

Strategic Transport Leadership Board

24 September 2021

Agenda Item 5: Transport Decarbonisation

Recommendation:

It is recommended that the Board:

- a) **Recognises the pivotal role that authorities will play in delivering decarbonisation and review the policy summary (Annex 1)**
- b) **Notes the update on EEH's roadmap to decarbonisation and the presentation on the first part of this work**
- c) **Comments and approves the proposed response to 'Decarbonising transport: a better, greener Britain' (Annex 2)**

1. Context

- 1.1. The DfT published 'Decarbonising transport: a better, greener Britain' on 14 July 2021 after more than a year of development and engagement with stakeholders, including EEH. The document is widely referred to as the transport decarbonisation plan.
- 1.2. With the publication in February 2021 of EEH's transport strategy, which has the ambition to achieve net zero carbon emissions from transport by 2040, 10 years ahead of the legal requirement, EEH has committed to developing a decarbonisation road map for the region.
- 1.3. Authorities will play a key role in the delivery of the transport decarbonisation plan, though as yet the DfT has provided little clarity on statutory requirements, the process that this will entail and funding.
- 1.4. Headline commitments made by government in the plan are summarised at Annex 1.

2. Overview

- 2.1. The transport decarbonisation plan represents a major step towards achieving net zero. Its ambitions and targets, particularly around the fleet transition to electric vehicles (EVs) and innovation in mobility are world leading. It includes a 2040 target for decarbonisation of new vehicles across all modes.
- 2.2. Of particular interest to the Board should be the explicit recognition that this alone will not be enough to reach net zero or indeed deliver the best outcomes for our places.
- 2.3. The focus on 'places' and the proposal to link future funding allocations to plans to reduce carbon is a positive step. Potentially, this will mean highlighting carbon impacts and ambitions in local transport and connectivity plans (LTCPs), although the plan does not explicitly specify further or new funding opportunities to support this.

- 2.4. The transport decarbonisation plan places a significant emphasis on the role of local authorities. It says: "Local authorities will have the power and ambition to make bold decisions to influence how people travel and take local action to make the best use of space to enable active travel, transform local public transport operations, ensure recharging and refuelling infrastructure meets local needs, consider appropriate parking or congestion management policies, initiate demand responsive travel, as well as promoting and supporting positive behaviour change through communications and education."
- 2.5. EEH business unit is actively engaging with DfT to provide clarity on funding for these activities. Whilst the suite of policy and funding commitments for specific areas of delivery (bus/EV infrastructure, active travel) is to be welcomed, local authorities are likely to require funding to deliver this ambitious agenda.
- 2.6. EEH's transport strategy is clear that decarbonisation should be grasped as both a societal and economic opportunity. Through our focus on decarbonisation, we will be able to create better, healthier places and unlock new markets for our businesses.
- 2.7. DfT makes a strong link between planning reform and net zero for transport. There is a focus on making new developments cycling, walking and public transport friendly. While this is welcomed, there remains a systemic challenge in funding and planning infrastructure to support such new development. Without addressing this, it is unlikely the ambitions of the transport decarbonisation plan will be realised.
- 2.8. The transport decarbonisation plan does not provide clarity on responsibility for emissions occurring at the 'tail pipe' for local authorities or national agencies. EEH, working with its partners, will support government to define this ahead of any implementation of carbon targets or budgets.
- 2.9. EEH's work to develop a decarbonisation roadmap includes a number of decarbonisation trajectories/non-binding carbon budgets/targets for surface transport. The key trajectory is aligned with the Climate Change Committee's (CCC) sixth carbon budget – surface transport. This provides the opportunity for EEH to support our partners, highlighting the speed and effort required to meet the government's commitments to decarbonisation.

3. Using cars differently and less often

- 3.1. While there is no doubt that zero carbon vehicles will play a significant role in achieving net zero, it is equally clear this will not be enough. EEH's 'Pathways to Decarbonisation' modelling demonstrated how demand management and behaviour change, resulting in modal shift away from the private car, needs to play a major role if we are to achieve net zero by 2050, at the latest.
- 3.2. The government's transport decarbonisation plan does acknowledge that, 'we cannot simply believe that zero emission cars and lorries will meet all our climate goals or solve all our problems'. It adds that, 'we will use our cars differently and less often'.
- 3.3. The plan recognises that our ability to achieve net zero on the transport system by 2050 is dependent on how quickly zero-emission technologies, fuels and efficiency measures are deployed, as well as the impacts of policy initiatives to increase the numbers of journeys made by cycling and walking and on public transport. However, it doesn't set out a clear pathway to achieving the level of behaviour change that is needed to deliver on its own ambitions.
- 3.4. While this is a risk that can be managed, it can only be done so if it is met with the right funding at the right time, flexibility in the regulatory environment and backed up by the right national policy framework.
- 3.5. The regional transport strategy, and EEH's subsequent work to set a road map to decarbonisation provides the framework to achieve place-based modal shift. Central to our approach is the continued need for investment in the road network to support both planned, sustainable housing and economic growth and our communities and businesses.

- 3.6. Keeping that in mind, it is clear we need a fundamental shift in what roads are used for and what solutions we identify to solve issues on the network. The transport strategy also contains a policy that investment which reduces private car use should be prioritised. In particular, we must be aware of the increase in new vehicle traffic caused by improvement to network capacity (induced demand).
- 3.7. The transport strategy also commits to a reduction in trip rates (aligned with the UK Climate Assembly) of at least 5% decade on decade and recognises that this trip rate reduction may well need to be accelerated. The CCC's sixth carbon budget is clear that, even with the full electrification of surface transport, we need to reduce the number of miles driven on the UK's roads by at least 17.4% by 2050
- 3.8. DfT's traffic growth forecast shows an increase in road use by 2050 of between 17% and 51% (depending on scenarios) based on significant improvements and investments into the highways network. Given many of our partner authorities' commitments to addressing the climate emergency, this approach is becoming increasingly difficult to justify.
- 3.9. The decarbonisation plan's commitment to a review of the National Networks Policy Statement which 'directs' road investment – scheduled to take place in 2023 – is therefore welcomed. EEH will look to play a significant role contributing to the review.
- 3.10. The only reference in the transport decarbonisation plan to demand management in the was made regarding local transport authority-led measures. EEH will work with DfT to make the case for a nationally led programme of demand-side measures and behaviour change. Any proposal to bring forward for example, road pricing, would need to take place at the national level in order to ensure equity and consistency.
- 3.11. Similarly, changes to taxation regimes (vehicle excise duty, fuel duty) and fiscal incentivisation (scrappage schemes etc) should be led by the government in order to avoid creating disparities between regions that impact on relative economic performance.
- 3.12. With the development of the EEH road map to decarbonisation we can support our partners and government to develop policy and strategy that delivers across our region.

4. EEH Decarbonisation Roadmap

- 4.1. EEH has received the draft report and tool developed as part of the first of three work-packages that together make up the EEH decarbonisation roadmap.
- 4.2. EEH will present the tool and run a short demonstration to the Board, highlighting the opportunity the tool presents.
- 4.3. This work shows the baseline for 'tail pipe' carbon emissions for the region, our local transport authorities, districts and combined authorities, split by mode and road type.
- 4.4. The aim of this work is to provide a framework for members and officers, and wider stakeholders, to better understand the required trajectories (aligning with the DfT's transport decarbonisation plan, and the CCC's surface transport pathways) to decarbonise our places. It will support our approach to defining the type and blend of interventions that could be deployed.
- 4.5. This approach builds on the robust method developed by the Royal Town Planning Institute (RTPI), City Science and Vectos. Developing typical place type topographies (including urban, peri-urban, rural, deep rural) we can apply these to the EEH geography at the appropriate scale (Ward/MSOA/LSOA) and after engagement build a coherent regional pathway to transport decarbonisation.
- 4.6. At the most basic level, this work highlights the scale of the work required and, the need for clarity on funding and responsibility for taking action.

5. Next Steps

- 5.1. It is recommended that the Board writes to the DfT with its response to the transport decarbonisation plan, welcoming the ambition in the plan, and highlighting where further information is required as soon as possible.

- 5.2. England's seven STBs are also collectively meeting with the DfT decarbonisation team to clarify the approach the government is taking to funding authorities to begin developing the programmes required to deliver placed-based emissions reductions. EEH provides leadership on decarbonisation on behalf of England's seven STBs.
- 5.3. The transport decarbonisation plan highlights the role that sub-national transport bodies can play in supporting, 'the Government's decarbonisation objectives by joining up local plans across a wider geography, to capitalise on economies of scale and ensure coherence across local authority borders'.
- 5.4. Whilst EEH and other STBs are already supporting our constituent authorities in regard to decarbonisation, we are seeking further clarification regarding our role and the DfT's approach to developing tools and common analytical frameworks that will be required to support the transition to net zero.
- 5.5. In the absence of government placed-based targets and trajectories EEH is developing a decarbonisation roadmap that outlines this data and can support local authority decision making and project development/implementation.
- 5.6. EEH will continue to work with government and regional stakeholders to define and clarify governance, carbon budgets and the pressing need to provide funding and investment to deliver the plan.

James Golding Graham
Innovation and Decarbonisation Manager
September 2021

Annex 1 – Headline Commitments included within the transport decarbonisation plan

1. Places: headline commitments

- Invest £12bn in local transport over this Parliament (largely already committed)
- Recognition of the strategic role of the sub-national transport bodies in delivering decarbonisation
- Make quantifiable carbon reductions a fundamental part of local transport planning and funding
- Embed transport decarbonisation principles in spatial planning and across transport policymaking
- Create at least one zero emission transport city and four industrial 'super-places'
- Complete a review of how to best represent decarbonisation measures in transport business cases and appraisals
- Publish a local authority toolkit in 2021, providing guidance to deliver more sustainable transport measures

2. Modal shift: headline commitments

- Action to increase average road vehicle occupancy by 2030
- Publish guidance for local authorities on support for shared car ownership and shared occupancy schemes and services
- Use national e-scooter trials to understand their environmental impact, safety and mode shift potential to evaluate whether they should be legalised
- Reduce barriers to data sharing across the transport sector
- Launched a new annual statistical release and guidance about transport's impact on the environment
- Explore the introduction of a sustainable travel reward scheme
- Support transport providers to develop communications campaigns that encourage mode shift
- Encourage and support UK businesses to reduce emissions from employee's travel journeys through 'Commute Zero'
- Identify opportunities for decarbonisation through innovation in rural areas in the upcoming 'Future of Transport: Rural Strategy'.

3. Roads: headline commitments

- Phase out all new non-zero emission road vehicles, from motorbikes to HGVs, by 2040
- Government will consult on modernising the Bus Service Operators' Grant in 2021
- Consultation of phaseout of coaches with internal combustion engines (ICE)
- Delivery of a world class cycling and walking network in England by 2040
- Invest £2 billion in cycling and walking over five years aiming for half of all journeys in towns and cities to be cycled or walked by 2030 (as previously committed)
- Consultations on new regulation and dates to phase out ICE for cars, vans and motorbikes/ scooters
- Publication of action plan to stimulate new opportunities for zero emission light powered vehicles - support and nurture innovation in the UK automotive sector
- Office for Zero Emissions Vehicles' infrastructure strategy to be published
- Invest £15 million in 2021/22 in traffic signal maintenance
- Review the National Networks National Policy Statement.



4. Freight: headline commitments

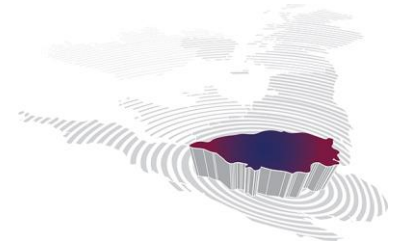
- A zero-emission freight and logistics sector
- Currently consulting on phase out dates for the sale of all new non-zero emission HGVs
- To demonstrate zero emission HGV technology on UK roads (2021)
- Stimulate demand for zero emission trucks through financial and non-financial incentives
- Support efficiency improvements and emission reductions in existing fleet
- Support modal shift of freight from road to rail and sustainable alternatives
- To transform 'last mile' deliveries.

5. Aviation: headline commitments

- Jet Zero strategy consultation, setting out the steps to reach net zero aviation emissions by 2050
- To consult on a target for UK domestic aviation and emissions from airport operations (in England) to reach net zero by 2040
- Aim to agree an ambitious long-term global emissions reduction goal in the International Civil Aviation Organisation by 2022.

6. Low carbon fuels: headline commitments

- Introduce petrol with up to 10% ethanol as standard by September 2021 and review the role of fuels with higher bio content.
- Develop a strategy for low carbon fuels, from now until 2050
- Publish a hydrogen strategy in summer 2021, focussing on the increased production of hydrogen and use across the economy



Annex 2 – draft response to transport decarbonisation plan

Dear Secretary of State

England's Economic Heartland welcomes the publication of 'Decarbonising Transport - A Better Greener Britain' on 14 June 2021 and looks forward to further engagement with the DfT regarding the delivery of this ambitious and world leading plan.

The EEH transport strategy commits to developing a roadmap for transport decarbonisation in our region and highlights the commitment to deliver net zero by 2050 and the aspiration of our partners to decarbonise transport by 2040.

Our Strategic Transport Leadership Board has welcomed the transport decarbonisation plan's recognition that decarbonisation of the transport system and beyond can effect many additional benefits to the country and economy. EEH has long stated that the wider benefits of the changes we will need to make to our places, infrastructure and transport modes to enable transport decarbonisation should be framed as an opportunity for our residents and businesses.

DfT should be congratulated on the adoption of world-leading targets for the decarbonisation of new vehicles across all modes (2040): this is a major step forward. However, we also welcome the explicit recognition that this alone will not be enough to reach net-zero or indeed reach the best outcome for our places.

The focus on 'place' and the proposal to link future local authority funding allocations to explicit plans to reduce carbon is a positive step, however there is a need for further clarity on how this is going to be delivered. The development of statutory policy (LTPs for example) is a time consuming and resource intensive process requiring significant public engagement. We would welcome further discussion on what appropriate policy mechanisms are required to outline our ambition to the DfT.

The plan explicitly makes a link between planning reform and net zero for transport, particularly focusing on making new developments better regarding delivering positive outcomes for cycling, walking and public transport. While this is very much welcomed, there remains a systemic challenge in funding, policy and planning infrastructure to support such new approaches to development. Without addressing this, it is unlikely the ambitions of the transport decarbonisation plan will be realised.

EEH also welcomes the publication of the trajectories for decarbonising the transport system. However, this highlights the need for the DfT to work across national and local government to develop a sensible and proportionate approach to roles and responsibilities relating to transport carbon emissions.

Local partners would welcome certainty on their role through explicit guidance on what is expected to enable them to effectively plan and allocate limited resources.

Equally, the plan suggests that local authorities will have responsibility for delivering interventions such as the workplace parking levy and congestion charging programmes. If authorities are to address this challenge, there must be adequate and proportionate funding allocated to support such activity.

Through EEH's transport strategy, the region's political and business leadership recognise and that a step-change is required in the way our transport system is delivered.

We therefore welcome that plan's acknowledgement that 'we cannot simply believe that zero emission cars and lorries will meet all our climate goals or solve all our problems', and that 'we will use our cars differently and less often'. This is a positive step and we look forward to the confirmation of specific policies and funding allocations to specifically deliver this aim.

Roads will remain an important part of our transport system. However, regionally and as a country there is a need to embrace the hierarchy in the EEH transport strategy (reflected in the transport decarbonisation plan) and rapidly adopt a 'right mode for the right trip approach'. How we use our roads and how often in the future will largely determine the success or failure of the plan.

EEH welcomes the prominence and high level of prioritisation given to cycling walking and public transport in the plan. We are committed to working with the DfT to deliver these welcome and ambitious programmes. Recognition that such interventions will inherently be challenging for our more rural localities and the acknowledgment that further support is needed to understand the right blend of interventions for our places and communities is also welcomed.

We warmly welcome the plan's commitments to developing and improving the bus and regional coach networks and those to accelerate a rolling programme of rail electrification. We support the focus on the increasingly relevant freight and logistics sector – an important part of our regional economy.

EEH commends the transport decarbonisation plan and looks forward to working closely with DfT on the delivery of what we believe can be a defining policy in the nations' work to deliver economy-wide decarbonisation.

**Chair
England's Economic Heartland Board**

September 2021