



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

Tel 020 7219 5769 Email treascom@parliament.uk Website www.parliament.uk/treascom

James Cartlidge MP
Exchequer Secretary to the Treasury
HM Treasury
via email

23 November 2022

Dear James,

Fuel duty

Thank you for your letter of 22 November 2022 containing the Treasury's response to the Committee's *Jobs, growth and productivity after coronavirus* Report.

In your letter you state:

“The Autumn Statement brought forward measures to fight rising costs for households and businesses, such as freezing fuel duty.”

The Chancellor did not announce this policy measure in his Autumn Statement, nor is it included in the Autumn Statement document. Paragraph 61 of the Office for Budget Responsibility's (OBR) accompanying November 2022 *Economic and Fiscal Outlook* identified the planned increase in fuel duty, which adds £5.7 billion to potential tax receipts next year, as a particular risk to their forecast.

Yesterday when giving evidence to the Committee, Richard Hughes, Chair of the OBR, told us:

“Our forecast is based on Government policy that was announced back in March, which was that there was going to be a 5p cut to fuel duty this year, but then it was going to be made up from April next year, which means that you would add 5p on top of the usual RPI indexation. That was the policy as it was set back in March and as confirmed in the policy assumptions the Treasury gave us to use for this document when we produced it this month.”

Please could you confirm:

1. What is the Government's policy on fuel duty?
2. Was the policy assumption provided by the Treasury to the OBR the correct one?
3. If the reference to the fuel duty freeze in your response to us was an error, how did that happen?

The Committee will be publishing your letter alongside this letter immediately. We would be grateful for a prompt response, which we will publish in due course.

Best wishes,

Harriett Baldwin MP
Chair of the Treasury Committee