



Department for Transport

Department for Transport's Net Zero Transport Board 2.45pm – 3.45pm, Wednesday 8 July 2020 Virtual meeting

Ministerial attendance

- Rt Hon Grant Shapps MP – Secretary of State for Transport (Chair)
- Rachel Maclean MP – Minister for the Environment and Transport Decarbonisation, Department for Transport
- Rt Hon Kwasi Kwarteng MP – Minister for Business, Energy and Clean Growth, Department for Business, Energy & Industrial Strategy

Member attendance

- Polly Billington – Director, UK100
- Xavier Brice – Chief Executive, Sustrans
- Peter Harris – International Sustainability Director, UPS
- Richard Howard – Research Director, Aurora Energy Research
- Professor Stephen Joseph OBE – Visiting Professor, University of Hertfordshire's Smart Mobility Unit
- Professor Michaela Kendall – Chief Executive Office, Adelan
- Professor Lord Robert Mair CBE, FICE, FRS, FREng – Head of Civil and Environmental Engineering, University of Cambridge and Chair of the DfT Science Advisory Council
- Carly McLachlan – Director, Tyndall Manchester and Associate Director, ESRC Centre for Climate Change and Social Transformation
- Ian Meikle, Director, Clean Growth and Infrastructure, Innovate UK
- Peter Mock – EU Managing Director, International Council on Clean Transportation
- Adam Morton – Chair, Sustainable Aviation
- Leo Murray – Founder, Possible
- Natasha Patel – Baringa Partners
- Konstanze Scharring – Director of Policy, Society of Motor Manufacturers and Traders
- Professor Lorraine Whitmarsh – Director, UK Centre for Climate Change and Social Transformations

Department for Transport official attendance

- Caroline Low – Director, Energy, Technology & Innovation
- Bob Moran – Deputy Director, Head of Environment Strategy

1. Introduction to the Net Zero Transport Board

The SECRETARY OF STATE FOR TRANSPORT said that he welcomed members to the inaugural meeting of the Net Zero Transport Board, noting the breadth of experience in the room and that the goal of the newly formed Board was to examine how the Department can best decarbonise transport. While coronavirus had undoubtedly had a devastating impact across the country, it had resulted in lower transport emissions, reduced traffic and cleaner air – and as such there was an unprecedented opportunity to lock-in these benefits in the longer term.

Continuing, the SECRETARY OF STATE FOR TRANSPORT said that the Department for Transport had implemented several measures in this area in the months leading up to the meeting, including the announcement of an unprecedented £2 billion to boost cycling and walking, the commitment to launching 4,000 zero emission buses and the fast-tracking of the trials of e-scooters. A new Jet Zero Council had been announced the previous month, and he would also soon be meeting with the logistics sector to discuss the harnessing of zero emission and automated vehicle technologies.

Continuing, the SECRETARY OF STATE FOR TRANSPORT said that current transport policies would not deliver the necessary reductions in emissions, and that the Transport Decarbonisation Plan, launched in March 2020, would set the course for the Government's work to decarbonise the sector.

Concluding, the SECRETARY OF STATE FOR TRANSPORT said that he would attend Net Zero Transport Board meetings wherever possible, welcomed the attendance of his Ministerial colleagues Rachel Maclean and Kwasi Kwarteng, and said that he looked forward to members' contributions and engagement.

2. Introduction to the Net Zero Transport Board meeting on a 'green recovery' from Covid-19

The MINISTER FOR THE ENVIRONMENT AND TRANSPORT DECARBONISATION said that she reiterated the Secretary of State's thanks to members for attending the first meeting of the Net Zero Transport Board, and also his comments that this was a pivotal moment in the fight against climate change, particularly as regards transport. Amidst the pain of the coronavirus pandemic, circumstances had shown that change was possible, and government and industry were now consequently faced with the practicalities of how to make that change come about.

Continuing, the MINISTER FOR THE ENVIRONMENT AND TRANSPORT DECARBONISATION said that there were enormous economic opportunities offered from the transition to cleaner forms of transport, which could result in not only a cleaner, greener country but could also create new jobs and level up the economy.

Concluding, the MINISTER FOR THE ENVIRONMENT AND TRANSPORT DECARBONISATION said that this first meeting would focus on how the habits and

emissions reduction seen during Covid-19 restrictions could be locked in, and how in the longer term a green recovery could deliver the economic opportunities described.

3. 'Short-term' action on green recovery

Members had been asked to come prepared to talk on two themes relating to short-term green recovery actions, which were discussed concurrently:

- What further measures should the Government take to minimise an increase in transport emissions as lockdown restrictions are lifted?
- What other short-term priorities do you have, and what should government and others be doing to implement them?

In discussion, the following points were made by members:

- a. while important, reducing emissions would require more than a move to more sustainable forms of transport. Rather, it would be necessary to reduce the number of journeys taken, and that 'avoidance' in the 'avoid-shift-improve' hierarchy currently did not get sufficient attention;
- b. Covid-19 lockdown restrictions had led significant numbers of people in the UK to virtually carry out activities normally done in person, such as going to the GP, and that there was an opportunity to lock-in these 'virtual habits';
- c. reducing demand for transport would necessitate expanding virtual solutions, such as seen through the increase in videoconferencing during lockdown restrictions, and a change in employment habits. Government should work with employers to encourage more virtual interaction following lockdown restrictions – for example through a "Decarbonising Transport Employers Club", made up of employers committed to reducing emissions from transport, which could increase public consciousness around the issue, in addition to government sending a signal on the benefits of virtual working;
- d. public transport weekly and monthly ticketing could be reviewed, in order that employees are not incentivised to travel to work every day;
- e. steps to incentivise cycling and walking during lockdown restrictions were welcomed, which combined with much reduced traffic levels – and later temporary infrastructure measures – had resulted in a significant increase in cycling and walking. This had demonstrated the ability of government to change behaviour when conditions are right, in particular when people felt safe;
- f. infrastructure change and investment was necessary to lock-in the increase in active travel, and while incentivising active travel was positive, it was also necessary to discourage less sustainable practices;
- g. e-bikes would be central to a green recovery and government should provide greater support including: extending the Cycle to Work Scheme to include e-bikes; and reviewing the Government's Road Investment Strategy to see if it could provide greater support for e-bikes;

- h. the difference between rural and urban situations should be considered when planning to reduce emissions and work should be done on 'mobility and accessibility hubs' in rural areas, including car share solutions and remote working spots, such as seen in the work by England's Economic Heartland;
- i. there needed to be a strategy for bringing commuters from rural areas to urban areas in a sustainable way, and a consideration of how active travel could play a part in that. This would require consistency of policy-making at the city level, and consistent grants across different cities to discourage car usage;
- j. housing planning should be reviewed, as the Housing Infrastructure Fund tended to fund roads, rather than sustainable transport infrastructure;
- k. the impact of government messaging on avoiding public transport where possible as lockdown restrictions are lifted needed to be considered. Based on anecdotal evidence, people would turn to purchasing cars as restrictions were lifted in order to avoid public transport, and there needed to be government intervention to steer people away from making that choice. In particular, people needed to be steered away from buying the most polluting vehicles, noting that while in general cars were becoming cleaner, emissions from cars were rising due to an increase in purchases of larger vehicles;
- l. EU vehicle standards on emissions would apply until 1 January 2021, and that work was required to prevent an influx of the most polluting vehicles into the UK market;
- m. measures were needed to ensure vehicles purchased during and following lockdown restrictions were electric;
- n. while people increasingly shopping online had led to a reduction in the number of journeys taken to and from shops, it also meant that more vans, often second-hand and relatively highly emitting, were coming onto the market;
- o. the Benefit-In-Kind tax had been very positive in increasing uptake of electric vehicles, and ways in which this scheme could be expanded should be explored;
- p. urban freight could be increasingly moved via active travel solutions if suitably enabled, for example by reviewing the regulations associated with cargo cycles and electronically assisted walking devices, within sensible safety boundaries;
- q. many logistics businesses operate from rural areas, and government should do more to encourage the development of shared 'urban microhubs', from which businesses could conduct less emission-intensive last-mile deliveries; and
- r. the Government should consider a threshold on its own procurement, such that successful tenders would need to demonstrate steps taken to reduce their freight emissions.

Responding, the MINISTER FOR THE ENVIRONMENT AND TRANSPORT DECARBONISATION said that she fully agreed with the need to develop tailored

solutions for reducing transport emissions in rural areas. The Government had also committed UK vehicle standards on emissions to be at least as high as, or higher than, those of the EU following the transition period.

Concluding the agenda item, the MINISTER FOR THE ENVIRONMENT AND TRANSPORT DECARBONISATION said that she was grateful for members' useful contributions and recommendations on short-term green recovery options, before introducing the Minister for Business, Energy and Clean Growth to give remarks on the Government's broader economy-wide net zero ambitions.

4. 'Long-term' action on green recovery

The MINISTER FOR BUSINESS, ENERGY AND CLEAN GROWTH said that the discussion on the previous agenda item had included interesting contributions, and thanked the Secretary of State for Transport for convening the forum. The previous year's net zero legislation had been a game-changer, building on the already significant progress made in reducing the UK's contribution to climate change. Recent years had shown we could reduce emissions while also growing the economy, and government was aiming for 2 million jobs in low carbon industries by 2030, up from 460,000 in July 2020. It would not be possible to achieve emissions targets without substantial decarbonisation of transport.

Continuing, MINISTER FOR BUSINESS, ENERGY AND CLEAN GROWTH said that there were two questions on long-term action for a green recovery that members had been asked to come prepared to speak on:

- What further action should government be taking to support jobs and the economy in line with our transport decarbonisation goals?
- How can we support businesses to reduce their transport emissions as they recover?

In discussion, the following points were made by members:

- a) following the recent pledge to "build, build, build" in recovering from the impact of Covid-19, the Government should note the many benefits of investment in building cycling and walking infrastructure;
- b) recent research for the TUC showed that investment in cycling and walking infrastructure would have the potential to build 103,000 jobs over the next two years, and that 33 new jobs would be created for every £1 million invested in cycling and walking. Other than energy retrofit, this evidence showed cycling and walking to create the most jobs per million pounds invested, with road building ranking second worst;
- c) the actions the Government had taken to support the bus industry during lockdown restrictions and the funding for 4,000 zero emission buses were welcomed, but government should do more and bring forward support for bus manufacturers;
- d) more focus needed to be paid on the decisions people were making during the transition period to phase out petrol and diesel vehicles, rather than a sole focus on the 'end date'. The Government should review and expand the incentives for electric vehicles in line with the programs in other

countries, alongside improving charging infrastructure to support the transition;

- e) the Government should do more to engage with local authorities on the operational challenges faced by local bus operators as a result of Covid-19;
- f) local authorities were convening countryside network roundtables on how to reduce emissions from local transport, and that they had expressed concern about the limited nature of transport in rural locations;
- g) further engagement by government with local authorities on the issue of strengthening the electricity grid to enable it to cope with the demands of increasingly electrified transport was recommended, alongside the potential creation of a taskforce including local government, Ofgem, distribution network operators and National Grid;
- h) a long-term green recovery would be dependent on strengthening the electricity grid, and there was significant potential for technologies such as road induction charging to contribute to transport decarbonisation;
- i) there needed to be a renewed focus on Clean Air Zones at all levels of government, to ensure they did not fall off the agenda;
- j) the decline of fiscal receipts on fuel duty as road vehicles were increasingly electrified required consideration. A 2017 Policy Exchange report forecasted a £20 billion annual decrease in HM Treasury income as a result of declining fuel receipts if transport were decarbonised in line with Carbon Budget 5; road user charging may need to be considered to account for this loss as roads currently contribute more to the economy than they cost;
- k) consideration should be given to the systems challenges associated with electrification and increased use of hydrogen in transport;
- l) the use of hydrogen and fuel cells would be essential to delivering on carbon budgets, but that at the time of the meeting the UK invested much less in the sector compared with other countries such as Japan and Germany, and investment levels in line with those dedicated to the Faraday Battery Challenge were required. This could have resulted in a £1.5 billion boost to the economy;
- m) the focus needed to be not just on hydrogen but also on fuel cells which could contribute £16 billion to the economy by 2050, and the Prime Minister's June 2020 commitment to invest in the sector was welcomed;
- n) a decarbonisation road map was required for transport, looking across a range of technological developments including the hydrogen economy, synthetic fuels and fuel cells;
- o) there was significant potential for reducing emissions in short-haul domestic aviation through electrification, and through the application of new technologies in maritime;
- p) there were questions around the compatibility of regional airport expansion with transport decarbonisation goals; and
- q) the aviation sector had committed to net zero by 2050, and that there levers to be deployed to achieve this, with the most important being sustainable aviation fuels, for which the price would need to be brought down and production scaled up. The Government should provide matched funding

support for sustainable fuel plants at scale and better coordination on the issue was required across government. The Government should further explore the potential for the production of certain sustainable aviation fuels to be carbon negative.

Responding, the MINISTER FOR THE ENVIRONMENT AND TRANSPORT DECARBONISATION said that although hydrogen had not been discussed at length, it was very much a focus within government. She was working closely with Department for Environment, Farming and Rural Affairs (Defra) Ministers on Clean Air Zones, and assured attendees that there would be updates on Clean Air Zones in the near future following the meeting.

Summing up, the MINISTER FOR THE ENVIRONMENT AND TRANSPORT DECARBONISATION said that she thanked members for their contributions on long-term green recovery options, and said that the recommendations had certainly provided the Department with plenty of actions to consider.

5. Conclusion from the Secretary of State

Summing up, the SECRETARY OF STATE FOR TRANSPORT said that the upcoming Jet Zero Council was intended to bring about the better cross-government coordination on aviation decarbonisation. Hydrogen would undoubtedly have a big role to play on the path to decarbonising transport, and that government would pursue and investigate a wide range of technologies to deliver on climate targets. Electric cars would have a vital role in reducing transport's contribution to climate change, and government would ensure the transition happens as soon as was feasible.

Continuing, the SECRETARY OF STATE FOR TRANSPORT said that the Committee on Climate Change's recent report to government acknowledged the progress being made in tackling transport emissions. He said that, while positive, he remained cognisant of the scale of the challenge ahead.

Concluding, the SECRETARY OF STATE FOR TRANSPORT said that he thanked members for their attendance, and he looked forward to their continued enthusiasm and contributions.