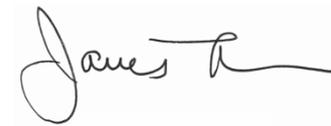
Stephen Joseph, Chief Executive,  
Campaign for Better Transport



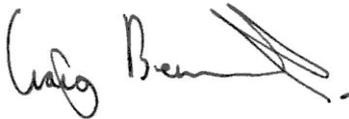
Tony Lewis, Head of Policy, Chartered  
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Terry Fuller, Chief Executive, The  
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Environmental Management



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