North Tyneside Council
Report to Cabinet Member for Environment and Transport
Date: 21 July 2020

Title: Consultation response – bringing forward the end to the sale of new petrol, diesel and hybrid cars and vans

Portfolio(s):	**Environment and Transport**	**Cabinet Member:**	**Councillor C Johnson**

Report from Service Area:	**Environment, Housing and Leisure**	
Responsible Officer:	**Phil Scott, Head of Environment, Housing and Leisure**	**Tel: 0191 643 7295**
Wards affected:	**All**	

PART 1

1.1 Executive Summary:

This report seeks the approval of the Cabinet Member for Environment and Transport to submit a response, attached as Appendix 1, to the Government's public consultation on bringing forward the end to the sale of new petrol, diesel and hybrid cars and vans.

1.2 Recommendation(s):

It is recommended that the Cabinet Member for Environment and Transport:

(1) notes the contents of the report;

(2) agrees that the Authority should respond to the consultation; and

(3) approves the draft response attached as Appendix 1 and, in consultation with the Head of Environment, Housing and Leisure, makes any final amendments to the draft response before the submission of the final response to the consultation.

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 3 April 2020.

1.4 Council Plan and Policy Framework

The proposals in this report relate to a number of priorities in Our North Tyneside, the Council Plan 2020 to 2024, in particular:

- Our places will:
- Recognise the climate emergency by further reducing the Borough's overall carbon footprint. This will include reducing the council's carbon footprint, along with encouraging and enabling everyone to reduce their carbon footprint.
- Provide a clean, green, healthy, attractive and safe environment.
- Have an effective transport and physical infrastructure – including our roads, pavements, street lighting, drainage and public transport

1.5 Information:

1.5.1 Background

It is noted in the North Tyneside Local Plan that, alongside encouraging active travel, the greater use of less polluting technologies such as electric vehicles can help to reduce carbon emissions (section 10.14). The North Tyneside Transport Strategy makes clear that the Authority is committed to supporting modal shift away from car travel, and moves to encourage the use of ultra low-emission vehicles rather than conventional petrol or diesel vehicles, so as to improve environmental sustainability and local air quality.

Following a decision of Full Council on 25 July 2019, the Authority declared a Climate Emergency, and seeks to halve its own and the borough's carbon footprint by 2023 and commits that itself and the borough will be carbon neutral by 2050 in line with the national target. The 2020-2024 Our North Tyneside Plan sets out the Authority's intention to recognise the climate emergency as outlined above, provide a clean, healthy, attractive and sustainable environment and have effective transport and physical infrastructure.

Greater use of ultra low-emission vehicles to substitute for petrol or diesel vehicles could contribute towards reducing the borough's carbon footprint. In August 2019, the Authority took delivery of ten electric vans for use in its own fleet, contributing positively to carbon reduction and local air quality.

1.5.2 Objectives of the Government's Road to Zero strategy

The Department for Transport's (DfT) Road to Zero strategy, published in July 2018, seeks to put the UK at the forefront of the design and manufacturing of ultra low-emission vehicles. The strategy seeks to build on the Government's existing commitments in the Industrial Strategy, the Automotive Sector Deal, the UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations ('the NO_2 Plan') and the Clean Growth Strategy to build an environment and an economy fit for the future.

In the Road to Zero strategy the Government re-stated its intention to end the sale of new petrol and diesel cars and vans from 2040, and set out a further ambition to see at least 50%, and as many as 70%, of new car sales and up to 40% of new van sales being ultra low-emission by 2030.

1.5.3 The Government consultation

On 20 February 2020, the Government commenced a public consultation on bringing forward the end to the sale of new petrol and diesel cars and vans (the 'phase-out date') from 2040 to 2035, or earlier if a faster transition appears feasible; and ending the sale of new hybrid cars and vans at the same time. It stated that this reflects the independent Committee on Climate Change's advice on what is required so that the UK's contribution to climate change can be neutral, or 'net zero', from 2050.

The Government therefore invites views on:

i. the phase-out date;
ii. the definition of what should be phased out;
iii. barriers to achieving the above proposals;
iv. the impact of these ambitions on different sectors of industry and society; and
v. what measures are required by the Government and others to achieve the earlier phase-out date.

1.6 Decision options:

The following decision options are available for consideration by the Cabinet Member for Environment and Transport:

Option 1
Decide that a response to the consultation be submitted and approve the proposed course of action set out at 1.2 to allow the response to be submitted.

Option 2
Decide not to submit a response to the consultation.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended as this will allow the Authority to contribute to the Government's public consultation on bringing forward the end to the sale of new petrol, diesel and hybrid cars and vans.

1.8 Appendices:

Appendix 1 Proposed North Tyneside Council response to the consultation

1.9 Contact officers:

Colin MacDonald, Senior Manager Technical and Regulatory Services (0191) 643 6620
Andrew Flynn, Integrated Transport Manager (0191) 643 6083
John Cram, Integrated Transport Officer (0191) 643 6122
Cathy Davison, Principal Accountant Investment (Capital) and Revenue, 0191 643 5727

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

1) Government consultation page 'Consulting on ending the sale of new petrol, diesel and hybrid cars and vans'

2) Department for Transport strategy 'The Road to Zero – next steps towards cleaner road transport and delivering our Industrial Strategy'

3) Department for Environment, Food and Rural Affairs and Department for Transport – UK plan for tackling roadside nitrogen dioxide concentrations

4) North Tyneside Transport Strategy

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial implications directly arising from this report in terms of responding to the consultation. There may be financial implications arising in the future from measures relating to the Government's proposals (bringing forward the end to the sale of new petrol, diesel and hybrid cars and vans) being implemented in North Tyneside and if so these will be reported to Council / Cabinet, as appropriate, at the time, for a decision before any expenditure is incurred.

2.2 Legal

There are no legal implications directly arising from this report. The Government has previously confirmed, in the 'UK plan for tackling roadside nitrogen dioxide concentrations', its intention to end the sale of all new conventional petrol and diesel cars and vans by 2040. This report relates to a public consultation on the Government's current proposals to bring this date forward to 2035 or earlier and to end the sale of hybrid cars and vans from the same date.

2.3 Consultation/community engagement

2.3.1 Internal consultation

Internal consultation has taken place involving the Cabinet Member for Environment and Transport and the Head of Environment, Housing and Leisure.

2.3.2 Community engagement

Any person may respond to the Government consultation.

2.4 Human rights

The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

2.5 Equalities and diversity

There are no adverse equalities or diversity issues arising from this report.

2.6 Risk management

There are no risk management implications directly arising from this report.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

Although there are no direct environment and sustainability implications from approving this report, the delivery of the Government's proposals, by accelerating the replacement of petrol, diesel and hybrid vehicles with ultra low-emission vehicles, would be expected to improve the environment and sustainability of North Tyneside.

PART 3 - SIGN OFF

• Chief Executive	X
• Head of Service	X
• Mayor/Cabinet Member(s)	X
• Chief Finance Officer	X
• Monitoring Officer	X
• Head of Corporate Strategy and Customer Service	X

North Tyneside Council response to the Government's consultation on ending the sale of new petrol, diesel and hybrid cars and vans
July 2020

Introduction

This is the response of North Tyneside Council ("the Authority") to the Government's consultation on ending the sale of new petrol, diesel and hybrid cars and vans, which is being undertaken by the Department for Transport (DfT) and the Office for Low Emission Vehicles (OLEV).

[Note. North Tyneside's Cabinet Member delegated decision to submit a response to the consultation was taken on 28 July 2020. Since such decisions may be subject to a 'call-in' process, this response should be treated formally as a draft until confirmation is received in due course.]

Initial remarks

The Authority welcomes the Government's publication for consultation of the proposals.

Following a decision of Full Council on 25 July 2019, the Authority declared a Climate Emergency, and seeks to halve its own and the borough's carbon footprint by 2023 and commits that itself and the borough will be carbon neutral by 2050 in line with the national target. The Authority also works with other authorities in the North East Joint Transport Committee area on supporting improved local air quality.

Cycling and walking are the healthiest and least polluting modes of transport: replacing motorised journeys by walking or cycling (including e-bikes and cargobikes) is the most effective way to decarbonise transport, improve air quality and improve public spaces. North Tyneside promotes active travel to school through its 'Go Smarter' schools programme, participated in the national trial of 'School Streets' in partnership with Sustrans, and has successfully bid to run a trial of e-cargobikes.

However, electric or hydrogen vehicles (ultra low-emission vehicles, ULEVs) are low carbon and contribute less to local air pollution compared with petrol or diesel vehicles (internal combustion engine, ICE vehicles). There would therefore be substantial advantages from an early phase-out of ICE vehicles.

In August 2019, the Authority took delivery of ten electric vans for use in its own fleet, contributing positively to carbon reduction and local air quality. In February 2020 the Authority adopted a revised Taxi and Private Hire Licensing Policy, which includes a new objective to promote environmental sustainability and age standards (with lead-in times) for new, replacement and renewal vehicles.

In considering the phase-out date for sales of new ICE vehicles, it should be noted that the ongoing development of Connected and Autonomous Vehicles (CAVs) can be expected to lead to substantial changes well before the 2030s in how vehicles are used, particularly for vans, and it would be appropriate for the Government to explore ways in which it could use the increasing demand for CAVs as an opportunity to accelerate the shift towards ULEVs.

Although outside the scope of this consultation, heavy goods vehicles (HGVs) are a substantial source of greenhouse gases and local air pollutants, and the Authority urges the Government to work to secure both a rapid shift towards ultra low-emission technology in HGVs, and the wider use of 'last mile' alternatives such as cargobikes which can help minimise volumes of HGV traffic and associated emissions in town and district centres.

Response to themes of the consultation

Theme 1 – the phase-out date

The Authority agrees that the phase-out date should be brought forward from 2040 and urges the Government to be ambitious in setting a new phase-out date. The Authority notes that it is the view of the independent Committee on Climate Change[1] that the phase-out date should be brought forward to 2032 "at the latest".

The Authority believes that immediate and meaningful action by the Government is necessary in order to achieve a phase-out which is substantially complete well before the final target date, and which is consistent with supporting economic growth and opportunities for low-income households and small and medium-sized enterprises (SMEs) who may find ULEVs unaffordable in the current vehicle market.

Theme 2 – the definition of what should be phased out

Hybrid vehicles incorporate an internal combustion engine (ICE) and hence, while cleaner than ICE-only vehicles, they produce tailpipe emissions which adversely impact on local air quality, and emit greenhouse gases. The Authority therefore agrees that the definition of vehicles to be phased out should include hybrid as well as ICE cars and vans.

When setting the definition, the Government should take the earliest opportunity to clarify the position on 'range extenders' (generally small petrol engines which activate to provide additional power to a vehicle's electric motor when battery charge is low). It is understood that a number of manufacturers offer, or intend to offer, 'range extender' electric vans and taxis in the near future, however it is recognised that these also emit some local air pollutants and greenhouse gases.

Theme 3 – barriers to achieving the above proposals

The Government should give detailed consideration to a number of factors at national level which may act as barriers to efforts made by local authorities and the voluntary sector to encourage the uptake of ULEVs. For example, these may relate to:

i. the low baseline – the UK is starting from a position where ULEVs form a small proportion of the overall fleet, particularly for vans, meaning many drivers and fleet managers may be unfamiliar with ULEVs and the advantages they can offer over ICE vehicles – however countries such as Norway have demonstrated that it is possible to rapidly grow the take-up of ULEVs within a few years;
ii. lack of commercial incentives for car and van dealers to promote ULEVs to their clients – for example, expectations of lower post-sale customer spend, because ULEVs typically require less repair and maintenance compared with ICE vehicles;
iii. the wider effects of the Covid-19 pandemic – economic uncertainty and reduced public transport use may prompt more households and businesses to purchase new ICE vehicles or retain older ICE vehicles;
iv. the electricity grid – investment in electricity distribution infrastructure, to meet increased demand for charging of electric vehicles, will have to be factored into the industry's investment programmes;

[1] 'Reducing UK emissions – progress report to Parliament', Committee on Climate Change, June 2020

v. in the case of electric vehicles, the difficulty of charging a vehicle for households and SMEs which do not have private off-street parking; and

vi. in the case of hydrogen vehicles, a lack of public refuelling opportunities.

Equally, it represents an opportunity that instead of purchasing a vehicle outright, more people and businesses now acquire a vehicle through a leasing/financing arrangement, typically over a fixed term such as three years. This has accelerated the vehicle replacement cycle, which provides additional scope to secure rapid replacement of ICE vehicles with ULEVs. It also means that ULEVs are more likely to be perceived as affordable, despite their generally higher list price, if appropriate financial incentives are applied by the Government so that the monthly running cost of a ULEV can be made competitive with an equivalent ICE vehicle.

Theme 4 – the impact of these ambitions on different sectors of industry and society

The Authority notes that it is the view of the independent Committee on Climate Change that "the benefits of acting on climate change must be shared widely, and the costs must not burden those who are least able to pay or whose livelihoods are most at risk as the economy changes".

This emphasises that the Government should seek a rapid transition to ULEVs in the first half of this decade, so that ULEVs form the major part of the market well in advance of the phase-out date. This will help to ensure that by the time of the phase-out there is volume manufacture of a full range of ULEV car/van models, including budget options, and an established secondhand market in ULEVs.

It should be emphasised that ULEVs typically both have lower running costs and require less repair and maintenance compared with ICE vehicles, which means that people and businesses stand to benefit financially once they have made the initial switch to ULEVs.

It should also be noted that 'car clubs' (short-term car/van hire providers) play a valuable role in that they provide a cost-effective alternative to car or van ownership for households and SMEs which require the occasional use of a vehicle without incurring the higher costs of ownership or leasing. The Government should consider means by which it could incentivise the more widespread formation of 'car clubs' which offer ULEVs to individual and business customers.

Theme 5 – what measures are required by the Government and others to achieve the earlier phase-out date

Securing a rapid shift away from ICE cars and vans in the first half of this decade is crucial in order to secure the transformation of the vehicle market which will be necessary to ensure that it is capable of meeting the phase-out deadline.

The Government should consider the example of Norway, where electric cars rose from below 30% of new car sales in 2016 to over 55% in 2019 (figures including plug-in hybrids) and where by 2018 the fully-electric Nissan Leaf had become the country's best-selling car.

The Authority notes that it is the view of the independent Committee on Climate Change that a mandate requiring manufacturers to sell a rising proportion of zero emission vehicles (a 'ZEV mandate') would strengthen investment signals for manufacturers.

To address the barriers described in the response to q3 above, the Government should consider the following measures:

1. Seek to be ambitious and ensure that ULEVs constitute a substantial proportion the vehicle fleet in the first half of this decade – following the example of Norway

2. Apply pressure to the industry to ensure that there are appropriate commercial incentives for car and van dealers to promote ULEVs to their clients
3. As part of Covid-19 recovery, take care to ensure that grants or other financial support packages offered to businesses do not contain any unintentional incentives to keep to the 'status quo' of using ICE vehicles
4. Ensure that there is appropriate investment in electricity distribution infrastructure to meet increased demand for charging of electric vehicles, and that this is factored into the industry's investment programmes
5. Accelerate changes to building regulations and associated requirements in order that electric vehicle charging provision at home or business premises becomes more widespread. A public consultation on this matter was held between July-October 2019: the Government should move swiftly to publish its response to that consultation[2] and should promptly update building regulations to ensure that new buildings, and alterations to existing buildings, reflect the need for wider electric vehicle charging provision.
6. Seek to widen access to hydrogen refuelling facilities – this might include e.g. encouraging larger businesses which have hydrogen vehicle fleets to offer hydrogen refuelling facilities for use by, for example, SMEs and the taxi trade.

In addition, the Government should consider the following measures:

7. A 'ZEV mandate' – a mandate requiring manufacturers to sell a rising proportion of zero emission vehicles, as cited by the independent Committee on Climate Change
8. Measures which incentivise both the removal from the fleet of regularly-used older ICE vehicles, and the uptake of alternative modes such as e-bikes and cargobikes as well as ULEVs
9. Measures which support connected and autonomous capability in vehicles
10. Seek specialist advice on ways in which the rules around company car/van schemes, and employer salary sacrifice car purchase schemes, could be adapted to incentivise the choice of ULEVs in preference to ICE vehicles
11. Set a clear example by setting a short deadline for all central government and government agency car/van fleets to be ULEVs only – as well as visibly demonstrating the Government's commitment, this would help to ensure a wider secondhand market in ULEVs well in advance of the phase-out date
12. Seek to incentivise the more widespread formation of 'car clubs' (short-term car/van hire providers) which offer ULEVs – as these provide a cost-effective alternative to car or van ownership for households and SMEs which require the occasional use of a vehicle without incurring the higher costs of ownership or leasing

Finally, the Authority would urge the Government to continue to provide greater support for measures which facilitate the wider adoption of cycling (including e-bikes and cargobikes) and walking, as replacing motorised journeys by active travel is the most effective way to decarbonise transport, improve air quality and health, and improve public spaces.

[2] Government Consultation document: electric vehicle chargepoints in residential and non-residential buildings (2019)