



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

David Chadwick MP  
House of Commons  
London  
SW1A 0AA

31 March 2025  
Your ref: DC02651

Dear David

Thank you for your email of 21 March to the Chancellor of the Exchequer on behalf of your constituents about fuel duty. I am replying as Minister responsible for the UK tax system.

The cost of living remains high, with potential fuel price volatility amid global uncertainty. At Autumn Budget 2024, the Government therefore announced continued support for people and businesses by extending the temporary 5p fuel duty cut and cancelling the planned increase in line with inflation for 2025/26.

This maintains fuel duty rates at the levels set in March 2022 for an additional 12 months and represents a total saving for drivers next year of around £3 billion. The Government's decision to extend the 5p cut and cancel the increase in line with inflation will save the average car driver £59 in 2025/26.

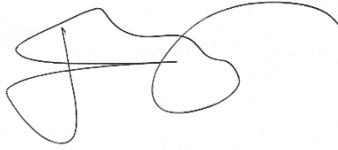
Over the next year, the Government will implement further initiatives expected to reduce fuel prices for motorists. The Government is also going well beyond its promise to fix an additional one million potholes per year, by providing a £500 million cash increase on 2024/25 local roads maintenance baseline funding. This will be enough to fix the equivalent of more than seven million extra potholes in 2025/26.

The Rural Fuel Duty Relief Scheme was introduced to provide a 5p reduction to motorists buying fuel in certain areas. The areas included in the scheme demonstrate certain characteristics such as: pump prices much higher than the UK average; remoteness leading to high fuel transport costs from refinery to filling station; and relatively low sales meaning that retailers cannot benefit from bulk discounts.

There are currently no plans to make changes to the areas covered by the scheme. The Chancellor makes decisions on tax policy at fiscal events in the context of public finances.

I hope this response is helpful. Please pass on my thanks to your constituents for taking the time to make me aware of their concerns. The Government keeps all taxes under review as part of the policy making process.

Yours sincerely

A handwritten signature in black ink, appearing to be 'J. Murray', with a long horizontal stroke extending to the right.

**JAMES MURRAY MP**  
**EXCHEQUER SECRETARY TO THE TREASURY**