Committee on Climate Change

**Independent** advice to government
on building a low-carbon economy
and preparing for climate change

The Rt Hon Chris Grayling MP
Secretary of State for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

20 December 2017

Dear Secretary of State,

As you develop your 'Road to Zero' strategy for reducing emissions from road transport, I am writing to feed in the Committee's thoughts on priorities to be addressed.

The Clean Growth Strategy sets out the Government's proposals for meeting the fourth and fifth carbon budgets. You will know that the Committee on Climate Change has in its recent reports highlighted the pivotal role of reducing emissions from road transport. We have therefore welcomed the commitment to end the sale of all new conventional petrol and diesel cars and vans by 2040 and the statement that the Government will be publishing a long-term strategy for the UK's transition to zero road vehicle emissions.

My Committee will publish an independent assessment of the Clean Growth Strategy in mid-January. However, we are aware that the timetable for the 'Road to Zero' strategy is tight, so I thought it would be helpful to give you early sight of our key conclusions in relation to road transport.

As highlighted in the Clean Growth Strategy, co-benefits of cutting transport emissions can include cleaner air, which has an important effect on public health, the economy and the environment. The innovation and investment required to drive these emissions down can create more jobs and further export opportunities. The UK car industry has already developed strengths in manufacturing ultra-low emission vehicles (ULEVs) and in battery research, and the Industrial Strategy identified developing leadership in low-carbon transport as a priority. Strong regulatory and policy support will stimulate additional commercial opportunities in this sector.

The Committee has considered ways that policy could support the delivery of these ambitions. We identify the following priorities:

- **Policies to support the uptake of ultra-low emission cars, vans and small HGVs.** Incentives should continue to be available to support the purchase of ULEVs until they reach cost parity with conventional vehicles. This can be delivered in a number of ways and does not necessarily entail additional exchequer cost. Reliable development of home charge points and a public charging network will be needed to support electric vehicle uptake and foster confidence in this developing market. The public charging network must include rapid chargers accessible from major roads for electric vehicles making long journeys, as well as a mix of slow, fast and

rapid chargers on streets and at retail and leisure locations for topping-up during the day.

- **Stretching $CO_2$ standards based on real world testing are needed for new cars and vans beyond 2020.** The failure to introduce real world testing will increasingly undermine the public's confidence. Figures that relate to the performance of cars are very widely used and there is an urgent need to recover public respect for their accuracy. The recently announced EU proposals for emissions standards to 2025 and 2030 were not ambitious enough. When taken together with the uptake of ULEVs required to meet carbon budgets, the proposed emission standards imply that no improvement for conventional vehicles will be required up to 2030. Cost-effective abatement and opportunities to improve air quality are likely to be missed unless we are prepared to adopt more stretching standards. As the UK prepares to leave the EU, there is an opportunity for the UK to show leadership in this area.
- **Standards for new HGVs must be introduced.** HGV emissions have risen over the past 8 years. The EU will propose new targets for HGV efficiency in 2018. The new strategy should set out a high level of ambition in this area. The use of natural gas as an alternative fuel for HGVs should not be supported unless independent assessments show that this results in true emissions reductions. Currently, they do not show this.
- **Policies to increase efficient driving and improve logistics within the road freight sector** in line with the recommendations in the DfT's Freight Carbon Review. This should include exploiting opportunities to shift freight from roads to rail, logistics measures to use HGVs more efficiently, a communications campaign to highlight the economic benefits of eco-driving training and technologies and assistance to enable SMEs to access these benefits. These are cost-effective win-win measures that can cut freight fuel bills and emissions.
- **Policies to increase walking, cycling and public transport**, which can help to reduce emissions, reduce congestion, reduce noise levels and improve public health. Investment in this area should also be fully evaluated to ensure that the most effective types of schemes can be prioritised for further roll-out.

The Committee is keen to work with DfT to establish strong and effective policies to achieve an ambitious reduction in emissions from road transport and realise many of the co-benefits set out in the Clean Growth Strategy. We would welcome the opportunity to discuss these issues with you in the following weeks.

Yours sincerely,

Lord Deben

**Chairman,** Committee on Climate Change

# Annex

## Progress in reducing emissions

The Committee's 2017 progress report to Parliament highlighted that emissions in domestic transport rose for the third consecutive year in 2016. Transport is now the largest emitting sector, accounting for 26% of UK greenhouse gas emissions. Improvements in average car efficiency across the fleet have been offset by increased demand for car travel, whereas van and HGV efficiency have shown little improvement. Demand for van and HGV travel are also increasing faster than Government projections.

Ongoing and anticipated changes in the way people travel, such as the use of car sharing schemes or autonomous vehicles, will affect the overall demand for transport. Forecasts of travel demand by the Department should start to include scenarios which consider the impact of future technological and societal changes. If the way people travel changes and results in an increase in emissions, careful management will be required to ensure transport emissions can reduce to levels consistent with meeting legislated carbon budgets.

## Incentivising the uptake of measures

We welcome the newly committed funding from Autumn Budget 2017 for the Plug-in car grant and charging infrastructure. However, at current levels of funding per vehicle, this funding is insufficient to support the level of uptake of ultra-low emission cars in our central scenario to meet the 5$^{th}$ carbon budget. In light of the rapid reported reductions in battery costs, the levels of grant provided should be kept under review. Any planned changes in grant support over time should be announced in advance to enable the industry to develop long term plans.

The Plug-in Van grant is due to be reviewed by March 2018 and should be extended. Levels of ultra-low emission van and small HGV uptake have lagged behind that of cars. There is a need to review whether the level of grant provided is sufficient, in light of the upcoming new models available from manufacturers.

There is a need for a significant increase in the numbers of publically available chargers. These should cover both long-distance journeys on major roads and public charging around towns and villages for use during parking for other purposes such as retail and leisure activities. The barriers faced by people without access to off-street parking spaces in charging their electric vehicle must be considered. This will need to be funded by a mixture of public and private investment. Plans for the roll-out and funding of these chargers should be published soon.

The recent EU proposals for car and van $CO_2$ targets in 2025 and 2030 are not sufficiently stretching. Given the levels of electric vehicle uptake the UK Government expects, the proposals as they stand would necessitate no improvement in efficiency of conventional vehicles. The voluntary mandate of 15% electric vehicles as part of that target is insufficient to support the UK Government ambition of an end to the sale of conventional vehicles in 2040. In the event of the UK exit from the EU, there is an opportunity for the UK to show leadership in this area and establish a more stretching set of targets.

There are currently no standards for new HGV efficiency, with the EU planning to propose a standard in 2018. In order to deliver cost-effective emissions savings that also save fuel

for truck operators, the UK will need to set its own standard in this area, or plan to align with the EU standards provided they are sufficiently ambitious.

DfT's Freight Carbon Review identified a number of measures to reduce emissions from HGVs. The Government should work with industry to promote and encourage wider uptake of efficient driving training including through supporting information campaigns on the economic benefits. The costs of eco-driving courses and in-cab technologies may need to be subsidised so they are more accessible to SMEs.

Expanded action will be required to further shift road freight to rail. The Centre for Sustainable Road Freight report for the CCC also identified further opportunities to reduce demand in this sector through extending delivery times, rescheduling deliveries for inter-peak periods and the use of urban consolidation centres.[1] The Department should explore whether these actions could be further incentivised within the sector.

The Cycling and Walking Investment Strategy aims to double the level of cycling by 2025 and to reverse the decline in walking. Investments made as part of this strategy and previously should be evaluated and extended if they demonstrate positive impacts on the levels of cycling and walking and a resulting reduction in car usage for short trips.

From DfT's National Travel Survey, trips on buses, the most frequently used form of public transport, have declined by 23% outside of London and 7% inside of London since 2002. The provision and usage of new lower emission buses can reduce greenhouse gas emissions, improve air quality, improve access to jobs and opportunities for households which can't afford a car and reduce congestion. The Department should consider a Public Transport Investment Strategy to improve public transport provision nationally.

[1] The Centre for Sustainable Road Freight (2015) *'An assessment of the potential for demand-side fuel savings in the Heavy Goods Vehicle (HGV) sector'*.