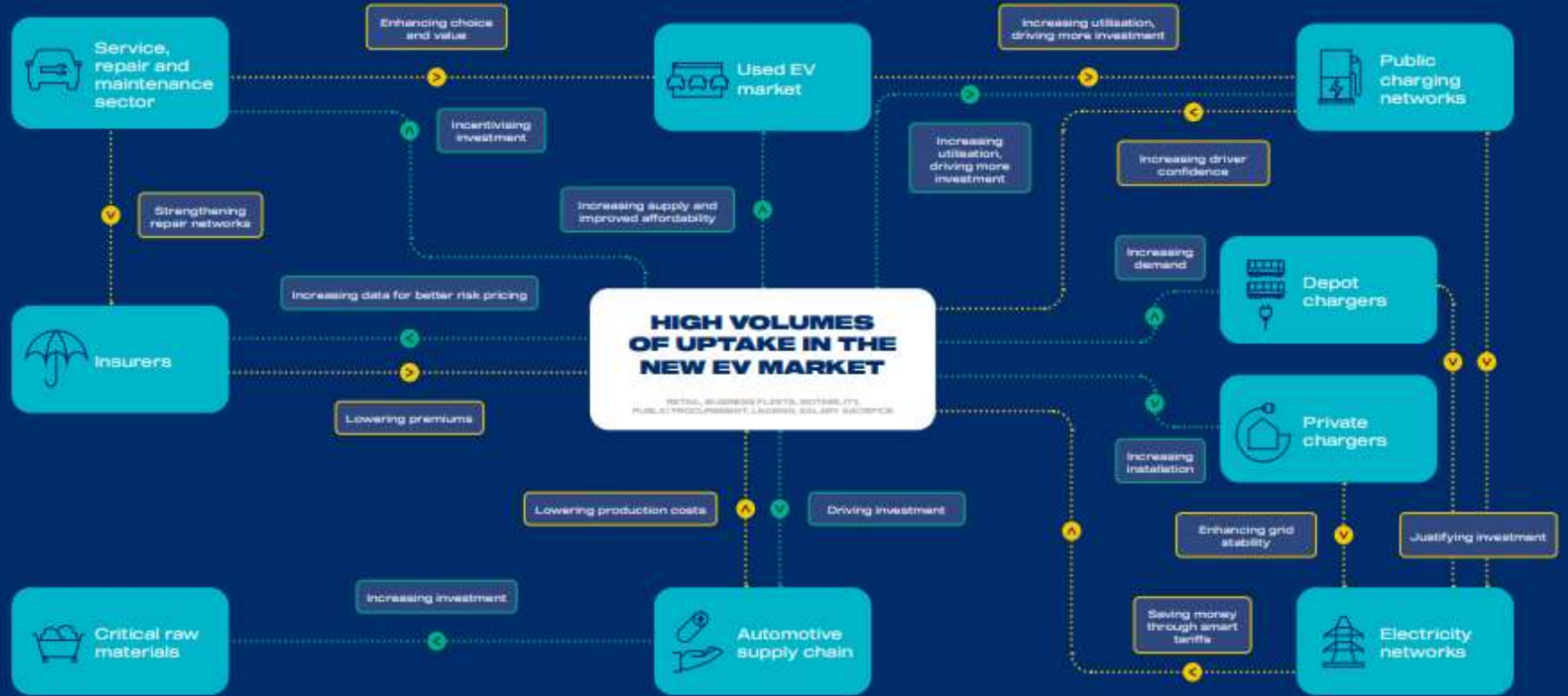


EV MARKET DEPENDANTS AND DRIVERS



Phasing out the sale of new petrol and diesel cars from 2030 and Support for the Zero Emission Transition

HIGH-LEVEL ASKS

Closing the gap between consumer demand and regulatory requirements

- Current flexibilities within VETS are vital but, in the current market, they are not enough. Therefore, as a matter of urgency, Government should:
 1. **Ease immediate regulatory burden** – extend scope and scale of existing VETS flexibilities through to 2030, consider new flexibilities.
 2. **Boost ZEV demand** – e.g. fiscal incentives and consumer support (seen next slide).
 3. **Mandate delivery of public charging infrastructure in every part of the country** – binding targets in line with ZEV mandate.
 4. **Fast track outcomes** – rapid subsequent consultation/implementation to provide much needed certainty.

Providing a balanced pathway to economic growth and decarbonisation through to 2035

- By 2030, the ZEV mandate will require 80% of cars and 70% of vans to be zero emission, both rising to 100% within the following 5 years. Therefore, between 2030 and 2035, Government should:
 1. **Apply minimally restrictive regulation of non-ZEVs** – only around 8% of car registrations during this period.
 2. **Extend existing exemptions and derogations to MVMs and SVMs** – reflecting greater challenges and low impact.



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KEY FISCAL ASKS

Boosting consumer demand

- Halve VAT on new ZEV purchases for at least three years or offer equivalent grants to stimulate demand (e.g. Plug-in Car Grant).
- Amend VED regime to favour ZEVs and hybrid vehicles, exempting ZEVs from the Expensive Car Supplement.
- Equalise VAT on public charging to match the 5% home charging rate.
- Maintain and extend the business incentives that are working, including Benefit in Kind rates.
- Maintain and further extend the Plug-in Van Grant beyond April 2026
- Review VED increases due in April
- Review recent negative tax changes – Employee Car Ownership Schemes (ECOS) and Double Cab Pick-Ups (DCPU).
- Commit to a holistic review and simplification of motor taxation for the net zero era.
- Additional measures, such as underwriting purchase loans with low or no interest rate agreements, to reduce ZEV financing costs.



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Next Steps / DfT feedback

- Nothing decided yet, no agreed Government approach (despite recent headlines)
- 600+ responses to consultation, still being analyzed
- Top departmental priority to provide Government response ASAP
- But... requires input from various departments and devolved administrations
- Bandwidth challenge – large volumes, myriad views, cross-department coordination
- No commitment to timescales at this stage
- No sudden announcement at Electrified – “ironclad”

Support for broad technological transition – not just EV

The role of aftermarket service and repair

- Access to, and development of, repair methods
- EV battery health checks
- EV tyres and EV suspension
- ADAS, connectivity and autonomy
- Cyber security, general safety
- Future MOT development

