



## **NFDA Policy Summary**

### **Autumn Statement 2023**

#### **What this means for your business**

The NFDA have been continuing their lobbying efforts with government and have analysed the Autumn Statement on your behalf. Areas where dealers will benefit from our lobbying efforts include:

- Business Rates relief
- Reforming the apprenticeship levy
- Improving the electric vehicle charging infrastructure network
- Electric vehicle price incentives and accessibility
- Rules of origin and type approval
- Establishing an equitable future road tax scheme
- Fuel duty

The NFDA has put together a summary document including all the most relevant policy updates for franchised dealers.

## Key Governmental Documents

- Autumn Statement 2023 Document – [Link here](#)
- Chancellor backs business and rewards workers to get Britain growing - [Link here](#)
- Office for Budget Responsibility (OBR) Economic and fiscal outlook – Nov 2023 – [Link here](#)
- NFDA’s press release on the announcement – [Link here](#)

### Business support

- **Permanent full expensing** – Full expensing will be made permanent in the Autumn Finance Bill 2023, so that investments made by companies in qualifying plant and machinery, after 1 April 2026, will continue to qualify for a 100% first-year allowance for main rate assets, and a 50% first year allowance for special rate (including long life) assets. Cars, assets for leasing and second-hand assets will be excluded from these 100% and 50% first-year allowances.
- **Business rates: multiplier** – For 2024-25, the small business multiplier in England will be frozen for a fourth consecutive year at 49.9p, while the standard multiplier will be uprated by September CPI to 54.6p.
- **Business rates: retail, hospitality, and leisure relief** – The current 75% relief for eligible Retail, Hospitality and Leisure (RHL) properties is being extended for 2024-25, a tax cut worth £2.4 billion. Around 230,000 RHL properties in England will be eligible to receive support up to a cash cap of £110,000 per business.

### Vehicle Charges

- **Van Benefit Charge and Car & Van Fuel Benefit Charges** – The Government will maintain the Van Benefit Charge and the Car & Van Fuel Benefit Charges at 2023-24 levels for 2024-25.
- **Vehicle Excise Duty (VED) uprating & Heavy Goods Vehicles (HGV) levy freeze** – The Government will uprate VED rates for cars, vans and motorcycles in line with RPI from 1 April 2024 in the Autumn Finance Bill 2023. To support the haulage sector, VED for HGVs and the HGV levy will both remain at 2023-24 rates for 2024-25.

### Work and welfare reform

- From 1 April 2024, the National Living Wage (NLW) will increase by 9.8% to £11.44 an hour for eligible workers. For the first time, this will include 21- and 22-year-olds. This represents an increase of over £1,800 to the annual earnings of a full-time worker on the NLW and is expected to benefit over 2.7 million low-paid workers.
- The Government will also substantially increase the National Minimum Wage rates for young people and apprentices: for people aged 18-20 by 14.8% to £8.60 an hour, for 16–17-year-olds and apprentices by 21.2% to £6.40 an hour.

### Infrastructure and levelling up

- Funding of £2 billion will be made available starting in 2025-26 lasting for five years for the automotive manufacturing sub-sector (particularly zero-emission vehicles, their batteries and supply chains).
- The Government has published its full response to the Winsor review and Connections Action Plan, which will cut grid access times for larger projects by half and halve the time to build major grid upgrades.

- Government also announced that it will consult on amending the National Planning Policy Framework to ensure that the planning system prioritises the rollout of electric vehicle charging infrastructure, including EV charging hubs

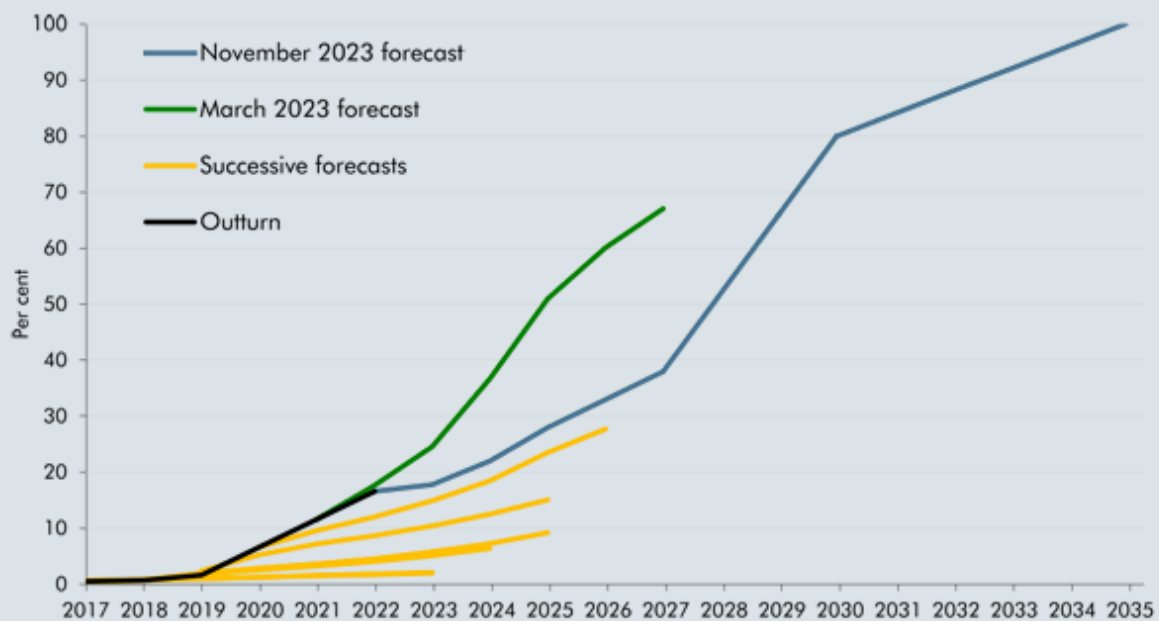
### Apprenticeships

- The Government is committing a further £50 million for a 2-year pilot to explore ways to stimulate training in growth sectors and address barriers to entry in high-value apprenticeships.

### OBR Forecast revelation – [Link here, pp. 90](#)

- The Official Office of Budget Responsibility has halved their UK Electric Vehicle forecasts.
- “The announced ZEV mandate reduces our forecast of EV uptake (compared to March 2023) from 25 per cent to 18 per cent in 2023, and from 67 per cent to 38 per cent in 2027.”
- “In the absence of low cost EVs, the steep sales growth of the past years, boosted by (usually high-income) early adopters, is expected to slow.”
- High interest rates, high prices & falling fuel prices are listed as key reasons for the decision.

Chart C: Electric vehicle share of new car sales



Source: DfT, OBR

<sup>a</sup> OBR, Fiscal risk and sustainability, July 2022 (p. 140)

<sup>b</sup> OBR, Economic and fiscal outlook, March 2022 (Box 3.3)

<sup>c</sup> Auto Trader, The road to 2030, accessed 18 November 2023

<sup>d</sup> Reuters, EV demand in Europe to slow as customers await affordable electric cars, accessed November 2023

<sup>e</sup> World Economic Forum, Electric vehicles: The 3 main factors holding back sales, accessed November 2023

<sup>f</sup> RAC, More drivers than ever expect to go electric next time but many likely to delay making the switch, accessed November 2023

<sup>g</sup> Department for Transport, Zero emission vehicle (ZEV) mandate consultation: summary of responses and joint government response, October 2023