



Rishi Sunak MP
Chancellor of the Exchequer
1 Horse Guards Road
London
SW1A 2HQ

26 April 2022

Dear Chancellor,

As external factors cause a significant rise in fuel prices in the UK, coach operators are being hit hard by this increase.

Coaches provide a host of essential services to ensure people can get to where they need to go. Home to School services connect 600,000 school children with education every day, while other key services include vital rail replacement services, aviation support and vulnerable group transport. Millions of visits are made each year by coach to attractions and places across the UK, contributing £14bn to the UK tourism economy in 2019.

The coach industry is also crucial to achieving the UK's environmental goals, with a single coach able to remove up to 50 cars from the road. It is one of the most sustainable and environmentally friendly forms of transport, with the average carbon dioxide emissions per passenger per journey on coaches around 1.5 times lower than rail travel and 6 times lower than car travel.

Coach operators have been hit hard by the recent fuel price rises. They generally purchase fuel in real time and their operating costs have increased by up to 10% or more in some cases. These increases in costs mean a growing number of services will be running at a significant loss, and risks the viability of many vital services, such as home to school and rail replacement. Any subsequent loss of coach services will make the public more reliant on cars which comes with the associated impacts on congestion, alongside reducing accessible travel options for those who need them most, particularly those who do not have access to a car.

We therefore need to ensure the impact of fuel price rises on coach operators is minimised so the sector can continue to provide sustainable and reliable services that connect the public with education, employment, and other essential services.

Coaches pay standard fuel duty at 52.95p per litre, compared to 11.14p per litre in rail. It is only right that coach and rail are treated equally given their crucial role in delivering sustainable transport solutions. We ask that you correct this anomaly in the fuel duty system by putting in place fuel duty relief on diesel for all coach operators, so that coach pays the same amount as rail and is on a level footing.

This support to the industry, which we calculate to be approximately £260m annually, would provide the industry with breathing space in the short term as costs continue to rise. In the long-term it would allow the sector to continue its vital work in connecting communities, supporting tourism, and giving the UK a greener transport network. It is our expectation that the level of relief required would reduce over time as the sector improves its fuel efficiency and transitions to a non-diesel fleet, action which is being led by CPT's Zero Emission Coach Taskforce.

Yours sincerely,

Alison Edwards
CPT Head of Policy