



ABENA OPPONG-ASARE MP  
MEMBER OF PARLIAMENT FOR ERITH AND THAMESMEAD  
HOUSE OF COMMONS, LONDON SW1A 0AA

16 March 2022

Dear Helen

I am writing regarding the forthcoming changes to the entitlement to use red diesel and rebated biofuels from 1st April 2022.

Labour support efforts to encourage the transition away from diesel and towards cleaner fuels and electric vehicles & machinery in industry. We recognise that changing the entitlement to use red diesel is an important part of that.

However, as I am sure you are aware, businesses in a number of sectors - including construction, manufacturing, recycling, and waste management - have raised concerns about the impact of removing these entitlements at this time. In particular there are concerns that small and medium businesses will find this upcoming tax increase especially difficult.

The changes to red diesel entitlements come as many businesses are still recovering from the impact of the covid pandemic and as employers face higher national insurance contributions from April. There are also significant cost pressures throughout the supply chain.

In light of this new economic situation, I am writing to ask that HM Treasury reviews the impact assessment undertaken on this policy to ensure that it meets its environmental objectives whilst at the same time protecting small and medium businesses. In particular:

1. Have you undertaken a detailed sector-by-sector assessment of the estimated cost to businesses of the changes, and if so, will you publish it?
2. Have you made an assessment of the number of businesses that may cease trading as a result of the changes, and how many jobs are at risk as a result, and if so, will you publish it?
3. Have you undertaken a specific assessment of the impact on small and medium businesses, and if so, will you publish it?
4. Have you made an assessment of the extent to which this duty increase will be passed on to consumers, and if so, will you publish it?
5. What steps is the Government taking to increase the availability of alternative fuels and/or electrification of vehicles in the affected sectors?
6. What estimate have you made of the reduction in emissions you believe the measure will lead to?

Given these changes are due to take effect from 1 April, I would appreciate a response to these questions as soon as possible.

Yours sincerely,

Abena Oppong-Asare MP  
**Shadow Exchequer Secretary to the Treasury**