

Lords Environment and Climate Change Committee Report 2024

Government Response

Introduction

The Government welcomes the Environment and Climate Change Committee recommendations published on 6 February 2024, following its inquiry into electric vehicles (EVs). We are grateful to the Committee and to all those who provided evidence.

The transition to zero emission vehicles (ZEVs) is a crucial step in ensuring the United Kingdom (UK) meets its climate change obligations and 2050 net zero target. It will improve air quality in our towns and cities and support economic growth.

The Government has already spent over £2 billion to support the transition to zero emission vehicles. This funding has focused on reducing barriers to the adoption of such vehicles, including offsetting their higher upfront cost, and accelerating the rollout of chargepoint infrastructure.

The Vehicle Emissions Trading Schemes Order 2023, also known as the ZEV mandate, entered into effect in Great Britain on 3 January 2024. The ZEV mandate requires that 80% of new cars and 70% of new vans sold in Great Britain be zero emission by 2030, on a pathway to 100% by 2035. This is the largest carbon saving measure across Government and the most ambitious regulatory framework of its kind, in any country. It provides long-term policy certainty for investors, manufacturers and consumers in the UK market.

Having carefully considered the Committee's report, and the evidence provided, the Government's response to the Committee's recommendations is set out below.

Chapter 2: Strategic approach and public messaging

Recommendation 1 (Paragraph 27)

The Government should take a more proactive and leading role in communicating a positive vision of the EV transition to consumers, and promoting comprehensive, clear, authoritative, accurate and balanced information. The Government should develop a communication strategy in collaboration with industry partners and consumer organisations to provide clear, authoritative, and trustworthy information. This could build on previous successes such as the Go Ultra Low website.

The Government agrees with this.

The Government recognises the importance of clear communication to consumers on the use of EVs. In the Plan for Drivers, published in October 2023, the Government committed to "continue to champion the transition to zero emission vehicles, by addressing common misconceptions and showing how they can be a practical option for most drivers".

On 5 February 2024, the Government made progress on this commitment by publishing information on EVs and EV charging infrastructure. This guidance was developed with industry and is intended to answer frequently asked questions about EVs.

The Government is also taking proactive action to counter inaccurate information presented by the media on the subject of EVs, when this arises.

Alongside government, industry plays an important role in communicating factual information on EVs and charging infrastructure to consumers. The Government will continue to work with industry to communicate the many benefits of transitioning to EVs.

Recommendation 2 (Paragraph 30)

To communicate the Government's commitment for the central Government car fleet to be zero emission by the end of 2027 more visibly, all cabinet members should be driven in EVs by the end of 2024.

The Government notes this recommendation.

The Government has committed to transitioning the central government car and van fleet to zero emission vehicles by 2027. Each government department is responsible for delivering this target, planning how it should be approached, including considering security constraints, and prioritising budgets.

30% of cars and vans in the Government Car Service fleet, which is available to Cabinet members, are fully zero emission vehicles. The percentage of zero emission vehicles in the Government Car Service continues to rise, in line with the Government fleet commitment, and well ahead of the national phase out date.

Recommendation 3 (Paragraph 39)

The Government should focus first on targeted actions that can be taken now to remove simple blocks in the system such as amending planning and waste management regulations and accelerating delays to the rollout of public chargepoint funding schemes, then setting out the actions that will be taken over the next 10 years of the transition in order to map out a long-term approach. The roadmap should be published to enable scrutiny and support consumer confidence.

The Government agrees with this recommendation.

In March 2022, the Government published its electric vehicle infrastructure strategy. This sets out the Government's roadmap and vision to transition to electric vehicles, including commitments from government and industry.

The Government is already working with industry to identify and remove barriers to the installation of chargepoint infrastructure. As part of the Plan for Drivers, the

Government is consulting on proposals to accelerate the rollout of chargepoints by giving EV chargepoint operators the right to carry out street works using a permit, rather than a licence, and amending permitted development rights.

Recommendation 4 (Paragraph 41)

OZEV must be resourced as a delivery unit within Government to achieve this and/ or a new body such as a Ministerial Taskforce should be set up to provide direction for the wide range of Government departments, sectors, and stakeholders involved.

The Government notes this recommendation.

The Office for Zero Emission Vehicles (OZEV) is a joint unit across the Department for Transport and the Department for Energy Security and Net Zero. This reflects the need for changes to take place across the energy and transport sectors, in order to transition to ZEVs. OZEV already works across government and with industry stakeholders to set direction and support the transition to zero emission vehicles. In terms of resource, OZEV has almost doubled in size since 2020 to account for the breadth and scale of activities it is now involved in.

Chapter 3: Acquiring an EV

Recommendation 5 (Paragraph 63)

The Government should provide a progress update on the Advanced Manufacturing Plan and Battery Strategy by summer 2025.

The Government partially agrees with this recommendation.

The Government is implementing the Advanced Manufacturing Plan (AMP) and the UK Battery Strategy, working closely with investors, local authorities, businesses, and trade associations amongst others. Recent progress on their implementation was provided at the Spring Budget, including further details on the Government's engagement with industry and how committed funding will be allocated. The Government will continue to provide further updates in due course.

To ensure their success and value for money, programmes within AMP will be subject to monitoring and evaluation, overseen by relevant governance. The Government will continue to convene a Battery Strategy Taskforce on a quarterly basis to advise on its delivery, emerging risks to security of supply, and opportunities for the UK.

Recommendation 6 (Paragraph 64)

The Government must accelerate the rollout of the UK's EV charging infrastructure which is essential in giving UK consumers the confidence to choose smaller, more affordable EVs, which typically have smaller ranges.

The Government partially agrees with this recommendation.

Since March 2023, there has been a 47% increase in the number of public chargepoints available in the UK, totalling just under 57,000 in March 2024. The Government continues to introduce measures to increase consumer confidence. This includes, but is not limited to:

- The £381 million Local Electric Vehicle Infrastructure (LEVI) Fund, supporting local authorities in England to deliver a step change in the number of on-street chargepoints.
- The £70 million Rapid Charging Fund pilot to facilitate the delivery of chargepoints at motorway service areas.
- The introduction of the Public Chargepoint Regulations 2023. These will improve consumer experience by ensuring that pricing information and payment methods are simplified, chargepoints are reliable, and public chargepoint data is freely available.
- The Plan for Drivers announced a series of EV related commitments, aimed at accelerating the rollout of charging infrastructure and tackling misconceptions about EVs and EV charging infrastructure.
- The Workplace Charging Scheme and Electric Vehicle Infrastructure Grants continue to support schools, businesses, charities, flat owners, renters and landlords.

Recommendation 7 (Paragraph 74)

The Government should explore targeted grants to incentivise the purchase of EVs with a view of facilitating a list price under an appropriate threshold. This would stimulate the affordable market, support the move to price parity and help counteract the trend towards SUVs which have broader environmental costs. These incentives should be accompanied by an exit strategy for when and how they should be tapered; this should only be as price parity is reached.

The Government disagrees with this recommendation.

Government grants have been in place for over a decade to help reduce the up-front purchase price of new EVs. All Government grants are kept under review to ensure the best value for money for the taxpayer. The Plug-in Car Grant was closed to new orders on 14 June 2022, having injected £1.5 billion in taxpayer funding to support the growth of the early electric car market. In June 2022, the Government published a public evaluation report, which highlighted that the Plug-in Car Grant was vital in building the early market for electric vehicles. It then had less of an effect on demand than other existing price incentives, such as company car tax.

In 2023, battery electric vehicles (BEV) represented 16.5% of new car sales in the UK. The price gap for new cars has continued to decrease over the past few years. According to industry data, the purchase price premium of an EV – relative to an equivalent internal combustion engine (ICE) vehicle – has dropped from around 50% in 2020 to around 40% in 2023. With battery costs reducing and continued innovation,

some external forecasts predict that some EVs could be around the same price to purchase as a petrol or diesel car by the end of the 2020s.

The Government is targeting its incentives where they have the most impact and deliver the greatest value for money. Plug-in Grants will continue until at least financial year 2024/25 for motorcycles vans, taxis, trucks and wheelchair accessible vehicles.

Recommendation 8 (Paragraph 83)

The Government should review the schemes that other countries, including Scotland and the Netherlands have implemented to incentivize the purchase of second-hand EVs, evaluate their outcomes and explore whether similar schemes could be offered in England and Wales.

The Government notes this recommendation.

Industry intelligence suggests that some EVs on the used market are now similar in price to their petrol and diesel equivalents. The number of used EVs continues to rapidly increase. Data from the SMMT shows that, in 2023, used EV sales increased by 90.9%, increasing the pool of available vehicles.

The Government chairs a working group with several stakeholders to ascertain potential barriers to the uptake of used electric vehicles. The Government will consider all policy options, to address potential failures in the market.

Recommendation 9 (Paragraph 84)

The Government should accelerate its collaboration with industry to develop a 'battery health standard' that is objective and reliable.

The Government partially agrees with this recommendation.

Through the United Nations Economic Commission for Europe (UNECE), the Government has worked with industry and other governments to develop a Global Technical Regulation on EV batteries (GTR 22) that would set minimum durability and lifespan standards. It would also make reliable and comparable battery health information accessible to a vehicle's owner.

On 3 January 2024, the Zero Emission Vehicle Mandate regulations came into force, which obligate manufacturers to provide minimum warranties for EV batteries, in line with the GTR 22 durability standards. The Government is currently analysing options for the implementation of the GTR 22 battery regulations in the UK.

Recommendations 10-11 (Paragraphs 92 and 93)

The EV leasing market has performed well, and salary sacrifice and benefit in kind incentives have been successful. Low benefit in kind rates should be retained, though as with all other financial incentives, the Government must plan for how they will be tapered and exited.

The Government should monitor prices of EVs in the leasing market and assess whether the leasing market continues to work well for consumers

The Government agrees with these recommendations.

The Government monitors vehicle prices through regular engagement with retail, rental and leasing industry stakeholders, to assess market trends.

The 2022 Autumn Statement extended favourable benefit in kind tax rates for electric vehicles out to April 2028. This will continue supporting the uptake of electric vehicles. From 2025 company car taxes for electric vehicles will increase 1% year on year to a total of 5% for battery electric vehicles by April 2028.

By contrast the company car tax rate for petrol and diesel cars will increase by 1% in financial year 25/26 and then be maintained, with the most polluting cars subject to 37% rates by 2028.

The Government has committed to keeping the transition to electric vehicles affordable for consumers. All taxes are kept under review.

Recommendation 12 (Paragraph 113)

L-category and micromobility vehicles (such as e-scooters) may make a small but important contribution to the EV transition, particularly in urban areas. However, uptake is being held back by insufficient safety regulations around both their manufacturing and use. In response to this report, the Government should confirm whether it has abandoned previous plans to legislate in this area, and if so why.

The Government notes this recommendation.

The Government is committed to enabling the safe and responsible use of micromobility vehicles through new regulations. However, pressures on the legislative timetable mean that the Government is not planning to legislate for micromobility in the current parliamentary session.

The Government intends to undertake additional research that will strengthen the evidence base. This will test future legislation's suitability for vehicles that already exist, such as e-scooters, and its capacity to encourage innovation through allowing a clear path to regulation for vehicle types that are yet to be brought to market. Importantly, until the law changes, private e-scooters remain illegal to use on public roads, cycle lanes and pavements, and rental e-scooters can only be hired in e-scooter trial areas.

No policy decisions have been taken and the Department will consult on any new proposed regulations before they come into force so that all interested parties have the chance to shape the new regime.

Recommendation 13 (Paragraph 126)

To ensure maintenance costs remain reasonable, there must be enough skilled mechanics trained to maintain EVs. The Government must now provide policy certainty and consistent messaging to give car maintenance workers the confidence to invest in upskilling.

The Government agrees with this recommendation.

The number of EV qualified technicians in the UK has risen rapidly. According to the Institute of the Motor Industry, over 52,000 individuals are already qualified to work on an EV. This means 22% of all technicians are able to work on plug-in vehicles, which make up 3.8% of registered vehicles in the UK.

The Government has endorsed the Institute of the Motor Industry's TechSafe scheme, which provides a register and professional standard for EV technicians. The scheme will help to ensure technicians have the skills they need to safely repair an EV.

The ZEV mandate, which became law in January 2024, will ensure the flow of new EVs into the UK market, providing certainty for businesses and individual mechanics to invest in upskilling.

Chapter 4: EV charging

Recommendation 14 (Paragraph 144)

The Government told us it was considering new powers to issue instructions to local authorities in areas without enough chargepoints. We recommend that the Government introduce these new powers urgently and use them to direct local authorities in areas where there are fewer than 50 public chargepoints per 100,000 people to prepare EV strategies. This will help to ensure a more evenly distributed chargepoint rollout.

The Government notes this recommendation.

The Government published its response to the Future of Transport consultation on 25 October 2023. In this response, the Government committed to working with Local Transport Authorities to update their Local Transport Plans to include EV charging strategies.

Since the original consultation, many local authorities have taken positive steps towards planning for this infrastructure provision. When parliamentary time allows, the Government intends to take powers to issue directions to Local Transport Authorities to produce local charging strategies, if they have not done so as part of Local Transport Plans. The Local Electric Vehicle Infrastructure fund requires applications from local authorities to be based on their electric vehicle charging strategies.

Recommendation 15-16 (Paragraph 155)

The Government should continue the ORCS alongside the LEVI fund enabling targeted support for smaller discrete projects. In response to this report, the Government should set out what actions it has taken and will take to ensure that application and implementation processes are not undermined by delays in future.

The Government disagrees with this recommendation.

The On-Street Residential Chargepoint Scheme (ORCS) has played an important role in encouraging early provision of local charging infrastructure, and supporting rollout while the LEVI fund became established.

However, its fixed grant approach hinders the development of a sustainable commercial roll-out. Local authorities are now focused on their LEVI projects (with similar schemes in Scotland and Wales), which require a market-oriented approach and are expected to offer better value for money. Low levels of applications to this year's ORCS (financial year 23/24) indicates local authorities have limited capacity to use both schemes.

Payments to 49 councils in funding Tranche 1 (financial year 23/24) have been approved worth just under £200 million, enabling local authorities to progress their projects towards procurement and subsequent chargepoint rollout. Tranche 2 of the LEVI Capital Fund will launch 2 April and close 19 July. Launching the scheme promptly will enable local authorities to submit their applications earlier in the financial year, reducing delays to chargepoint procurement and subsequent roll out.

Recommendation 17 (Paragraph 166)

The Government should set and communicate clear timelines and deadlines for the LEVI fund and provide sufficient time for application preparation.

The Government agrees with this recommendation.

The Government endeavours to communicate clear timelines and deadlines as soon as practical. The Government has taken onboard feedback from Tranche 1 of the LEVI Fund and have extended the time available for local authorities to apply to Tranche 2 of the Fund.

Between January and March, the LEVI Support Body (comprised of the Energy Saving Trust, Cenex and PA Consulting) have conducted bilateral calls to prepare local authorities in Tranche 2 for the next steps.

In April and May, the LEVI Support Body will offer a series of Masterclasses, aimed to inform and prepare local authorities for their applications.

LEVI roadshows, hosted by the LEVI Support Body, have been scheduled across England to engage, educate and equip local authorities in planning and deploying EV infrastructure. These are scheduled for April, June, September 2024 and

January, April and September 2025.

Recommendation 18 (Paragraph 168)

The Government should consider widening the scope of the capability funding to cover other essential functions, such as legal and planning teams.

The Government agrees with this recommendation.

The Capability Fund was primarily designed to fund officers to plan and deliver local charging infrastructure, ensuring that Tier One local authorities in England have at least one full time officer working on EV strategy and delivery.

However, the Capability Fund has a flexible approach and applications to the Fund are assessed on a case-by-case basis. This means local authorities can identify gaps in their resourcing for EV strategies and use the Capability funding to resolve these. Capability funding could be used across multiple teams required to facilitate chargepoint delivery, including planning, procurement, and legal teams.

Recommendation 19 (Paragraph 169)

The Government should consult local authorities about what guidance and training they need as part of the LEVI scheme and seek to adjust the offer accordingly.

The Government agrees with this recommendation.

The Government will continue to consult and seek feedback from local authorities on their guidance and training needs, through bilateral communications or existing forums such as the LEVI Fund working group or the quarterly LEVI Roadshows. As part of the Capability Fund, following a trial, Government launched a training course on 21 March 2024 that will upskill new EV officers through eight modules, including topics such as EV technology, key stakeholders, procurement and deployment.

Recommendation 20 (Paragraph 170)

We recommend that the scheme is extended for a further three years and that the Government refines its focus to target areas that are falling behind with chargepoint infrastructure delivery.

The Government notes this recommendation.

Any extensions to existing schemes or launch of new schemes will be decided as part of the next Spending Review.

Recommendation 21 (Paragraph 180)

We recommend that the Government monitor the number of workplaces and other forms of destination chargepoints as an important element of the charging rollout.

The Government notes this recommendation.

The Government monitors uptake of its Workplace Charging Scheme as part of the Department for Transport's official statistics. This scheme has supported over 51,000 workplace EV charging sockets since it commenced in 2016. While not all businesses are accessing the grant, it provides assurance that workplaces are installing charging infrastructure to meet demand. The Government will continue to monitor the grant take up as a proxy for workplace charging installations.

Recommendation 22 (Paragraph 182)

In response to this report, the Government should set out its assessment of how the market-led rollout of workplace charging is progressing, and on what basis it is confident that this is sufficient to end direct subsidy through the Workplace Charging scheme in April 2024. The Government should also set out its assessment of how the market-led rollout to other forms of destination charging is progressing.

The Government partially agrees with this.

The above stated date to end the Workplace Charging Scheme is incorrect. The scheme has funding until the end of March 2025, not 2024.

Over the coming year, the Government will assess the impact that the grants have had on the market and consider if future incentives are proportionate.

Recommendation 23 (Paragraph 183)

The Government should gather comprehensive data on the availability of workplace chargepoint and consult on mandating workplaces with designated car parking spaces and more than a certain number of employees to install chargepoints using the grant.

The Government partially agrees with this.

The Government sought views on requirements for minimum levels of EV charging infrastructure in existing non-residential car parks as part of the Future of Transport Regulatory Review. The Government response to the Review was published on 25 October 2023.

Whilst the premise of the proposed powers was popular as part of the consultation, further policy development highlighted that this approach could incur complex leasehold impacts in certain ownership and land use arrangements. For example, sites where multiple parties share car park use, such as companies leasing office

space in larger buildings. The terms of different leases mean minimum requirements would affect sites in different ways.

Further evidence on the impact that minimum requirement powers would have on lease agreements is therefore required. In particular, consideration should be given to how different leasehold arrangements may affect payment and maintenance responsibilities.

The Government is reviewing the evidence available in this area, which will support ongoing policy development.

Recommendation 24 (Paragraph 190)

The Government should consult on offering a ‘right to charge’ for tenants and leaseholds in multi-occupancy buildings to address landlord reluctance. Given the delays experience by tenants seeking permission to install a chargepoint, the Government should extend the deadline for the grant scheme for landlords and tenants.

The Government disagrees with this recommendation.

The Government does not believe such a right is necessary at this time. In April 2022, the Government redesigned its Electric Vehicle Chargepoint Grant (EVCG) to provide support for those who own and live in a flat or rent any residential property (including shared ownership). Funding is confirmed until March 2025. The Government keeps the grants under review and will continue to monitor performance of the EVCG for flat owners and renters.

To date, 386,022 domestic chargepoint installations have benefited from the EVCG (and preceding schemes).

Recommendation 25 (Paragraph 199)

The Government should confirm its revised deadline for meetings its motorway service area chargepoint target. The Government should also periodically review this target and publish its findings to ensure it keeps pace with the number and category of electric vehicles on the roads.

The Government partially agrees with this.

Between the publication of the Government’s vision for the rapid chargepoint network in May 2020 and the end of 2023, the total number of rapid (50kw+) and ultra-rapid (150kw+) open access chargepoints at motorways services areas (MSAs) in England has grown by over 200%.

The Government is currently considering the need to identify a minimum sufficiency level for the future rollout of chargepoint provision at MSAs, but recognises demand

is not consistent at all sites and some sites face distinct barriers to chargepoint provision.

The Government is also working in tandem with industry stakeholders to resolve challenges to chargepoint rollout, including targeted support for rollout at MSAs. This includes coordinating practical delivery solutions with National Highways, such as the National Highways Energy Storage Solutions project, and wider policy interventions across Government which promote the rollout of EV charging infrastructure at MSAs.

Recommendation 26 (Paragraph 200)

In allocating funds from the Rapid Charging Fund, the Government must ensure that these are distributed according to need across the Strategic Road Network. There is a risk that motorway services areas are prioritized over the wider strategic road network which includes important A roads, especially now the Government is behind on its motorway service area target. When opening applications to the Rapid Charging Fund, the Government must make clear its criteria on how funds will be allocated.

The Government partially agrees with this.

The Rapid Charging Fund (RCF) is intended to future-proof electrical capacity at strategic locations and does not directly fund the installation of chargepoints. MSAs are considered to be strategically important because they provide regularly spaced stopping points along motorways. To remain both fit for purpose and safe for motorists, these sites must be able to offer EV charging as motorists transition away from petrol and diesel vehicles. Their fixed location can make increasing electrical capacity more challenging.

While charging provision is also important on the remainder of the strategic road network (SRN), unlike on the motorways, A roads allow for increased competition and a larger number of potential sites where charging could be offered. These include existing petrol station service areas but also sites which are not currently fuel focused, such as food, coffee or retail sites, or new standalone charging hubs.

The Government is aware of ambitious plans, which are not contingent on public funding, to expand chargepoint provision across the A road portion of the SRN both at existing sites and new hubs.

The Government will review evidence provided in response to the public consultation, which closed on 14 February 2024, to consider whether A road sites will be eligible for the main RCF fund. A decision on this matter will be made public, along with other criteria, when the main Rapid Charging Fund opens for applications.

Recommendation 27 (Paragraph 205)

We are pleased to hear that OZEV is considering the development of unified consent processes to streamline the various consents required for planning and permitting. We recommend that the Government publish its plans as early as possible to support infrastructure rollout. We set out in further detail below the aspects of planning regulations that should be reviewed as part of this process.

The government agrees with this recommendation.

As part of the Plan for Drivers, the Government has published a consultation on plans that would allow EV chargepoint operators access to permits via Street Manager, the DfT's digital service for planning and managing works.

The consultation closes in April 2024. The Government intends to publish its response to the consultation later in 2024.

Recommendation 28 (Paragraph 209)

We welcome the Government's stated intention to provide guidance on the use of cross-pavement solutions and urge this to be published as soon as possible.

The Government agrees with this recommendation.

The Government launched a new grant in March 2024, and will publish accompanying guidance for local authorities in Spring 2024. The grant will increase support for households with on-street parking, enabling them to access funding for a chargepoint, when paired with a cross-pavement solution, such as a cable channel.

The Government is also updating the Specification for the Reinstatement of Openings in Highways to include an addendum on best practice when installing cross-pavement solutions.

Recommendation 29 (Paragraph 214)

The Government should review permitted development rights (PDR) as they relate to chargepoint installation and launch a consultation that considers additional PDR for taller chargepoint installations and the installation of solar canopies.

The Government notes this recommendation.

A consultation on proposals to amend permitted development rights (PDR) for the height of chargepoints was launched in February 2024. The consultation includes an open question to the market, asking for further suggestions of where PDR can be amended to support the rollout of chargepoints.

The consultation closes in April 2024.

Recommendation 30 (Paragraph 217)

The Government should publish its full response to the consultation on Traffic Regulations Orders as soon as possible.

The Government agrees with this recommendation.

The Government published part one of its response to the 2022 consultation on 15 January 2024.

The Government will publish part two separately, as soon as is possible.

Recommendation 31 (Paragraph 221)

We recommend that the Government review Section 115B to determine whether it is fit for purpose as it applies to chargepoint installation and, if necessary, use the earliest legislative opportunity to amend the legislation to prevent further delays.

The Government notes this recommendation.

In February 2024, as part of the Plan for Drivers, the Government published guidance for local authorities and chargepoint operators on issuing Section 50 street works licences under the New Roads and Street Works Act 1991. Within the guidance is advice on Section 115E of the Highways Act 1980, which are issued by local authorities to other organisations. It states that a Section 115E permission is not necessary, if the organisation installing the chargepoint has either a statutory right to carry out street works or a Section 50 licence. Only a statutory right or a Section 50 licence is required.

Alongside this guidance, a consultation on proposals to allow EV chargepoint operators access to permits was published. This includes a proposal to amend Section 115 to make it clear in the Highways Act 1980 that Section 115 would not apply if an organisation had either a statutory right or a Section 50 licence.

Recommendation 32 (Paragraph 225)

The Government should consider amendments to the Part S regulations following OZEV's review of fire risks from chargepoints, to allow for installation in covered parking areas in new buildings.

The Government partially agrees with this.

The Government does not have immediate plans to remove the building regulations exemption but is keeping it under review. Whilst the exemption remains, chargepoints can be voluntarily installed in covered car parks and are eligible for grant funding.

The Government continues to work with fire and rescue services, industry, UK and international experts on this topic. The Health and Safety Executive is conducting a

review into building safety, which includes a review of structural fire resistance in car parks. Consideration of electric vehicle fire risks will form part of this. This review will consider any legislative and policy changes that may need to be made to improve building safety and will be considered as part of any further reviews of the exemption.

Recommendation 33 (Paragraph 243)

We recommend that the Government explore options for equalizing the VAT differential between public and domestic charging by reducing the 20 per cent VAT rate applied to public charging to 5 per cent in line with domestic electricity. As part of this, the Government should model the amount of revenue that would be lost by the Treasury and explore options for recovering this in line with the holistic bonus-malus approach to taxation.

The Government disagrees with this recommendation.

VAT is a broad-based tax on consumption and the 20% standard rate applies to most goods and services. Whilst there are exceptions to the standard rate, these have always been limited by both legal and fiscal considerations.

In recognition of the fact that families should not have to bear all the VAT costs they incur to meet their needs, the supply of energy for domestic use, including electricity, attracts the reduced rate of VAT (5%). Whilst this relief was not designed or introduced for charging EVs at home, this relief applies for all uses of domestic energy. Electricity supplied at EV charging points in public places is subject to the standard rate of VAT (20%).

Expanding the VAT relief already available would impose additional pressure on the public finances to which VAT makes a significant contribution.

Although there are no current plans to change the VAT treatment of electricity supplied at public EV charge points, the Government keeps all taxes under review.

Recommendation 34 (Paragraph 249)

We recommend that the Government's interim review of the EV Smart Chargepoint Regulations 2021 is brought forward to 2024 and considers their interaction with the Measurement Instrument Regulations 2016 to ensure any potential conflicts are resolved as soon as possible. This is essential to give industry confidence and ensure any need for expensive retrofitting of outdated chargepoints in future is avoided.

The Government partially agrees with this recommendation.

The Government is actively monitoring and assessing the implementation of the EV Smart Charge Point (EVSCP) Regulations 2021. This has included an initial evaluation of their implementation and regular engagement with industry.

The Government recognises that additional requirements (accuracy levels and display requirements) apply to charge points which are used for trade, as set out in the Measurement Instrument Regulations (MIR). The Government will continue to

engage with industry to consider whether any changes to existing legislative requirements are needed.

The Government believes that this targeted approach will provide more timely further clarity than doing so as part of a broader interim review of the Regulations.

Recommendation 35 (Paragraph 253)

The Committee heard that smart charging and vehicle-to-grid technologies are very promising, nascent technologies that could both reduce costs for consumers and balance demand on the grid as more low-carbon technologies such as heat pumps are connected to the grid. We recommend that the Government explore what more can be done to integrate these technologies into EV infrastructure rollout and to ensure consumers have access to these cost-saving measures.

The Government agrees with this recommendation.

The Government has mandated that private charge points must have smart functionality and meet minimum device-level requirements through the EVSCP Regulations. The Regulations lay the groundwork for smart charging to become the norm for all private charging and provide protections for consumers and the energy system.

As part of the Electric Vehicle Smart Charging Plan 2023, the Government committed to investigating the technical and economic potential of smart charging in public places. The Government is continuing work to address barriers to smart charging at all long stay public locations.

Recommendation 36 (Paragraph 262)

We welcome the Public Charge Point Regulations 2023, which recognize the centrality of chargepoints being accessible and user-friendly to a successful rollout. However, we encourage the Government to explore how these Regulations could go further to support consumers, especially as the transition and chargepoint technology continues to evolve. The Regulations should be reviewed by Summer 2025 at the latest. As part of this review, the Government should consider incorporating the Public Charging Charter and the targets of the FairCharge campaign into regulations.

The Government partially agrees with this recommendation.

The Public Charge Point Regulations 2023 already include many of the recommendations set out in the Public Charging Charter, including simplified pricing information and improved reliability.

The Government will continue to engage with consumer bodies and the chargepoint industry to monitor and support the implementation of these Regulations, as well as assessing whether any further regulation is required.

Recommendation 37 (Paragraph 263)

Effective communication with drivers about the location and availability of chargepoints will be essential to reducing range anxiety. We recommend that in the next review of the Regulations the Government consider mandating ‘totem signs’ on motorways at the approach to service stations with EV charging facilities.

The Government disagrees with this recommendation.

The Government is committed to ensuring that drivers can easily find the right chargepoints for their needs. The open data requirements, included in The Public Charge Point Regulations 2023, are intended to make it easier for drivers to find available chargepoints using online maps and apps.

The ability to provide information about EV chargepoints on signing for motorway service areas already exists. The design of traffic signs for motorway service areas is regulated through the Traffic Signs Regulations and General Directions 2016. This allows the electric vehicle charging symbol to be included on these signs.

The Strategic Road Network of motorways and trunk roads is run by National Highways on behalf of the Secretary of State, and they determine policy on the inclusion of agreed symbols on MSA signs.

Recommendation 38 (Paragraph 264)

The success of the Public Chargepoint Regulations 2023 will be contingent on enforcement. We recommend that the Government ensure the Office for Product Safety and Security is sufficiently resourced or considers moving oversight of these important Regulations to a body or Department working more closely on EV uptake, to ensure that there is effective enforcement that the Regulations deliver improved consumer confidence.

The Government agrees with this recommendation.

The Government will continue to ensure that the Office for Product Safety and Standards (OPSS) has an appropriate level of resource to monitor and enforce the Public Charge Point Regulations 2023.

The OPSS has a strong reputation for enforcing standards and regulations. OPSS currently enforces the Alternative Fuels Infrastructure Regulations 2017 and the Electric Vehicle (Smart Charge Point) Regulations 2021. As an enforcement body in this sector, OPSS therefore already has a strong understanding of the EV market and chargepoint infrastructure.

Recommendation 39 (Paragraph 269)

We recommend that the Government ensure contactless payment provisions of the 2023 Regulations are re-examined as part of the regular wider review of the Regulations we are calling for.

The Government disagrees with this recommendation.

As set out above, the Government will continue to engage with consumer bodies and the chargepoint industry to monitor and support the implementation of The Public Charge Point Regulations 2023 and to understand whether any further regulatory steps are required.

However, the Government does not intend to remove the obligation on chargepoint operators to provide contactless payment facilities, as it will make it easier for drivers to pay for their charge.

The Government has set out a pragmatic approach to the implementation of this requirement, including allowing chargepoint operators sufficient lead-in times to provide contactless payment facilities.

Recommendation 40 (Paragraph 273)

We heard that the British Standards Institute Guidance on accessible charging (PAS 1899) provides good standards for making chargepoints accessible. It is crucial that those with disabilities can use public chargepoints. However, it may not be practicable for all chargepoints at every site to meet these standards, and imposing this would risk jeopardizing the rollout. Instead, we recommend that chargepoint hubs over a certain size should be required to have a proportion of accessible chargers available that meet these standards.

The Government partially agrees with this recommendation.

The Government agrees that all electric vehicle drivers should be able to easily find public chargepoints they use, and accessibility should be embedded in public chargepoint design from the outset.

The Government is currently co-sponsoring and supporting a technical working group, led by the British Standards Institution. The outputs of this working group will inform a review of the Publicly Available Standard (PAS) 1899. This group is working with consumer bodies, disability advocacy bodies, local authorities and industry to examine implementation barriers, examples of best practice, and the experience of drivers with a disability.

Recommendation 41-42 (Paragraphs 285 and 292)

We recommend that the Government designate low-carbon and renewable energy generation projects as strategically important net zero projects and fast track their progress through permitting and grid connection to achieve a decarbonized electricity grid as soon as possible and to support consumer confidence in EVs as a low-carbon technology.

We welcome the recently announced Connections Action Plan and urge the Government to move quickly to implement the crucial changes to address the delays currently experienced in the queue for grid connections. We recommend that the Government considers how best to prioritise EV chargepoints in the queue as projects of strategic and national importance.

Government partially agrees with this recommendation.

Accelerating network connections is a top priority for Government. Actions are already underway to release network capacity and allow more advanced projects, whether EV chargepoints or other infrastructure, to connect faster. These include raising requirements for joining the connection queue, removing slow moving or stalled projects from the queue, and Ofgem undertaking a full review of existing connection incentives and obligations on network companies, including those relating to timely delivery of connections.

Recommendation 43-44 (Paragraphs 302 and 313)

We recommend that the Government consult Ofgem and industry to identify opportunities to increase anticipatory investment in grid upgrades for the distribution network to future-proof local grids for the EV transition.

We heard that DNOs and other stakeholders such as local authorities and chargepoints operators could benefit from improved data sharing, online tools to support the planning and permitting process and more pro-active engagement between DNOs and customers. The Government should explore what more it can do to facilitate this, for example by expanding on the support and guidance currently available through the LEVI support body.

The Government agrees with this.

The regulatory frameworks for electricity networks promote strategic investment ahead of need. For example, the current distribution price control, RIIO ED2, provides £22.2 billion in baseline funding for the 2023-28 period, including £3.1 billion for network capacity upgrades to accommodate the increase in demand on the network from low carbon technologies, including EVs. The Government will continue to work with Ofgem to ensure the next distribution price control, RIIO ED3, commencing in 2028, will be sufficiently agile to enable required timely investment in the network ahead of need, while protecting the interests of current and future consumers.

Ofgem also recently announced it will create regional energy strategic planning (RESP) roles across Great Britain to improve local energy planning and speed up the

transition to net zero. Newly established RESP role holders will work with organisations at a local level including local government and electricity networks, to improve understanding of the infrastructure needed, such as for EVs, in different parts of the country. RESP role holders will create clear plans for how local energy systems need to be developed to reach net zero, considering both the national targets set by government, local needs, and the most appropriate approach in each region.

As committed to in the Plan for Drivers, the Government is also working with the energy networks and chargepoint operators to identify areas of the grid connection process that can be sped up. This includes working with Ofgem and industry to increase sharing of investment and installation plans. This will help the energy networks to plan future investment.

Recommendation 45 (Paragraph 303)

We recommend that the Government define and label grid upgrades to support chargepoint installations as ‘Nationally Critical Infrastructure’ projects and prioritise the grid upgrades needed to deliver EV infrastructure.

The Government disagrees with this recommendation.

Government has no powers in legislation to prioritise connections for specific sectors, such as transport, over others, and network companies have licence conditions set by Ofgem which prohibit discrimination between connection applicants. However, measures in our Electricity Networks Package will speed up the delivery of electricity network infrastructure to facilitate timely connections for all sectors, halving the time it takes to build new critical power lines from 14 years to seven and cutting average connection times from five years to no more than six months beyond the date requested by the customer.

Recommendation 46 (Paragraph 307)

We recommend that the Government review the planning regulations for the upgrade of power lines and simplify the process where possible to speed up upgrades, particularly in rural communities while still ensuring proper protection of the environment and heritage.

The Government agrees with this recommendation.

The Government is reviewing the land rights processes for network infrastructure and published a call for evidence in 2022 to inform whether reform is required. Government is seeking a wide range of stakeholder views to inform future policy in this area.

The Government will respond to the call for evidence in spring 2024 setting out next steps.

Through the Transmission Acceleration Action Plan, the Government committed to establishing a working group to look at what further changes could be made to the land purchase and wayleave processes to support accelerating the delivery of electricity network infrastructure.

In his Spring Budget 2024, the Chancellor announced that, in addition to the planning reforms already being taken forward, the Department for Energy Security and Net Zero will be consulting to introduce full cost recovery for planning casework it undertakes under the Electricity Act 1989 and Planning Act 2008, helping to boost capacity and ensure timely decisions as the volume of applications increase.

Chapter 5: EV end-of-life management and recycling

Recommendation 47 (Paragraph 321)

We recommend that the Government continue working with the Environment Agency and the recycling sector to explore options for speeding up planning and permitting processes for new treatment facilities.

The Government partially agrees with this recommendation. The planning reforms set out in the Levelling Up and Regeneration Act aim to deliver improvements across the planning system as a whole to create a faster, more efficient system. Planning for EV battery treatment facilities should benefit from these improvements. These include reforms to environmental assessment via the new system of Environmental Outcomes Reports, which will replace the current systems which originate from the EU Environmental Impact Assessment Directive (EIA) and Environmental Assessment of Plans and Programmes (Strategic Environmental Assessment or SEA) Directive. A key aspect of the Government's reforms to environmental assessment is reducing duplication in assessment across consenting regimes, and the Government will also look at how to improve interaction with environmental permitting.

In addition to the proposals set out in the Act, the Government has also implemented a range of wider measures to create further improvements in the planning system, such as increasing planning fees to support well-resourced, efficient, and effective planning departments, as well as establishing the Planning Skills and Delivery Fund offering capacity support to local authorities.

The Government will continue to support the Environment Agency's (EA) work with the recycling sector to explore options to speed up planning and permitting processes for new treatment facilities.

The EA is engaged with DLUHC's 3-month review into the role of statutory consultees under the Town & Country Planning Act, liaising closely with Defra and Natural England to share experience to inform this process. The EA is also

supporting the Government to help implement its National Significant Infrastructure action plan.

The EA continually reviews and improves its permitting process to increase its efficiency and effectiveness. Continuous service improvement is central to its permitting approach and over the last two years it has implemented process changes, restructured, increased resource by 30% and improved our advice and communications. It will continue to do this to support the permitting process for all activities.

The EA will continue to engage with the waste recycling sector, including companies involved in battery recycling. The EA recently engaged with the battery recycling sector, via the Battery Recycling Forum and its members, to discuss the development of technical permitting guidance on the storage and treatment of waste batteries, as well as other issues affecting the waste battery sector. This guidance will identify and define best practice (“appropriate measures”) for the storage and treatment of waste batteries at permitted facilities which will ensure that relevant measures are taken at facilities to prevent accidents and incidents such as fires, and to protect the environment. It will also ensure that the standards expected for permit applications and facility operation are clear and consistent.

Within the current framework:

- The EA encourages developers to approach them early. Early conversations can prevent costly issues arising that could stop or hold up projects, including loss of investors or rejected applications.
- Operators can dual-track planning and permit applications.
- The EA can give free permit pre-application advice, as well as more extensive pre-application advice and guidance charged on a time and materials basis, to support operators understand regulatory requirements for any permit they may require.
- A staged permit application process is also available for operators, where a permit can be granted in stages to help operators develop and commission new processes.

Recommendations 48-51 (Paragraphs 322, 331, 337 and 353 respectively)

We recommend that the Government works with the EU to agree that lithium-ion batteries be assigned a hazardous List of Wastes code to support the reporting and management of the risks and to ensure that recycling is undertaken by responsible operators.

We recommend that, as part of the upcoming consultation on the Waste Batteries and Accumulators Regulations 2009 and the Batteries and Accumulators (Placing on the Market) Regulations 2008, Defra reviews and strengthens the UK producer responsibility regulations for batteries and EVs to ensure compliance with manufacturer take-back schemes and to make the manufacturer more explicitly responsible for batteries and EVs at end-of-life.

Defra should also review options to enhance produce responsibility under the Waste Batteries and Accumulators Regulations to encourage more efficient battery design to support recyclability and circularity of EV batteries. Defra should launch a consultation on reviewing and updating the End-of-Life Vehicles (ELV) Regulations 2003 in tandem to ensure that regulation is coherent. It would be advisable that equivalence with similar EU regulations be maintained.

We recommend that Defra, as part of their upcoming review, develop regulations that support authorized reuse, creating equivalence with similar EU provisions and clarify when a better is a “product” and when it is classified as “waste”, including stipulating who bears responsibility at each stage to ensure that batteries are covered by appropriate regulations at each stage of the battery’s life.

We recommend that the Government increase the minimum recycled amount of an EV battery to above 50 per cent. The Government should also introduce minimum recovering amounts from EV batteries for specific critical minerals including Lithium.

The Government notes these recommendations.

These issues will be given due consideration in the Department for Environment, Food and Rural Affairs’ (Defra) upcoming consultation. It is their intention to consult on reforms to the UK Batteries Regulations in 2024.

Current legislation requires producers of industrial batteries (which includes EV batteries) to finance end-of-life treatment free of charge upon request of the battery’s end user. As written, an industrial battery producer is required to finance the treatment of any industrial battery, that they place on the market, if asked to do so by the end user. OPSS regulate waste industrial and automotive batteries, on behalf of Defra, and undertake targeted and risk-based investigations for reported cases where a producer has not fulfilled their obligations for waste battery take back. This will be given due consideration in our upcoming consultation. It is the Government’s intention to consult on reforms to the UK Batteries Regulations in 2024, and we remain committed to consulting on reforms to the ELV Regulations at a later date.

Recommendation 52 (Paragraph 354)

We recommend that the Government urgently review and progress opportunities to rapidly accelerate investment in black mass processing facilities and critical minerals extraction facilities in the UK in the medium term.

The Government notes this recommendation.

The Department for Business and Trade (DBT) has been supporting the development of greater battery recycling capability in the UK to relieve pressure on primary supply, particularly the refining of black mass on a policy as well as delivery

level. This will ultimately create a more resilient supply chain in the UK and support our Net-Zero ambitions.

The UK Critical Minerals Strategy sets out how Government will accelerate domestic production, collaborate with international partners and enhance international markets to strengthen supply chains. The Strategy commits to maximising what the UK can produce domestically, where viable for businesses and where it works for communities and our natural environment. Government is also working to encourage investment along the whole critical mineral value chain, from exploration and mining to refining and midstream processing.

Developing a circular economy for battery minerals (like lithium) will lower the environmental footprint of battery materials and improve their security of supply. To support this, Government is exploring ways to incentivise reuse, repurposing, and domestic recycling infrastructure for batteries and other products containing critical minerals.

There are already existing financial mechanisms to support critical minerals extraction in the UK, including the Automotive Transformation Fund (ATF), which has supported several critical mineral projects to mine, process, and recycle battery minerals required for electric vehicle production. Furthermore, UK Infrastructure Bank (UKIB) is able to support the mining, refining and recycling of critical minerals that are vital to the UK's Net Zero transition in keeping with the Critical Minerals Strategy, as evidenced through their £24 million equity investment in Cornish Lithium to support the creation of a domestic supply of lithium for electric vehicle batteries.

DBT also provides services to secure inward investment into the UK for the development of battery recycling technologies and to improve the UK's black mass refining capability. DBT provides bespoke support for businesses throughout their investment journey which includes site selection and identification, introductions to key players in the sector such as supply chain networks, and provision of information on regulation, policy development, grants and funding.

Recommendation 53 (Paragraph 355)

Government must provide clarity to the recycling industry about future standards at the earliest stage possible to ensure it is able to adapt to changes.

The Government notes this recommendation.

This will be given due consideration in our upcoming consultation. It is our intention to consult on reforms to the UK Batteries Regulations in 2024.

Recommendation 54 (Paragraph 358)

We recommend that the Government prioritise securing additional gigafactories to ensure a domestic supply chain, make sure critical minerals are retained in the UK and reduce reliance on imported critical materials.

The Government notes this recommendation.

The Department for Business and Trade (DBT) continues to work with industry via the Automotive Transformation Fund (ATF) to support the creation of an internationally competitive electric vehicle supply chain in the UK. The ATF aims to unlock strategic investments in gigafactories, motors and drives, power electronics, the upstream supply chain and fuel cell systems. Based on offers made to date, the ATF is expected to leverage over £5.5 billion of investment.

DBT provides support to both emerging and established battery manufacturers. The UK is one of the most attractive destinations in the world for inward investment and businesses are already investing significantly into battery manufacturing. With Government support, AESC Group is building its second gigafactory in Sunderland and Tata-Agratas announced a £4 billion investment to build one of Europe's largest gigafactories in the UK. These projects will jointly create over 5,000 jobs and increase future UK annual production capacity to an estimated 52GWh by 2026, over halfway to meeting estimated 2030 demand.

As part of the £4.5 billion funding for strategic manufacturing sectors announced at Autumn Statement, Government confirmed over £2 billion of capital and R&D funding for zero emission vehicles, batteries and their supply chains to 2030, building on the work of the ATF and the Advanced Propulsion Centre. Delivered through the Auto2030 programme, this funding comprises the biggest investment programme ever announced by Government for our automotive industry.

We are also investing record sums in battery R&D through the Faraday Battery Challenge to establish the UK as a battery science superpower. It supports world-class scientific technology development and manufacturing scale-up capability for batteries in the UK. Under the Faraday Battery Challenge, the Government is supporting the UK Battery Industrialisation Centre (UKBIC) which provides the missing link between battery technology which has proved promising at laboratory or prototype scale, and its successful mass production.

On 22 July 2022, Government published the UK Critical Minerals Strategy, which aims to improve resilience of critical mineral supply chains, safeguard UK industry, increase confidence in the UK's energy transition, and protect national security. Government is working to encourage investment along the whole critical mineral value chain, from exploration and mining to refining and midstream processing.

However, it is not possible (or even desirable) for the UK to onshore all aspects of critical mineral supply chains. Resilient global supply chains have a diverse supply base and rely on global markets and an effective trading system. The UK and others benefit from such a system, and we will work with our partners to promote it. Simultaneously, the UK can benefit from a more diverse supply of critical minerals, as key producer countries invest in new capacity.

The Minister for Industry and Economic Security launched an independent Task & Finish Group on Industry Resilience for Critical Minerals to investigate the critical mineral dependencies and vulnerabilities across UK industry sectors – including the Automotive industry's reliance on battery metals – and opportunities for industry to

promote resilience in its supply chains. Following the Group's report in December 2023 including recommendations to build on competitive advantages in midstream processing and recycling capabilities, Government published its response in March 2024.

Recommendation 55 (Paragraph 363)

We recommend that the Government review the resources available to the Environment Agency in this area and ensure these are sufficient to accelerate permitting and support the enforcement of current and future regulation.

The Government notes this recommendation.

Resourcing for inspection and granting permits is determined by the fee levels that the Environment Agency (EA) sets. The EA set these fees (subject to public consultation, ministerial and HMT approval) and keeps them under review.

Enforcement is funded through Government Grant in Aid. Defra has increased the Environment Agency's budget by £10 million per year to make it easier for the EA to take action against waste criminals.

Recommendation 56 (Paragraph 367)

In response to this report, the Government should set out how it plans better to join up cross-Government action on waste management and recycling, and how it will facilitate improved communication with industry and consumers.

The Government notes this recommendation.

There is already considerable cross-Government engagement in order to coordinate shared interests with regards to waste and recycling policy. This is evidenced by, for example, recent collaborative work on the UK Battery Strategy and the Critical Minerals Strategy.