



## Transport Decarbonisation Plan

### Campaign for Better Transport submission to Department for Transport call for ideas

August 2020

#### About us

Campaign for Better Transport's vision is for all communities to have access to high quality, sustainable transport that meets their needs, improves quality of life and protects the environment. We are a charity and operate in England and Wales.

#### Summary

We welcome the opportunity to contribute to the development of the Transport Decarbonisation Plan. The Department's *Decarbonising Transport: Setting the Challenge* document clearly identifies the challenges we face in terms of reducing the UK's emissions from transportation. We welcome the Government's ambition and recognition that reaching net zero by 2050 will necessitate some fundamental changes in how people and goods move around, as well as a shift towards cleaner vehicles.

We suggest the following policies, which can help deliver against three of the Government's strategic priorities:

- 1) Transitioning all vehicles to zero emission:
  - Setting a target for removing all fossil-fuelled cars and vans on the road.
  - Lowering the upfront cost of electric vehicles for businesses and commercial operators and reviewing company car tax rates to help stimulate demand.
  - Faster roll-out of interoperable charging infrastructure.
  - Supporting hydrogen for heavy vehicles with an early focus on hydrogen buses production.
  - Requiring all new buses to be zero emission from 2025 and aim to replace all fossil-fuelled buses on the road by 2035, supported by a manufacturing sector deal.
  - Establishing a rolling programme of rail electrification.
- 2) Encouraging greater use of public transport:
  - Investing in bus priority measures, demand-responsive services, new rail network and station capacity, and cross-modal interchanges to improve public transport connectivity.
  - Improving public transport affordability through simpler and more flexible fares and targeted measures to reduce fares.
  - Reforming the bus and rail operating and funding models to better meet communities' needs and to facilitate decarbonisation.
- 3) Providing greater access to a wide range of low-carbon transport options:
  - Improving broadband and sustainable transport connectivity locally to reduce people's need to travel for their everyday needs.

- Supporting the roll-out of quality walking and cycling infrastructure schemes.
  - Encouraging multi-modality through legalising e-scooters, wider roll-out of car clubs and creating mobility hubs at main interchanges.
- 4) Improving consumer choice and incentives:
- Requiring journey planners to default to walking, cycling and public transport options and to provide comparative information about the different journey options.
  - Introducing a system of mobility credits as incentives for modal shift at key life stages.
  - Trialling free or reduced price bus travel in an area and subsidised bike hire schemes.
- 5) Tax and funding changes that facilitate an economy-wide and local shift to net zero:
- Ending the fuel duty freeze so that pricing favour public transport rather than driving.
  - Publishing a trajectory for introducing variable distance-based charges for the Strategic Road Network by Budget 2021.
  - Enabling local authorities to introduce road use charges on local roads and Workplace Parking Levies without the need to seek central government approval.
- 6) Decarbonising how goods are moved:
- Clear messaging on the technology (battery electric or hydrogen) businesses should be adopting for different types of vehicles and incentives to use the most appropriate vehicles of each stage of the journey.
  - Encouraging freight consolidation and ensuring businesses price deliveries according to their environmental impact.
  - Setting out a target for freight modal shift from road to rail and other modes.

Below we expand on each of these points. We have also included a selection of quotes from our supporters, who told us that they have responded to the consultation questionnaire.

## Introduction

The *Decarbonising Transport: Setting the Challenge* document clearly identifies the challenges we face in terms of reducing the UK's emissions from transportation. Although vehicles' fuel efficiency has been improving, producing fewer tailpipe emissions on average, traffic from both personal and commercial vehicles has increased substantially, so transport emissions have remained relatively static. Both the Committee on Climate Change carbon budgets and the *Decarbonising Transport* document rightly identify that, given the scale and speed of decarbonisation required, both a shift to lower-emission vehicles and more journeys made by public transport, walking and cycling will be required to meet the Government's net zero (as well as local air quality) commitments. We need to be travelling less and choosing the most efficient and sustainable modes of transport, and cleanest vehicles, when we do travel.

The Covid-19 pandemic has caused major changes in travel behaviour, some of which present challenges and others opportunities for transport decarbonisation. Achieving net zero carbon emissions will require:

- a transformation of the transport fleet to zero emission vehicles (tail pipe and fuel source);
- fundamental reform of the public transport system to improve connectivity and provide high-quality, affordable and attractive services that serve people's everyday needs;
- a wider range of low-carbon and shared mobility options;
- the right information, incentives and tax regime that facilitate an economy-wide and local shift to net zero;
- the right regulatory climate and incentives for decarbonising freight and logistics.

### 1. Vehicles' decarbonisation

The government should accelerate the transition of road and rail transport to zero emission by first

facilitating supply, then stimulating demand through taxation and incentives. Implementing new infrastructure and fleet will require government to set the direction and pace of change as part of its green recovery programme to support job creation, economic activity and pollution reduction. It can create and scale the market by setting a timeline for the decarbonisation of passenger and freight fleets and supporting the accelerated development of new products and associated infrastructure.

### 1.1. Cars and vans

We support the government's intention to phase out the sale of petrol and diesel vehicles by 2035 and earlier if possible, but a target is also needed for removing the use of all fossil-fuelled cars and vans on the road in order to improve air quality and cut carbon emissions. There should be an early focus on fleet replacement for businesses, car hire and car sharing schemes with incentives such as lower upfront cost of electric vehicles, while the second-hand market develops. The government should aim for the entire UK urban delivery fleet to be zero emission.

We welcome the new, more attractive benefit-in-kind (BiK) company car tax rates from April 2020 and the clarity provided for future years should help stimulate demand. If this falls below expectations, the government should consider mandating that all new company fleet purchases should be zero-emission vehicles from April 2023. Ensuring that towns and cities implement Clean Air Zones without delay, coupled with grants for small businesses to replace non-compliant vehicles, will also help accelerate the shift towards low-emission vehicles, while improving air quality in the longer term.

Greater provision of electric vehicles by car clubs and rental companies would also normalise their use among private users. The government should work with the industry towards an improved, standardised approach to how clean vehicles are described compared with vehicles with other types of fuel.

A wider and faster roll-out of charging infrastructure is also required. Different businesses' charging infrastructure needs also vary. Larger businesses and logistics companies would be better placed to invest in dedicated depots with the required charge points and electric grid upgrades. For medium-sized businesses without their own depots, local authorities should be given grants to invest in charging hubs, as well as on-street schemes. To provide certainty to fleet managers, the government should ensure interoperability of different operators' chargepoints and standardised emission requirements across Clean Air Zones.

### 1.2. Heavy vehicle fleet

Hydrogen fuel provides a viable zero-emission option for fleets that are too heavy or require longer ranges than electric batteries are suitable for (e.g. buses for rural use, trucks, ferries, trains where electrification does not make economic sense). As an early focus, the government should support the growth of hydrogen-fuelled buses, fuelling infrastructure and green hydrogen production. With significant capacity for the production of both green hydrogen and hydrogen-fuelled vehicles, the UK has a major competitive advantage compared to other countries. There is a short window to secure a leading position for the UK, especially as costs are set to fall by up to 60 per cent over the next decade.<sup>1</sup> This will create jobs across the supply chain and regions, and build export

*"The government should be investing in research, development and production of vehicles that use electricity and hydrogen to power our transport network in the UK."*

Kurt, Luton

*"I want an effective electric car charging infrastructure that uses green energy based on those that are already in place but with more fast chargers, cover for users, and availability that anticipates increased future demand."*

David, Stroud

<sup>1</sup> Centre for Policy Studies (2020), Driving Change: How Hydrogen Can Fuel A Transport Revolution, <https://www.cps.org.uk/files/reports/original/200603180819-DrivingChangeHowHydrogenCanFuelATransportRevolution.pdf>

opportunities for future growth. There should be a ban on the use of brown hydrogen for transport from the outset.

### 1.3. *Bus fleet and depots*

The government should introduce a zero emission bus fleet and depot overhaul programme that requires all new buses be zero emission from 2025 and aim to replace all fossil-fuelled buses on the road by 2035 at the latest (except for pre-1980 heritage vehicles). The government should mandate this through a Bus Services (Zero Emission Fleet) Bill. A support programme that starts with London and the Combined Authorities would address the majority of the fleet and allow the manufacturing sector to scale and reduce costs for smaller authorities or areas. This will require supporting changes to depots with local planning for the retrofit or re-siting of depots.

The government should support growth in the capacity of the UK manufacturing sector to deliver the zero emission bus fleet. A manufacturing sector deal would ensure the future viability and growth of UK bus manufacturing of zero emission fleet at the scale needed, increasing the supply of a modern vehicle fleet, boosting UK supply chains, and reducing reliance on overseas technology and suppliers.

### 1.4. *Rail*

The rail network is losing its advantage as a green mode of transport. The diesel train fleet needs to be removed from service to achieve decarbonisation. The target to decarbonise the railway by 2040 cannot be achieved without greater electrification. The government should expedite a rolling programme of electrification, with the intensively used parts of the network for passenger and freight trains electrified early to facilitate fleet replacement. The government should support the introduction of zero-emission technology such as hydrogen fuel cell trains to stimulate the market for alternatives to diesel trains and make the UK a leading manufacturer. With wider electrification, there is also scope to make rail entirely powered by renewables.

## **2. Modal shift to public transport**

To be well used, public transport must be affordable, accessible, reliable and convenient. Frequently, especially outside of London, this is not the case, making the shift to public transport a challenge. To address this, there need to be policy and fiscal measures to improve public transport, alongside actively promoting and incentivising more sustainable forms of transport – particularly in the post-Covid era.

### 2.1. *Improving connectivity*

Across England, 61 per cent of all trips made are by car and only nine per cent are by public transport.<sup>2</sup> One reason for this is poor connectivity. Some communities have no access to bus or rail services within a reasonable distance and many suffer from infrequent services with poor or no provision in the evening and weekends. Routes are such that people need to interchange between buses, or bus and rail, to reach their destinations. More than half (56 per cent) of small towns in the south west and north east of England (nearly a million people) have such bad transport connectivity that they are considered to be 'transport deserts' or are at risk of becoming one.<sup>3</sup> Buses suffer from a lack of reliability and slow journey times, which makes planning journeys difficult and often means people seek alternatives.

The government can improve connectivity through infrastructure investment and capital spending on measures, including:

- Better integration of local transport that meets people's needs, with local transport authorities playing a greater role in planning local networks, working with operators across

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<sup>2</sup> DfT (2020), National Travel Survey 2019, Table NTS9903

<sup>3</sup> Campaign for Better Transport & CPRE (2020), Transport deserts: The absence of transport choice in England's small towns, <https://bettertransport.org.uk/sites/default/files/research-files/transport-deserts-2020.pdf>

all forms of transport, including active and public transport.

- Implementing bus priority measures including bus lanes, urban traffic control, priority at junctions, bus waiting facilities, interchanges and bus stations. Car-free, cycling-and-public- transport-only corridors should be considered in large cities.
- The establishment of more flexible, demand-responsive services in areas where traditional bus services are not appropriate to improve efficiency, reduce emissions and open up public transport

*“Invest in local train routes and re-open lots of branch lines to switch from road to rail transport”*  
Deborah, Rolvenden

options to people currently cut off from existing routes.

- Investing in new rail capacity and connections, including reinstating passenger services on closed sections of the railway and developing new stations to serve communities not currently connected to the railway. We have identified a list of 33 priority schemes, which can create 72 new stations and 343 miles of reinstated passenger services miles over 25 years.<sup>4</sup>

*“Our town is lucky to have a covered staffed bus station. More towns should have these. In one nearby town that lost its bus station due to operator economies, different services stop on different streets, making connections difficult.”*  
Alistair, Workington

## 2.2. Improving affordability

UK bus and rail fares are higher than many European cities. Single bus journeys typically cost £5-6 outside London, and the lack of multi-stage and multi-operator tickets (like the Hopper fare in London) mean that journeys where passengers need to change buses become unaffordable. At the same time, rail fares have been increasing annually. When public transport becomes unaffordable, people become less able to access economic and social opportunities, leading to deprivation and social isolation.

There needs to be a rapid move to simplified fare structures and digital, account-based ticketing, and integrated zonal, multi-operator and multi-modal ticketing can ensure that passengers are automatically offered the best-value option and improve the understanding of journey costs while aiming to reduce fares. A range of capped, flexible season rail ticket products would better suit increased home and part-time working. The government should also explore more targeted measures to reduce bus and rail fares, including a review of concessionary fares to improve access to education and employment for specific demographics and a longer-term review of how rail fares are set.

*“Local bus services are too expensive to use, except as an occasional treat. It can’t be right that the cost of using my car to transport my family to our local town (including parking) is just 10% of the bus fare. I want to use buses more as the local service is good. It’s just far too expensive to consider as a viable transport mode.”*  
Ian, New Milton Hampshire

## 2.3. Reform of operating and funding models

A fundamental reform of how bus and rail markets are funded and operate is needed to equip them to better meet communities’ needs in the aftermath of Covid-19 and to facilitate decarbonisation. The government should extend the temporary funding arrangements for both bus and rail until new arrangements are ready to be implemented. To better tailor local transport services to local needs, funding for local transport should be ring-fenced and channelled through local authorities. They should be required to work collaboratively with commercial operators to produce local integrated transport plans with multi-modal networks offering high-quality services,

<sup>4</sup> Campaign for Better Transport (2019), The Case for Expanding the Rail Network, <https://bettertransport.org.uk/sites/default/files/research-files/case-for-expanding-rail-network.pdf>

For bus services, tendered and franchised provision is likely to become more important, at least in the short term, as commercial services are threatened by low customer numbers, but a mix of models may be appropriate to harness the benefits from public funding in the longer term. As part of the forthcoming National Bus Strategy, revenue support should be reformed and better targeted at delivering specific benefits against desired outcomes such as increasing bus use, ensuring socially necessary services that are critical to communities are in place and a move towards zero-emissions. Funding should be combined within a single, ring-fenced, multi-year funding framework covering revenue and capital support from taxpayer funds to local authorities.

The government should explore two elements to a new revenue support mechanism. A primary funding stream will serve to improve provision, including:

- Retaining and instating socially important provision;
- Facilitating wider use of a Total Transport model combining funding and commissioning of local transport services;
- Funding concessionary fares and targeted measures to reduce fares;
- Incentives for consumers to switch to public transport;
- Wider roll-out of innovative models of delivery, such as demand-responsive transport.

A supplemental funding stream should act as general support to all operators to smooth the transition to a new funding landscape. It should taper over time and be withdrawn by 2030 at the latest, influenced by the pace of rebuilding patronage post-Covid through the primary revenue funding. It should include:

- A basic supplemental payment on a per passenger or per mile basis;
- An additional incentive payment that only zero-emission buses are eligible for;
- Support for fossil-fuelled vehicles should taper, with the most polluting vehicles (Euro IV and lower) losing support within a year, and all fossil-fuelled vehicle support withdrawn by 2025.

For rail, the government should consider which recommendations from the Williams Review are still appropriate and how to introduce them. A new structure is needed that delivers the benefits of a nationally integrated network with more influence and control from local areas, allowing rail to mesh with and respond to local objectives and needs. Alongside a move to devolve more local rail services to the city region and sub-regional level, a new arm's-length body should be established to manage rail planning, oversee local operations and day-to-day management. A combination of models will be needed to satisfy different communities' needs, including competitive intercity routes, urban transport models, regional transport concessions, and design-build-operate models for the development of new infrastructure.

While the railway should continue to be primarily financed by fares income and government funding, additional tools for capturing the benefits that rail brings should be established. For example, through integrating rail planning and investment with land-use planning at the regional level, land value capture (both direct and indirect) can be used to raise revenue from development that benefits from proximity to rail services. Another option is to recycle the revenue raised through tools such as the Community Infrastructure Levy to invest in the rail network. The new arm's-length body should develop such tools and make the case for future public investment.

### **3. Active travel and shared mobility options**

Reducing the need to travel and encouraging people to walk and cycle for short journeys have the potential to make the biggest difference in reducing carbon from the transport sector. For remaining journeys that cannot easily be done by active travel or public transport, people should have greater access to a wide range of low-carbon alternatives to the private car, so there is a choice of options to suit individual needs.

#### *3.1. Reducing the need to travel*

The Covid-19 pandemic has already accelerated the trend towards remote working, as well as shopping and leisure more locally. To provide choice to employers and employees on location of work, the government should rapidly improve broadband connectivity in areas where this is still lacking. Local authorities need to consider the opportunity more remote working can present to boost their local high streets and economies and how they use the planning system and work with local businesses to support that. New developments and redevelopment should be planned in such a way as to reduce the need to travel far for people's everyday needs. Embracing mixed use-planning so that everything you need on a daily basis is within a reasonable walking distance from your home (similar to the popular "15-minute city" concept) would help achieve that. Joined-up land use and transport planning that embeds walking and cycling infrastructure and public and shared transport provision is also important. This should be central to the government's proposed *Planning for the future* reforms of the planning system.

*"Change planning rules preventing homes, shops, places of work, etc. from being far apart and not accessible by public transport, walking or bike. It should be convenient to travel from home to shops, work, etc. without having to own and use a car. Shops should be in the town, not in out-of-town centres, no more housing estates without shops selling food and everyday essentials."*

Anonymous

### 3.2. Active travel

There have been greater levels of walking and cycling during the pandemic for shopping, commuting and exercise. The government has tried to encourage greater levels of walking and cycling through removing some regulatory barriers and issuing guidance and funding for local authorities to reallocate road space for temporary pavement and cycle lane expansions. These measures are very welcome and should provide the extra space for people to walk and cycle more safely and confidently, while maintaining social distancing, and at the same time discourage private cars for short journeys. There is significant potential for mode shift to active travel, as 25 per cent of all car or van trips in 2019 were less than 2 miles (which take less than 30 minutes to walk) and an additional 33 per cent were between 2-5 miles (a 60 mins walk or 20 min cycle).<sup>5</sup>

Local authorities should plan road layouts carefully to ensure that road infrastructure for active travel is complemented by sufficient bicycle parking facilities, as well as bus priority and other public transport prioritisation measures, so that reliable journey times can be maintained. We also welcome the recent *Gear Change* walking and cycling vision document, including new cycle infrastructure design standards. The government should ensure that the new Active Travel England inspectorate is well resourced to carry out its role of ensuring all local schemes uphold the highest quality standards.

*"Encourage active travel and public transport, e.g.: cycling routes fully segregated from traffic; walking routes not sharing narrow pavements with cyclists; better pedestrian and cycle priority when crossing busy roads; cycle hire at stations - and segregated cycle routes from stations to local attractions."*

Jack, Derby

### 3.3. Micromobility

E-scooters and e-bikes can provide a viable alternative to driving for first and last mile journeys that may be too long or too difficult for people to walk or cycle. Following the current consultation and e-scooter hire trials, the government should consider legalising e-scooters, with as few regulatory barriers as possible. Requiring users to hold a driving licence, for example, would be disproportionate compared to existing regulations for cycling, for example. Instead, there should be free lessons available, like the current cycle training schemes available through local authorities, to support people to use scooters safely. The government should also develop a

<sup>5</sup> DfT (2020), National Travel Survey 2019, Table NTS0308a

standardised framework for e-scooter and dockless bike hire schemes to assist local authorities that wish to support the rollout of hire schemes locally, and reduce complexity and costs with developing schemes in new areas.

### 3.4. Car clubs and peer-to-peer car sharing

Car sharing, such as car clubs and peer-to-peer platforms, are an important part of reducing emissions, particularly among existing car owners. There is good evidence that car sharing enables people to give up their personal vehicles and reduce the overall mileage they drive.<sup>6</sup> Facilitating car club operations locally would enable people to dispose of, or not purchase, a private car, knowing that the option exists for residual journeys, which cannot easily be made by walking, cycling or public transport.

### 3.5. Mobility hubs

People should also be encouraged to use micro- and shared mobility vehicles as part of multi-modal journeys. Creating mobility hubs near existing major bus and rail termini, with provision for bike parking, bike and e-scooter hire, car clubs, as well as electric vehicle charging facilities would enable seamless interchange between modes.

## 4. Influencing behaviour

What modal shift requires is for people to change their behaviours. This is not a simple thing to do and long-held habits take a long time to break.

The Covid-19 outbreak and the resulting lockdown has had profound implications in people's behaviour, as we adjust to "a new normal". Many of us are becoming accustomed to working from home and shopping locally, therefore reducing the need to travel, and walking and cycling have increased, which are all positive developments. However, the message not to use public transport has stuck with people, even after this message was relaxed, leading to an unwelcome shift to the private car. Although a much lower proportion of UK workers have returned to their offices than people in other European countries,<sup>7</sup> car use is already back to pre-Covid levels, while rail use is still at around a quarter of what it used to be and bus at less than half of previous levels.<sup>8</sup> Research has shown it takes an average of two months to form a new habit, but this can vary widely, depending on the behaviour, the person, and the circumstances.<sup>9</sup> So the pandemic can help wire in a new default for beyond its duration and normalise travelling by car where people may previously have chosen to use public transport.

The government can create a number of enablers and incentives to help people make sustainable travel choices, both over the short and medium terms.

*"Concentrate on joined-up transport, with a single portal available to make decisions on which transport mode to use."*  
Dave, Layland

### 4.1. Journey planning

One key enabler is technology. With widespread adoption of smartphones and 4G, online and app-based journey planners, from Google Maps and Apple Maps to Citymapper, have become common for people on the go. Some local transport authorities, like Transport for London, have launched their own journey planner maps. But private platforms prioritise their commercial services and

<sup>6</sup> CoMoUK, Steer (2019), England & Wales Car Club Annual Survey 2017/18, <https://como.org.uk/wp-content/uploads/2019/06/EW-report-v4.0.pdf>

<sup>7</sup> The Guardian (5 August 2020), UK office workers slower to return to their desk after Covid,

<https://www.theguardian.com/business/2020/aug/05/uk-office-workers-slower-to-return-to-their-desk-after-covid>

<sup>8</sup> CfBT (2020), Covid-19 Recovery: Renewing the transport system, [https://bettertransport.org.uk/sites/default/files/research-files/Covid\\_19\\_Recovery\\_Renewing\\_the\\_Transport\\_System.pdf](https://bettertransport.org.uk/sites/default/files/research-files/Covid_19_Recovery_Renewing_the_Transport_System.pdf); DfT (2020), Transport use during the coronavirus (COVID-19) pandemic, <https://www.gov.uk/government/statistics/transport-use-during-the-coronavirus-covid-19-pandemic>, last accessed 14/08/2020

<sup>9</sup> James Clear (NK), How Long Does it Actually Take to Form a New Habit? (Backed by Science), <https://jamesclear.com/new-habit#:~:text=On%20average%2C%20it%20takes%20more.to%20form%20a%20new%20habit.>

interests (e.g. Uber also provide public transport and bike share options but defaults to private hire first and foremost).

The journey planner operators should be required to default to walking, cycling and public transport options to encourage people to choose, or at least consider, sustainable transport options. They should also provide additional information about the different journey options, such as carbon and air pollution emissions produced or calories burned, as well as price – which may tip some people into making more sustainable choices. Journey planners should also seamlessly integrate different modes and proactively suggest alternative journey options, such as travelling at different times of day or driving to the nearest rail station and taking the train rather than driving all the way.

#### 4.2. *Mobility credits*

Local transport authorities can also create a system of mobility credits – money credits that can be used on public transport, purchasing or hiring bikes and other micromobility vehicles, car clubs and other shared mobility options. These credits can be operated via a smartphone app and given as incentives for modal shift, for example for scrapping an older, polluting vehicle, or for trying new ways to travel at key life moments, such as moving home or starting a new job. Coventry City Council and Transport for West Midlands are already trialling mobility credits for people scrapping older polluting vehicles as part of the West Midlands Future Mobility Zone. HM Treasury should provide funding for more local authorities to trial different types of mobility credit schemes, with a view to developing a workable national equivalent in the future.

The government should also fund a local area to trial free or reduced price bus travel in a local area to assess the impact on patronage and overall effectiveness of the local transport network. It could take the form of a reduced price flat fare or zero fare available to all travellers or a targeted model available to selected groups, for example 16-18 year olds. It could be deployed either as a reduced price fare or as credits on a travel smart card (to encourage the take up of smarting ticketing and monitor usage).

Other financial incentive schemes could include subsidised introductory bike hire scheme offers, such as free journeys up to an hour for a specified time or free memberships for people in certain benefits. We also welcome the government’s commitment to create a national programme of financial incentives for e-bikes – which can enable people to cycle for longer journeys or those less physically able, including older people, to take up cycling – and look forward to seeing more details.

### 5. **Taxation and funding**

Alongside ensuring that active travel infrastructure and public transport provision are fit for purpose, there are a number of fiscal levers the government can use to help people make sustainable travel choices. The most important signal when people consider journey options is pricing – and it should favour public transport rather than driving. Alternative revenue raising tools for local authorities, which reduce their reliance on central government revenue funding, can also help influence behaviour and choices. They should embrace the “polluter pays” principle, to encourage the use of public transport, active travel and shared mobility and dissuade more polluting and less efficient options.

#### 5.1. *Fuel duty*

Currently, with fuel duty frozen and car manufacturers looking to recover sales, there are more incentives to use private cars than public

*“We need to focus far more on public transport, making rail and bus more attractive options. The more carbon intensive a form of transport, the more expensive it should be. Trains and buses should be the cheapest, cleanest and easiest options to take. We need to stop building more roads and focus on good quality public transport.”*  
Jill, Suffolk

transport. While rail and bus fares have continued rising, the fuel duty freeze has made car journeys progressively cheaper, meaning that the government has been subsidising the real cost of car ownership.

It is estimated that the freeze has led to 5 per cent more traffic, 250 million fewer bus journeys, 75 million fewer rail journeys, an extra 5 million tonnes of CO<sub>2</sub> and an extra 15,000 tonnes of NO<sub>x</sub> emissions.<sup>10</sup> The freeze in fuel duty since 2011 has also cost the Treasury more than £50 billion in foregone revenue, which could have been invested in sustainable transport options and other carbon reduction measures.

To break this cycle and send the right price signals to promote modal shift, the government should end the freeze on fuel duty at the earliest opportunity.

### 5.2. Road use charges

As vehicles progressively shift to battery electric or other alternative sources of energy, from the current vehicle taxation regime (Vehicle Excise Duty and fuel duty) will become less effective at encouraging sustainable transport. In the medium term, we should be moving towards a more sophisticated approach to charging for road use that captures the full extent of negative impacts on society (including road danger, congestion, air pollution and carbon emissions).

Technology has enabled a charging mechanism that varies by distance travelled, time of day, location, and level of emissions and impact on the environment of the vehicle. Such an approach would be fairer to the consumer, reflecting more closely the impacts of individual journeys, while supporting the transition to cleaner vehicles and encouraging people to make informed travel decisions.

The Treasury should be looking to introduce a distance-based charge for the Strategic Road Network (with revenue retained by Highways England) from 2025 at the latest. As a first step, the government should conduct a review of incentives and taxation related to road transport looking at how to encourage modal shift to public transport, support the transition to zero emission fleet, fund future local road upkeep costs, and meeting the contribution from transport sector to net zero carbon emissions. This should be published with a trajectory for changes to road transport taxation by Budget 2021.

In the meantime, the government should issue new guidance to local authorities to introduce road use charging (distance- or cordon-based) or paid Clean Air Zones on local roads, particularly in city centres, to mitigate local congestion and pollution. The revenue raised should be retained locally and ring-fenced for funding maintenance and renewals of the road network, along with investment in public transport and modal shift incentives. Local authorities having the power to make decisions on charging levels and other specifications, but to prevent it becoming an incentive to promote car use, the government guidance should include a mechanism for annual charge increases to compensate for revenue lost from lower private vehicle use.

*“Introduce congestion charging in all towns and cities, and further increase vehicle taxes on more polluting cars. Introduce schemes to encourage public transport usage, e.g.; point to point ticketing, loyalty discounts, based on annual public transport spend; better service provision in late evenings and Sunday mornings”*  
Anthony, Leicestershire

### 5.3. Workplace Parking Levy

Parking charges are another mechanism of redressing the pricing balance away from private cars. A Workplace Parking Levy – paid by employers over a certain size in a specified area based on

<sup>10</sup> Greener Journeys (10th March 2020), Ending fuel duty freeze could treble NHS budget for doctors and nurses, Press release, <https://greenerjourneys.com/press/ending-fuel-duty-freeze-could-treble-nhs-budget-for-doctors-and-nurses/>

the number of parking places they provide – would encourage them to support their employees in planning alternative travel options. To expedite the adoption of this mechanism, the government should issue further guidance clarifying the process, conditions and the outline amount of levy that can be charged, but (like for road use charges) devolve responsibility to local authorities and remove the requirement to seek permission from the Secretary of State. Money raised should be used to support specific local transport improvements, which will also benefit levy-paying businesses and their employees and customers directly through improved active or public transport.

## 6. Decarbonising how goods are moved

Freight and logistics are vital for enabling the movement of goods, supporting most sectors of the economy, including manufacturing, construction, agriculture and retail. It supplies good to our shops, delivers our mail and ensures waste is taken away. The Covid-19 crisis has reminded consumers of the importance of freight and the lockdown accelerated the trends towards online shopping and deliveries. However, lorries and vans contribute just under a third (32 per cent) of GHG emissions from transport, so the sector needs to play its role in decarbonising transport. While shifting towards zero-emission vehicles would form the bulk of the sector's decarbonisation (as businesses have less discretion than individual passengers as to whether and how to make a specific journey), there is also scope to reduce vehicle kilometres and to shift freight to other modes.

### 6.1. Zero-emission deliveries

While battery electric technology is seen as the best solution for light goods vehicles (LGVs), it is unlikely to be suitable to all types of vehicles (as described in section two). For example, most heavy goods vehicles (HGVs) are too heavy and require a longer-range option than electric batteries can provide. Hydrogen technology can provide a viable alternative for decarbonising HGV fleets. The government should provide clear messaging for businesses on the types of technology they should be adopting for different types of vehicles in their fleets to support decarbonisation efforts.

We welcome the current government investment in research and development into hydrogen fuel and hydrogen-fuel vehicles. As well as supporting innovation and early-stage manufacturing, the government should provide appropriate fiscal and regulatory incentives for businesses for the adoption of both battery electric and hydrogen-powered vehicles. Businesses should be incentivised to use the most appropriate vehicles of each stage of the journey, i.e. fully loaded HGV for long-distance haulage and electric LGVs within town and city centres and light electric vehicles such as cargo bikes for last mile deliveries in more central congested areas. Local authorities can support the adoption of e-cargo bikes through schemes such as try-before-you-buy hire for small businesses.

### 6.2. Freight consolidation

The government and industry should lead a campaign to raise consumer awareness of the carbon emission and air pollution impacts of having goods and services delivered to their doorstep, and that there is no such thing as “free delivery”. To reduce overall freight vehicle movements, both industry and consumers should be given the right price signals. Distance-based road use charges (as described above) would incentivise logistics and delivery companies to consolidate loads into fewer vehicles. Businesses should also price deliveries according to their environmental impact, with more expensive next-day or peak-time slots, and encourage consumers to use free collection from local pick-up points, reducing first and last mile journeys.

*“Local hubs from which goods can be collected by walking from home, to reduce use of vans for journeys on unsuitable roads at low speeds, and to overcome problem of not being at home to receive delivery.”*

Tim, Derby

### 6.3. *Modal shift for freight*

Alongside and decarbonisation of road freight vehicles, moving freight from road to other modes is also central to reducing emissions from the logistics sector. The rail freight sector plays a major role in moving freight between towns and cities. Yet rail produces 76 per cent less CO<sub>2</sub> emissions, up to 10 times less PM10 particulates and up to 15 times less nitrogen dioxide emissions than HGVs for the equivalent journey.<sup>11</sup> Rail freight is also much more efficient than road freight, and an average freight train can remove 70 HGVs journeys from our roads. Moving freight to river and tram are other viable options in some cases. The government should support rail freight through setting out a target for freight modal shift and a clear strategy to electrify the whole rail network, which would make modal shift to rail even more beneficial. While the current reduction in passenger demand has freed up some capacity, the government and industry should plan for loading gauge improvements on all major rail freight trunk routes to allow carrying of bigger loads and trailers by rail.

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<sup>11</sup> <http://www.rfg.org.uk/rail-freight/why-use-rail-freight/>