

[News story: New tax measures to improve air quality](#)

People living in our towns and cities have a fundamental right to breathe clean air, Exchequer Secretary Robert Jenrick said today (15 May 2018), as he unveiled further plans to clamp down on pollution in urban areas.

The government has launched a [consultation on vehicle excise duty for vans](#) so drivers can be incentivised to go green. Less than one in every two hundred vans (0.4%) bought in 2016/17 was an ultra-low emission model. Therefore, ministers are seeking views on reforms to vehicle excise duty, currently charged at a flat rate of £250 for all vans, to make it more affordable to buy greener models.

A separate [call for evidence](#) is looking at whether the reduced duty rate for red diesel is holding back the use of cleaner fuels by non-road vehicles and machinery in towns and cities – for example cranes or generators used on construction sites. Red diesel, which accounts for 15% of all diesel consumption in the UK, currently benefits from a reduced rate of 11.14p per litre compared to the standard charge of 57.95p. The [call for evidence](#) excludes red diesel used for agricultural purposes and for fishing vessels.

These measures follow up on the Chancellor, Philip Hammond's [recent Budget announcements](#) – including the £220 million Clean Air Fund – which are aimed at improving air quality in the UK. They also form part of the government's [25-year Environment Plan](#).

Exchequer Secretary to the Treasury, Robert Jenrick, said:

We want to be the first government to leave the environment in a better state than we found it. One of the ways we can do this is by using the tax system to help drivers afford greener choices.

We want to help 'white van man' go green. We appreciate that buying a new van is a major investment for small businessmen and women and want to help make environmentally friendly choices more affordable.

Public health is at risk due to the use of red diesel in towns and cities. So we are looking at how we can level the playing field on red diesel and exploring how we can encourage users to ditch it.

Environment Secretary Michael Gove said:

Air pollution remains a significant threat to public health and everyone must play their part tackling its causes.

We will shortly build on our £3.5 billion plan to tackle roadside

emissions, publishing a comprehensive Clean Air Strategy setting out a wide range of actions to reduce pollution from all sources.

Businesses have a crucial role in this. That's why today we are setting out plans to make low emission vans more affordable and asking businesses how we can help them break down the barriers to the use of lower emission machinery.

Further information:

- Currently vehicle excise duty for vans remains at a flat rate of £250 no matter what type of vehicle. This consultation will look at changing this duty to encourage drivers to choose cleaner vans when purchasing a new van.
- It will explore creating a graduated first year rate for vans, as is already in place for cars. Most van purchases would pay less tax in the first year as a result of the change.
- Around 75% of vans purchased in 2016-2017 emitted over 150g/km of CO₂, while only 0.4% of vans purchased that same year were ultra-low emission vehicles.
- Red diesel contributes to air pollution by producing nitrogen dioxide, a toxic gas that inflames the lining of the lungs. It is particularly harmful for the most vulnerable in our society, such as children with asthma, who live in urban areas where it is used by non-road vehicles and machinery.
- The reduced rate costs around £2.4 billion a year in revenue compared to if duty was charged at the main rate and today's call for evidence is seeking information on whether this tax relief discourages the use of cleaner alternatives by non-road vehicles and machinery.
- Red diesel for agricultural use, fishing vessels, home-heating and other static generators, will be out of scope.