

Written evidence submitted by The Confederation of Passenger Transport (CPT)

ABOUT CPT

The Confederation of Passenger Transport (CPT) represents UK-based enterprises that operate buses and coaches, as well as a number of suppliers, including vehicle manufacturers. We have more than one thousand enterprises in membership, including major PLCs, municipally owned companies and family businesses with fewer than ten vehicles and accounting for more than 95% of the bus fleet and 55% of coach fleet in the UK.

EXECUTIVE SUMMARY

- Buses and coaches already provide an environmentally friendly and sustainable travel option, significantly reducing congestion, air pollution and carbon emissions on our roads
- A 15% increase in coach passenger journeys by British people each year could save over a quarter of a million tonnes of carbon dioxide
- If everyone took one more bus journey a month we would reduce the UK's carbon emissions by 2 million tonnes a year
- Industry recognises the need to transition to zero emission vehicles and is ready to play its part, with the right support from Government
- The bus sector needs a clear roadmap that sets out how the Prime Minister's target of 4,000 zero emission buses will be delivered, along with Government commitment to sufficient, long-term funding to support it
- The coach sector needs a realistic, long-term and fully funded roadmap, for the transition to zero emission vehicles which recognises the technology, range, capacity, cost and infrastructure challenges

CPT RESPONSE

In its Transport Decarbonisation Plan, the Government outlined the need for all transport to decarbonise and transition to zero emission alternatives. However, it is vital to recognise that zero emission vehicles will not deliver the 2050 target on their own. Cars and taxis account for 55% of carbon emissions, whilst bus and coach only account for 3%¹, therefore changing people's travel behaviours towards more sustainable, high-capacity modes such as bus and coach, will have a greater impact on reducing carbon emissions than just decarbonising the fleet.

Coaches are often hampered by poor access and facilities at destinations. It is vital that coach friendly measures, such as adequate on-site parking and maneuvering space, are introduced at local attractions. This will ensure coaches have safe and efficient access, improve the tourist experience and encourage more people to travel by coach.

¹ DfT (2021) *Decarbonising Transport: A Better, Greener Britain*

Increasing congestion levels leads to increased bus journey times and reduced reliability, which we know discourages people from using the bus. Investment in bus priority measures such as priority at junctions and traffic lights and bus only roads will decrease bus journey times and increase passenger numbers.

It is vital bus and coach are put first on our road networks to encourage more people on board and to enable them to deliver their full environmental benefits.

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Transition to zero emission buses

Bus operators have already invested £2 billion in new, cleaner and greener buses over the last five years, meaning the UK now has its cleanest ever bus fleet. Nonetheless they recognise the need to go further. The industry welcomed the Prime Minister's pledge to support further investment in ultra-low and zero emission buses during this Parliament, with a commitment to delivering 4,000 new zero emission buses. These new green buses could reduce carbon dioxide emissions by 2 million tonnes.

The industry welcomed the Zero Emission Bus Regional Areas scheme as a first step in delivering the 4000 zero emission bus commitment. However, the Government has itself admitted that to date it has only so far allocated funding to support the delivery of 900 buses, falling far short of the Prime Minister's target.

The industry now needs a clear roadmap setting out how the Prime Ministers target will be delivered, along with Government commitment to sufficient, long-term funding to support it. This will provide the certainty needed for investment and allows all those involved to prepare their teams, resources and business plans to deliver the change as cost-effectively as possible and maximise the investment from Government.

Without a clear roadmap we risk a situation where the Prime Minister's pledge will be extremely challenging to meet and the wider transition to zero emission buses more problematic as operators, manufacturers, transport authorities and infrastructure providers all must react to uncoordinated funding announcements making it more costly to the taxpayer to deliver the zero-emission transition.

Any financial support model that is introduced needs to sufficiently incentivise operators to invest. The ZEBRA scheme and its predecessors, whereby Government is funding 75% of the cost difference between a Euro VI diesel bus and a zero-emission bus, goes a significant way towards building a business case for electric, but the comparator whole life cost of diesel continues to outperform electric (and zero emission vehicle more generally). The 75% grant therefore falls short of what is required to underpin volume roll out on its own. This is why the BSOG green incentive (22p per km) announced in the Transport Decarbonisation Plan is welcome and should be a long-term commitment from Government.

Ensuring sufficient infrastructure is in place to support the investment in new cleaner vehicles – for example charging points for electric vehicles on a scale that allows for charging of entire fleet overnight, or a sufficient network of hydrogen refuelling points – is vital. CPT has estimated the cost of upgrading a single depot at around £1.5 - £2m. There may also be additional supplier connection charges which vary from place to place and can currently be anywhere in the range from £50,000 to £3m. The Ofgem proposals in the Access and Forward Charges Significant Code Review to remove the contribution for reinforcement for new demand connections is very welcome in reducing the cost of new charging infrastructure and increasing certainty on the costs of electrification. These proposals should be implemented at the earliest opportunity to support the ongoing bus electrification programme.

The industry recognises that the future of urban road transport lies with zero emission vehicles. The challenge is to ensure that the UK can provide the technology which allows operators to continue to run commercial, economic and efficient high frequency services for at least 21 hours, and ideally 24 hours a day. Continued support from Government is needed to ensure the development of adequate technology and associated supply chains, including battery technology and charging systems, to make this a reality. A zero-emission bus option with sufficient range is not yet available for all duty cycles and the Government should continue to support the development of new longer range zero emission vehicles through the Faraday Institute and Advanced Propulsion Centre to ensure there is a full range of zero emission buses available.

Zero emission buses cannot deliver increased passenger numbers and net zero emissions by themselves. They need the journey time improvements brought about by bus priority measures that place buses first on our road networks. Increasing journey reliability will deliver a more attractive travel option for passengers and encourage more people to switch to travelling by bus, more passengers in turn will reduce the level of government investment required as operators become more able to reinvest in their networks.

Transition to zero emission coaches

We support the ambition set out in the Government's Transport Decarbonisation Plan to move towards zero emission coaches and welcome the Government's commitment to work with all sectors of industry to accelerate the rollout of zero emission vehicles. This support is vital if suitable coach options, with the required further developments in technology, are to come forward in any meaningful number.

We are beginning to see some ultra-low and zero emission capable coaches become available - there are two manufacturers offering electric coaches with a range of between 200 and 300km, a hybrid model is being trialled in the UK and both Compressed Natural Gas and Liquefied Natural Gas models are available. Whilst these developments are great news for the industry and are steps in the right direction, range, infrastructure, capacity and reliability remain concerns for operators. A diesel coach typically has a range of 1600 km, if we are to make the transition to ultra-low or zero emission coaches a reality, support from Government is needed to ensure the continued development of adequate technology.

The cost of ultra-low and zero emission coaches is currently considerably more – we estimate around 75% more - than the latest Euro VI diesel vehicles. Until prices progressively align, support

for the increased purchase cost from government is likely to be needed for many operators to invest – particularly in the aftermath of the pandemic.

Support will also be needed for the charging infrastructure associated with zero emission vehicles. It is estimated that an electric charging point would cost between £20,000 and £35,000, plus the associated infrastructure costs which would vary depending on the site. This adds significant cost to the investment in electric vehicles. There will also be many services for which current battery ranges are not sufficient to return to the coach depot before charging is required. Given the likely need for electric (and other alternative fuel) coaches to recharge or refuel on route or at location, investment by government will therefore also be needed in a network of national charging infrastructure.

These issues will be similar for the refuelling infrastructure required for other alternative fuels, such as hydrogen or gas. Until appropriate charging infrastructure is available across the country, it is not viable for many coach operators, especially those operating longer distance services, to invest in the ultra-low or zero emission coaches that depend upon them.

We have highlighted the challenges faced by the coach industry in moving towards an ultra-low and zero emission coach fleet. Nonetheless, we recognise the need for all industry sectors to take serious action to tackle the climate emergency. We want to work closely with Government to develop a realistic, achievable, long-term and fully funded roadmap to help the coach sector transition to zero emission vehicles, which recognises the challenges faced by the sector. In return for such a roadmap, the industry will work hard to deliver its ambition to reach an ultra-low or zero emission coach fleet by 2040.

Supporting the coach industry to make the transition to zero emission alternatives will have a substantial impact on the environment and will further reduce the carbon footprint of an already sustainable travel option.

CPT

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