Written evidence submitted by Bath and North East Somerset Council (EVP0079)

Introduction

Bath and North East Somerset (B&NES) Council welcomes the opportunity to make a submission to the Government Inquiry on Zero Emissions Vehicles (ZEV) and Road User Charging (RUC). In March 2019, B&NES declared a Climate and Ecological Emergency (CEE) and set a target of Carbon Neutrality by 2030. Therefore, decarbonising is a clear priority of the Local Authority. We have identified the following key transport targets to achieve by 2030 to support us in meeting that commitment:

- 25% reduction in vehicle mileage per person, per year; and
- Transition of vehicle fleet to 76% Electric, 14% Hybrid and 10% Internal Combustion Engine (ICE).

We therefore support the government's ambition to accelerate the shift to Zero Emissions Vehicles, but re-iterate that reducing total vehicle mileage needs to be an integral part of all efforts to achieve Net Zero. We do not agree with the Citizens Assembly UK recommendation to focus on shifting to EVs and improving public transport, rather than on large reductions in car usage. Whilst the former is important, we do not consider it goes far enough to meet our CEE obligations, and also note that shift to EVs would not address many other car-related externalities such as Road Traffic Casualties, community severance and congestion. Furthermore, solely transitioning to EVs rather than reducing vehicles on the roads would not enable road space to be reallocated to more sustainable modes.

Given limited time and resources available, this response should not be considered as academic evidence per se, but as considered professional opinion by those with multiple years working in the field. We assume that the conveners of this Inquiry will review the wealth of academic evidence and study on these subjects. In particular, we note that the 2017 Wolfson Prize posed the question "*how can we pay for better, safer, more reliable roads in a way that is fair to road users and good for the economy and the environment?*" and elicited a significant number of high quality and well-researched proposals. We also note the Government's "Decarbonising Transport: Setting the Challenge" (DfT, March 2020), and subsequent commitment to establishing a Transport Decarbonisation Plan. These sources, and more, should be reviewed and built upon in developing an evidence-based approach to decarbonisation. Transition to ZEVs should be central, but the approach needs to consider the transport network holistically and incorporate wider issues such as public health and social justice which are inherently linked with transport.

B&NES' position on Road User Charging (at sub-regional level) is set out in the West of England Joint Local Transport Plan 4 (JLTP4). In short, B&NES policy does not currently include Road User Charging for private vehicles but this is not ruled out if deemed necessary in future to meet CEE obligations. The Bath Class C Clean Air Zone (CAZ), due to be introduced in March 2021, does not include charges for private vehicles. Nevertheless, we accept the key premise that acceleration to ZEV must be enabled, and that this requires re-evaluation of the mechanisms by which revenue is raised centrally by HM Treasury. These are questions for central government policy. However, we consider that there are many fundamental questions which need to be narrowed down to inform a meaningful debate on the subject, and we set out our views on these in this response.

Zero Emissions Vehicles

We support ambition to accelerate the transition to Zero Emissions Vehicles, but must re-iterate that ZEVs are not a transport panacea. Many, but not all, of the impacts of vehicles on the environment, economy, public health and social justice are unrelated to fuel type, and we must aim to reduce car use overall, rather than just transition to a cleaner fuel source. There will be others better placed to comment on the feasibility, opportunities and challenges presented by large scale increases in EVs, and therefore the changes in the way the National Grid must operate. It is vital for Net Zero that we also rapidly decarbonise electricity generation. We urge the government to ensure that all parts of the country have sufficient access to the power supplies needed to run electric vehicles, and to ensure that rural areas keep pace and are not left behind. Ways to reduce electricity demand should also be incorporated into Strategy, such as mobility hubs with shared EV car clubs and hire e-bikes and e-scooters, to reduce the perceived necessity of personal ownership. Again, it is noted that e-bikes/e-scooters have significantly less impact than EVs, and are more energy efficient. Therefore infrastructure to support their uptake could contribute to reduced demand on the Grid with lower externalities compared with car use of any fuel type.

Last mile deliveries must form a central part of the decarbonisation effort. In the period 1990-2018, vans as a proportion of transport Greenhouse Gas (GHG) emissions has increased from 9-16%, van mileage has increased by 106% and van GHG emissions has increased by 67%. This is in the context of either negligible changes, or reductions, in GHG emissions from other vehicle modes. (DfT Road Traffic Statistics, reported in *Decarbonising Transport*, March 2020). E-commerce and last mile delivery is likely to be a major factor in this. We consider that local delivery consolidation and e-cargo bikes for last mile deliveries are a key tool in the decarbonisation of transport. B&NES has recently won £400k of grant funding to support the introduction of 10 e-cargo bikes for deliveries in Bath (https://betterbybike.info/news/cargo-bike-grant-boosts-low-emission-deliveries-in-bath/). Scaling up this kind of e-cargo bike scheme and funding can play an important role in transitioning last mile deliveries to low or zero carbon modes, in this case e-cargo bikes.

In considering how to accelerate the shift to ZEVs, we suggest reviewing international examples where EVs make up a significant proportion of the fleet, and examining whether there are lessons which could be applied to the UK context. Norway's recent success has been well reported in the UK press, Battery Electric Vehicles (BEVs) accounted for 54.3% of all new cars sold in Norway in 2020, with some months exceeding 60%. Academic research would need to be studied for comprehensive analysis on success factors, but the following article includes useful insight and draws from reputable sources, https://www.greencarreports.com/news/1123160_why-norway-leads-the-world-in-electric-vehicle-adoption

The article postulates that the reason is primarily economic; Norway has used taxation levers to make electric vehicles more economic than ICE, despite higher vehicle capital costs, including through punitive taxation on more polluting vehicles. In Norway's case, the heavy use of taxation as a policy tool is well established and culturally acceptable. High levels of fiscal incentives for EV purchase and usage, high taxation on ICE car use, and extensive investment in charging infrastructure are common factors in countries achieving high uptake of EVs.

There are, of course, other contributory reasons why people choose EVs over ICE vehicles, but the assertion that the overwhelming majority make this decision on an economic basis is supported by stated preference survey referenced in the article. It is also noted that the

economic differential in Norway has been the case since c.1990 but there were few EVs in the market, with the more recent acceleration of EV take up due to increases in availability. There are, however, barriers to achieving full uptake, such as access to off-street parking at home (20-25% of the population in Norway are unable to charge at home).

As with all areas of government policy, fiscal incentives to increase uptake of ZEVs needs to be considered from a social justice perspective. As this would typically apply to the purchase of new vehicles, would it just be a tax break for relatively well-off people which poorer people would be unable to access? However, on a local and global scale, society as a whole benefits from the transition to ZEVs and the poorest members of our society are disproportionately likely to suffer the negative effects of air pollution and carbon emissions. These factors need to be balanced, along with the need to provide improvements to the transport system for those without access to a car of any fuel type.

In considering how best to enable the transition to ZEVs, it is important to understand the roles of the various parties involved, including Government, Local Authority (LA), Combined Authorities and the Private Sector. B&NES and its local partners are working on a West of England ULEV Strategy, bringing together the work being done by the LAs to deliver and enable the transition to ULEVs as part of the wider strategy to be Carbon Neutral by 2030. The West of England (WoE) is leading the way in testing new technologies and developing solutions to face the challenges of a modern global city region. There are multiple good examples of local projects making a difference in ULEV uptake, including Go Ultra Low West and the Revive EV Charge Point network across the WoE.

However, significant additional action is needed from the whole community, locally, nationally and internationally. LAs have limited options and funding available to accelerate the shift, and we need to work closely with government, Industry and other stakeholders to bring about change. The draft WoE ULEV Strategy includes key actions within the gift of the LAs and/or the West of England Combined Authority (WECA), under the topics of Vehicles, Infrastructure and Communication & Innovation, as follows:

- Vehicles
    - Council fleets to be carbon neutral by 2025, and encourage businesses to adopt stretching fleet targets;
    - Work with Government to bring forward the ban on sales of new petrol and diesel cars and vans to as soon as possible;
    - Work with Government to further reduce the costs of ULEV purchase and ownership compared to petrol and diesel vehicles.
- Infrastructure
    - Require charge points at new developments through the planning process, and support Government's proposal to update building regulations to include EV charge points;
    - Continue the roll out of a world class, financially sustainable, smart, and open public charge point network;
    - Explore Zero Emission Zones (ZEZs) and the use of speed limits to incentivise zero emission vehicles.
- Communication & innovation

- Promote ULEVs and existing incentives, grants, and services;
- Continue to support smart charging research and innovation;
- Encourage collaboration and inward investment in ULEVs in the region.

These key actions highlight the tools available at a local level to support ULEV uptake and the areas which are reliant on central government policy and investment.

Road User Charging

The term "Road User Charging" (RUC) includes a whole range of fiscal mechanisms which can be interpreted in multiple different ways, although it is understood to broadly mean "Pay as you Drive". Therefore, our response focuses on issues that need to be considered in terms of what an RUC system would/should do or not do.

Firstly, the premise that RUC lacks public support should be challenged. A 2020 poll by Ipsos Mori (referred to in this article https://www.thisismoney.co.uk/money/cars/article-9075581/Three-five-people-road-pricing-MPs-launch-inquiry-pay-drive-charges.html in response to this Inquiry found that 62% of public (911 adults) and 82% of top businesses support road pricing. Support rises if monies raised are used to benefit public transport. Public support will depend on a range of factors, and it is important that the need for the scheme, alternatives, key principles of the scheme, what revenue will be used for, and levels at which rates will be set in comparison to existing taxation systems, are clearly communicated. It will be important to consider the views of the wider public rather than just motorists as everyone using public spaces is affected by car usage to one degree or another.

The information provided solely presents RUC as a revenue raising tool. However, fiscal policy is a key lever in influencing behaviours and therefore this effect must be considered in setting objectives for a RUC scheme. As stated, B&NES has a target to reduce vehicle mileage by 25% per person per year by 2030, and this is a key consideration in all our policy decisions. The objectives for any RUC mechanism are critical to its design and assessment. Should the scheme aim to reduce vehicle mileage in total and/or influence driver decisions such as where they go, what route they take and what time they travel? The latter could include differentiating cost for mileage with the greatest impact, e.g. congested areas at peak times. Could a scheme be designed to disincentivise car ownership in comparison with Mobility as a Service (MaaS) options such as car clubs? It would be necessary to ensure such alternatives are available and accessible, which is likely to require re-investment of revenue.

Equality and Social Justice must be central to the design of any RUC scheme, and there will be significant questions over logistics of implementation and safeguarding against unintended consequences. Key to this will be considering transport in terms of mobility and accessibility, rather than just ability to travel by a particular mode, in this case car usage. Would elements of scheme design affect the ability of some groups to access key opportunities and services? What would be the effects on those with the fewest alternatives to driving? Notwithstanding this, we should not forget that it is often the poorest in our communities who drive the least and suffer the negative effects of car usage the most. We would support a high degree of re-investment of HMT revenue into alternatives to private car usage, and indeed car ownership, but there is a compelling need to ensure that schemes do not "price people out" of access to opportunities.

B&NES is acutely aware of the limited alternatives to car usage in many of its rural communities, and of social exclusion due to affordability of car ownership. It may be possible to design a model where the per mile tax cost of rural car usage is lower than that paid through fuel tax. It may be desirable to include exemptions for certain vehicle types such as agricultural vehicles, as are available in the New Zealand Road User charging scheme https://www.nzta.govt.nz/assets/resources/road-user-charges/docs/road-user-charges-handbook.pdf These issues will need to be considered in the design of any RUC scheme.

Interlinked with the above, is the question of the revenue aims for an RUC scheme. Is it, or should it be, intended to be revenue neutral compared with the existing system? What should be the balance between revenue raised from private and commercial road users? Is there an opportunity to reduce the level of revenue required by reducing the impact of vehicles on the network, and if so, should a greater revenue level be sought in any case to heavily invest in alternatives to driving? Should RUC revenue be ringfenced for transport, or indeed should the transport budget be cross-subsidised by general tax revenue? The case for wider HMT subsidy, and what that subsidy was to be invested in, would need to consider the public benefit and disbenefit of the type of mobility being invested in.

Finally, it is welcomed that this issue is being investigated. It is clear that current sources of tax revenue based on fossil fuels and emissions are time-limited, and a rethink of the funding of the transport network is required. The limited longevity of the current system needs to be a key premise of any conversation on Road User Charging. If not RUC, then what are our alternatives to fund the transport network? As set out above, we consider that there are a number of fundamental questions on what the objectives and key principles of an RUC scheme is designed to achieve which need to be addressed at a strategic level.

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