

First Report of Session 2021-22

Department for Transport and the Department for Business, Energy & Industrial Strategy

Low Emission Cars

Introduction from the Committee

Transport is the UK's largest source of carbon emissions, with road transport being a substantial contributor. The government is trying to increase the number of ultra-low emission and zero-emission cars on the road as a way of reducing carbon emissions. Up to March 2020, it had spent £1.1 billion on a range of consumer grant schemes and an awareness campaign to encourage people to make the switch. This aim is not new; previous governments have been promoting ultra-low emission cars since 2011, with the Departments for Transport and for Business, Energy & Industrial Strategy creating a team called the Office for Zero Emission Vehicles to support the transition. In November 2020, government announced its ambition to stop the sale of new cars that are powered solely by petrol or diesel by 2030. From 2035, only new zero-emission cars can be sold.

Based on a report by the National Audit Office, the Committee took evidence on Thursday 11 March 2021 from the Department for Transport and from the Department for Business, Energy & Industrial Strategy. The Committee published its report on 19 May 2021. This is the government response to the Committee's report.

Relevant reports

- NAO report: [Reducing Carbon Emissions from Cars](#) – Session 2019-21 (HC 1204)
- PAC report: [Low Emission Cars](#) – Session 2021-22 (HC 186)

Government response to the Committee

1: PAC conclusion: The Departments for Transport and for Business, Energy & Industrial Strategy have not yet published a clear plan for delivering the Government's ambition for the expansion of zero-emission cars.

1: PAC recommendation: Departments for Transport and for Business, Energy & Industrial Strategy should set out their plans for managing the complex transition to electric cars and ensure that progress can be monitored against it. They should then regularly report on progress being made towards the 2030 target to phase out new petrol and diesel cars and the associated impact on reducing carbon emissions. As well as tracking the take-up of these vehicles, the Departments should regularly report progress against a range of metrics covering, for example:

- **the relative affordability of zero-emission vehicles compared to their petrol or diesel equivalents (comparing upfront costs and then running costs);**
- **the sales of ultra-low emission vehicles in the second-hand car market as a proportion of overall second-hand sales;**
- **the accessibility of charging infrastructure in each region/local authority area;**
and,
- **the overall impact on carbon emissions from the UK car fleet.**

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021

1.2 The government recognises the complexity of the transition to electric vehicles (EVs) and the importance of working with stakeholders to ensure that the ambitious 2030 and 2035 phase out dates are achieved. To support this collaboration, and to give greater clarity on the pathway to the phase out dates, The Department for Transport (DfT) published its [2035 Delivery Plan](#) on 14 July 2021 setting out the major milestones towards the phase out dates and committed spending and regulatory measures. The DfT will monitor progress against the plan and report publicly on an annual basis. Further, the DfT will conduct a review of progress towards the phase out dates by 2025.

1.3 The DfT also intends to publish an EV infrastructure strategy in autumn 2021, setting out the vision and actions to support the charging infrastructure roll out needed to achieve the 2030 and 2035 goals successfully and accelerate the transition to a zero emission fleet.

1.4 Finally, the DfT published a [Green Paper](#) on 14 July 2021 setting out the post-EU regulatory regime for carbon dioxide emissions from new road vehicles, to ensure the phase out dates are met and support carbon reductions. This considers the overall fleet efficiency and delivery of the move to 100% zero emission vehicle (ZEV) sales for cars and vans.

2: PAC conclusion: There are a wide range of consumer-facing issues that still need to be addressed to increase the uptake of zero-emission cars.

2: PAC recommendation: The Departments for Transport and for Business, Energy & Industrial Strategy need to have a sufficient understanding of how changes to the vehicle market are impacting, and going to impact, different types of consumers in different parts of the country. Their plan for expanding the number of zero-emission cars on our roads needs to clearly set out how they propose to tackle emerging consumer issues.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021.

2.2 The government wants consumers and businesses across the UK to benefit from the transition to ZEVs. The [2035 Delivery Plan](#) set out key commitments, funding and milestones to help achieve the transition, and the EV infrastructure strategy (autumn 2021) will set out the vision and action plan for charging infrastructure roll out. The government is already taking steps to tackle consumer issues, including:

2.3 *Affordability:* The government's plug in vehicle grants provide money off the up-front purchase price for people making the switch to EVs. Tax incentives are also available, including favourable company car tax rates, which can save drivers over £2,000 a year. The government is also supporting the second hand EV market, through support for charging infrastructure and zero vehicle excise duty for ZEVs.

2.4 *Charging provision:* The DfT is investing £1.3 billion in accelerating the roll out of charging infrastructure over the next four years, targeting support on rapid chargepoints on motorways and major roads, and supporting the installation of more on-street chargepoints near homes and workplaces.

2.5 *Consumer experience of public charging:* The DfT has consulted on using powers under the Automated and Electric Vehicles Act 2018 to make it easy to pay to charge a vehicle, ensure reliability and make chargepoint data freely available, helping drivers easily locate and access available charge points. The DfT plans to regulate later in 2021.

2.6 The government will continue to work closely with a range of bodies representing consumers and will continue to monitor consumer issues and needs as we move from early to mass market. Departments will continue to make the case for government intervention as necessary at the forthcoming 2021 Spending Review.

3: PAC conclusion: We are not convinced that government has sufficiently thought through how the charging infrastructure will expand at the pace required to meet the ambitious timetable to phase out petrol and diesel vehicles.

3: PAC recommendation: The Department for Transport should set out as part of its plan for increasing the use of electric cars, how it intends to address the remaining barriers to expanding the charging network, for example, the availability of chargers where drivers do not have off-street parking.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021

3.2 The DfT's EV infrastructure strategy (autumn 2021) will set out the vision and action plan for market-led charging infrastructure roll out needed to achieve the 2030 and 2035 phase out dates and to accelerate the transition to a zero emission fleet. Planning and delivery of chargers for drivers without off-street parking will be a key focus of the strategy.

3.3 Both the Department for Business, Energy & Industrial Strategy (BEIS) and the DfT are taking steps to tackle remaining barriers and ensure the appropriate charging and energy infrastructure is rolled out. This includes investing £1.3 billion over the next four years to help make charging as easy as refuelling a petrol or diesel car, and through regulations such as improving the consumer experience at public chargepoints. The DfT has also consulted on amending building regulations to require chargepoint installation in new homes, non-residential properties and during major renovations.

3.4 The DfT's [On-street Residential Chargepoint Scheme](#) has a further £20 million funding in 2021, and at the 2020 Spending Review, £90 million was committed to fund local EV infrastructure, in particular to support the roll out of larger on-street charging schemes and rapid hubs in England.

3.5 The government is also working closely with local authorities, encouraging uptake of central government funding and ensuring more widespread regional and local action on the provision of chargepoint infrastructure.

3.6 To share good practice, the DfT has commissioned a guide for local authorities on implementing EV infrastructure in their areas and government has funded the Energy Saving Trust to run a programme to support English local authorities develop strategies to increase the adoption of EVs and promote low carbon travel.

3.7 As above, departments will continue to make the case for government intervention as necessary at the forthcoming 2021 Spending Review.

4: PAC conclusion: The Departments have not yet demonstrated how they are going to encourage industry to maintain proper environmental and social standards throughout their supply and recycling chains as the zero-emission car market grows.

4: PAC recommendation: *The Departments for Transport and for Business, Energy & Industrial Strategy should set out their approach to encouraging car manufacturers to maintain proper environmental and social standards throughout their supply and recycling chains as zero-emission cars volumes grow. This includes as examples:*

- *publishing information on lifecycle emissions;*
- *details of relevant reporting standards for manufacturers on environmental and social stewardship; and,*
- *future plans to develop the reporting standards.*

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2022

4.2 The government is aware of the social, environmental and supply concerns surrounding the mining of raw materials for EV batteries. The vehicle manufacturing industry is global, and as such the government is collaborating internationally on guidance and governance programmes. The government is working to address these concerns in three main ways:

4.3 *Technology and recycling:* The government and industry are funding research and development (R&D) to reduce, replace and recycle critical raw materials in batteries, and government is supporting initiatives to localise more of the battery supply chain to the UK. This will further improve sustainability and affordability of key chemicals, materials and components.

4.4 *International collaboration and guidance:* The Faraday Institution, funded by government, participates in the Global Battery Alliance which seeks to address the human, health and environmental challenges of batteries. The Alliance is developing a Battery Passport (to launch at the end of 2022), a digital log of all the information relating to a 'sustainable' battery, such as environmental, social, governance and lifecycle requirements, which enables lifelong traceability. Additionally, the government encourages states and those working in the industry to implement the OECD's [Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

4.5 *Responsible sourcing and governance programmes:* The Foreign, Commonwealth and Development Office (FCDO) is working directly with civil society and mining companies to ensure responsible sourcing of raw materials and support for programmes that develop innovative approaches for ending child labour and human rights abuses. The Department for International Trade (DIT) also supported the London Metal Exchange in developing responsible sourcing requirements, to which all listed brands must adhere.

4.6 Given the global nature of the automotive industry, the government has no plans to unilaterally set standards.

5: PAC conclusion: *There are other issues to be addressed in the transition to zero-emission cars, such as the need to train and retrain the workforce required to service the new car fleet, the impact on the demand for power, and the tax implications from phasing out new petrol and diesel cars.*

5: PAC recommendation: The Departments for Transport and for Business, Energy & Industrial Strategy need to work with other departments to consider the practical implications of the transition to zero-emission cars. They should set out in their plan how they are going to manage the wider societal impacts of phasing out new diesel and petrol cars, for example, retraining the UK workforce, the impact on power generation and transmission, and implications for the UK tax take.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2023

5.2 The government is taking action to address the practical implications of the transition to electric cars. The DfT's [2035 Delivery Plan](#) sets out at a high-level industry-led action being taken on skills and plans for managing the impacts on the electricity system but will not cover taxation.

5.3 *Skills:* The DfT is working with the Institute of the Motor Industry to ensure the UK's workforce of mechanics are well trained and have the skills they need to repair EVs safely. The automotive sector is also participating in the government's Emerging Skills Project and the Green Jobs Taskforce, which is developing a long-term plan that sets out the skills needed to help deliver a net zero carbon economy.

5.4 *Preparing the electricity grid:* [The Energy White Paper](#) (December 2020), sets out government's plan to ensure electricity networks are prepared and able to integrate EVs at the same time as other technologies such as heat pumps and new low carbon generation. Distribution network operators are incentivised to ensure the adequacy of local electricity networks through the regulatory framework set by Ofgem. The network operators are currently developing business plans to present to Ofgem for funding under the next Revenue = Incentives + Innovation + Outputs (RIIO) price control period, which begins in spring 2023.

5.5 *Tax implications:* The government will need to ensure that the tax system encourages the uptake of EVs. Revenue from motoring taxes needs to keep pace with this change, to ensure government can continue to fund the first-class public services and infrastructure that people and families across the UK expect.