

Rt Hon Rishi Sunak
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
SW1A 2HQ

24 February, 2021

Direct Dial: 01494 545716
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Dear Chancellor,

Continued support required as Covid-19 restrictions are relaxed

The British Vehicle Rental and Leasing Association (BVRLA) represents the demand side of the automotive industry. Our members engage in vehicle rental, leasing and fleet management. BVRLA members own and operate more than five million cars, vans and trucks. They spend more than £30 billion upgrading their fleets each year and are responsible for buying around 50% of new vehicles sold annually in the UK, including 83% of vehicles manufactured in the UK for sale in the UK. The vehicle rental and leasing industry supports over 465,000 jobs, adds £7.6 billion in tax revenues and contributes £49 billion to the UK economy each year.

The fleet sector continues to be impacted by Covid-19 and the national restrictions required to combat its spread. Our most recent Business Impact Survey shows that 73% of member businesses report that sales transactions are down year on year and 44% have had to shrink their staffing levels. Government support measures have been critical to the survival of these firms and lessening Covid-19's impact on staffing levels.

We welcome the Prime Minister's announcement this week giving a permanent route out of national restrictions. However, the planned path is quite rightly phased. It is now certain that member businesses will continue to face a restricted trading environment until July at the earliest. For firms to survive and retain staff until the restrictions are fully eased will require current support measures to be updated and extended. There are three key areas support which the BVRLA believes must be reviewed as soon as possible.

- **Extend furlough until the end of national restrictions**
- **Provide business rates relief for another year**
- **Extend the deadlines for repaying deferred VAT and increase flexibility**

Furlough, business rates relief and VAT deferment have enabled firms to keep staff in their jobs and freed up cash flows for critical business functions. Member businesses, especially vehicle rental, will remain under extreme pressure until people in the UK can travel more freely and international visitors are welcomed. Without renewed support viable firms' operations will be severely impacted and jobs put at risk.

The BVRLA would welcome the opportunity to engage further with your officials on this issue.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gerry Keaney', with a stylized flourish at the end.

Gerry Keaney
Chief Executive

British Vehicle Rental and Leasing Association

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About the BVRLA

- Established in 1967, the BVRLA is the UK trade body for companies engaged in vehicle rental, leasing and fleet management.
- BVRLA members are responsible for a combined fleet of over five million cars, vans and trucks on UK roads, that's 1-in-8 cars, 1-in-5 vans and 1-in-4 trucks. The vehicle rental and leasing industry supports over 465,000 jobs, adds £7.6bn in tax revenues and contributes £49bn to the UK economy each year.
- On behalf of its 1,000+ member organisations, the BVRLA works with governments, public sector agencies, industry associations and key business influencers across a wide range of road transport, environmental, taxation, technology and finance-related issues.
- BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.
- The association achieves this by maintaining industry standards and regulatory compliance via its mandatory Codes of Conduct, inspection and governance programme and government-approved Alternative Dispute Resolution service. To support this work, the BVRLA promotes best practice through its extensive range of training, events and information-sharing activities.

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