

ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE

12 DECEMBER 2011

LOW CARBON VEHICLES IN THE DELIVERY OF PUBLIC SERVICES REVIEW 2011/12: CONTRIBUTION FROM THE CITY'S MPS

REPORT OF THE CHIEF EXECUTIVE

Strategic Priority: SP5 - Attractive and Inclusive City

**Corporate Priorities: CIO1 – Delivering Customer Focused Services, CIO4
– Improving Partnership Working To Deliver ‘One City’**

1. Purpose of Report

- 1.1 This report includes a written submission of evidence from two of the city's MPs which forms part of the wider evidence gathering for the Scrutiny Committee's Policy Review for 2011/12 into Low Carbon Vehicles – the Delivery of Public Services in Sunderland.

2. Background

- 2.1 Following the initial scoping of the Policy Review on 25 July 2011, members have commenced evidence gathering in relation to Low Carbon Vehicles – the Delivery of Public Services in Sunderland.
- 2.2 As part of the evidence gathering the Committee requested that the views of the city's MPs be sought. In August 2011, the Chair of the Environment and Attractive City Scrutiny Committee contacted all three MPs to request a contribution to the review. Following a request for a more detailed outline of the Committee's requirements for the policy review the following questions were posed:-
 - How deliverable are the Government's plans for the use of low carbon vehicles in reducing the UK's carbon emissions?;
 - What do you feel are the most important drivers to encourage increased use of low carbon vehicles?;
 - How important is it that Sunderland is at the leading edge for the production and use of low carbon technologies in the context of strengthening its economy?;
 - What do you think success would look like in Sunderland in relation to a low carbon economy and what role would you see low carbon transport playing in this?;
 - In your opinion how effective do you feel the council's role is in leading the city on this agenda?;
 - In light of the significant reduction to public service spending, what do you feel are the priorities in taking this agenda forward?; and
 - How do you feel public perception can be addressed should significant investment be required in delivering the low carbon agenda?

3. Current Position

- 3.1 To date responses have been received from Sharon Hodgson MP (attached as Appendix 1) and Bridgette Phillipson MP (attached as Appendix 2), with a further contribution expected from Julie Elliott MP.

4. Recommendation

- 4.1 That members of the Environment and Attractive City Scrutiny Committee note and comment on the information provided.

5. Background Papers

- Minutes of the Environment and Attractive City Scrutiny Committee; 25 July 2011, 12 September, 24 October; and
- Policy Review Progress Report; 24 October 2011.

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Appendix 1

Sharon Hodgson MP

How deliverable are the Government's plans for the use of low carbon vehicles in reducing the UK's carbon emissions?

- The original policy document on electric vehicles published by the Labour government in 2009, *Ultra-Low Carbon Vehicles in the UK*, from which the present Government haven't particularly deviated, states that between 2010 and 2012 there were four key objectives to meet:
 - Establishing the UK as an attractive place for low carbon investment;
 - The emergence of markets for low-carbon vehicles;
 - Providing consumer incentives, and;
 - The automotive industry bringing mass-produced low carbon vehicles to market.
- These objectives have largely been met – we have seen the investment here in Sunderland, we have seen the growing popularity of low carbon vehicles amongst consumers, we have the Plug-In Car Grant online, and manufacturers are bringing vehicles to market.
- The next stage is reaching critical mass – increasing take-up. How that can be achieved is less well-defined, but it clearly should involve making sure the infrastructure is there to support electric vehicle use, in particular for long journeys. Hopefully when the Green Investment Bank is established this will result in a better national network of charging points, but until we know for sure then you would have to say that achieving 'critical mass' may be difficult.

What do you feel are the most important drivers to encourage increased use of low carbon vehicles?

- A new vehicle – whether it's for a company or an individual - represents a major financial commitment, even with schemes like the Plug-In Car Grant giving subsidies. So to encourage take-up the case needs to be made clearly that that investment will make motoring cheaper for the individual or company in the long run through reduced running costs.
- In addition to the saving to be made by switching away from petrol or diesel, councils could give further incentives, such as differential parking charges, or – to take London Low Emission and Congestion Charging Zones as an example – preferential treatment when it comes to traffic management.
- Familiarity of the technology is also a factor in buying decisions, so there is a role there for the council in adopting low carbon vehicles and demonstrating that they work and are a viable investment.

How important is it that it Sunderland is at the leading edge for the production and use of low carbon technologies in the context of strengthening its economy?

- Sunderland already has a reputation as – I believe – the leading city in the UK in this respect, and the council's commitment to that so far has obviously been instrumental in the decision by Nissan to site production of the Leaf and the battery plant here.
- If we are to attract further investment, I believe that it is of vital importance that this reputation is maintained and strengthened, and again, the council has a leading role to play in that.

What do you think success would look like in Sunderland in relation to a low carbon economy and what role would you see low carbon transport playing in this?

- In environmental terms, and relating specifically to transport, I think we could probably measure success in terms of air quality in the city centre, but as I've said, the real goal for Sunderland should be in economic terms – attracting low carbon manufacturers and associated businesses to the area.
- Success – certainly in the short to medium term - could therefore be measured in the number of jobs created, or the number of businesses setting up, as well as the more obvious measures such as low carbon vehicle take-up.

In your opinion how effective do you feel the council's role is in leading the city on this agenda?

- I think the Council has been instrumental in the fact that Sunderland is now regarded as the UK capital for electric vehicles, and it has demonstrated its commitment to low carbon transport time and again.
- I think if it really wanted to lead the way, it could commit to ensuring that (as far as possible) any new vehicles paid for by the council – whether that's personal 'company cars' if any officers get those any more, or the commercial vehicles the council uses – are low-carbon, or even electric. It should be a matter of civic pride that we are thought of as a centre for low carbon vehicles, and moving towards a low carbon fleet would be a powerful symbol of that.
- However, those vehicles obviously come at a premium at the moment, and as we all know, money has never been tighter, so it is important to ensure that any such investment has a strong business case behind it in terms of costing the council less over the long term.

In light of the significant reduction to public service spending, what do you feel are the priorities in taking this agenda forward?

- Councils have a lot of statutory duties that they have to fulfil, and much less money with which to do so, which obviously makes investing in this agenda difficult.
- However, the thinking needs to be long-term – if we don't invest in support the development of low carbon industries locally, what will be the cost to the local economy, and therefore the council, over the next 10, 20 or even 50 years.
- I do feel therefore that the main priority should be bringing in that private sector investment.
- Another priority should be leading by example in adopting the technology as part of the corporate fleet as far as possible.
- Obviously there are other things that the council can do to 'nudge' residents and local businesses into embracing the agenda – as I touched on earlier, there are a number of things that can be done within the councils powers over traffic management, parking and planning which might not necessarily cost much, either in investment or foregone revenue.

How do you feel public perception can be addressed should significant investment be required in delivering the low carbon agenda?

- There is still a degree of scepticism about the need to move towards a low carbon economy, particularly if that comes at a significant price, at a time of government-enforced austerity.
- However, Sunderland has the advantage of being able to make a strong business case to further the low carbon agenda, especially if that involves major infrastructure investment or providing incentives to manufacturers – if we are to bring in investment from this sector, which will hopefully increase dramatically once the Green Investment Bank comes online, then the Council needs to demonstrate to businesses and the government that it is the natural place to invest. I think attracting that investment – and in particular the jobs that it will create - provides a strong argument to use locally; investment in low-carbon is not only an investment in the quality of our environment, but also an investment in the future prosperity of the City.

Appendix 2

Bridgette Phillipson

Submission to Sunderland City Council's Environment and Attractive City Scrutiny Committee

1.0 The challenge

- 1.1 The Committee for Climate Change (CCC), an independent advisor to the UK Government, make clear that surface transport – road and rail – is a significant contributor to the UK's emissions. They estimate out of the 22 per cent of total UK emissions made up by domestic transport, 92 per cent are from surface transport.ⁱ
- 1.2 The main contributor to surface transport emissions are cars, they account for 60 per cent of total surface transport emissions. Vans and HGV's emit 33 per cent and buses 4 per cent.ⁱ
- 1.3 The CCC recognise that deep cuts in emissions from surface transport are "required by 2020s", in order for Britain to meet its carbon reduction targets.ⁱ
- 1.4 For the UK to meet its standing commitments we will need to cut our emissions by 90 per cent of 1990 levels.
- 1.5 The CCC concludes that emissions from transport can be reduced by improving fuel efficiency – particularly in vans and HGVs – and by encouraging a change in consumer behaviour.ⁱ

2.0 The government's approach to achieving ultra-low carbon vehicles

- 2.1 The previous Labour government stated in its 2009 infrastructure strategy for ultra-low carbon vehicles:
"The aim is to ensure the development of a network of electric vehicle infrastructure across the UK that will lead to the linking of cities and regions. Central government will take an overall lead in the development of this programme, drawing on the work of the Energy Technologies Institute and pioneering local authorities, like the City of Westminster, in this area. Although government has a role in helping support the minimum infrastructure to make the transition to ultra-low carbon vehicles viable, we expect that the private sector, either in the form of electricity suppliers and distributors or other third parties, will ultimately take the lead in infrastructure provision."ⁱⁱ

The Labour government was committed to supporting the 'minimum infrastructure' to implement ultra-low carbon vehicle viability.

- 2.2 The Coalition government accepted and expanded upon the previous Labour government's policy. In its Carbon Plan, published in March 2011 it pledged to 'mandate a national recharging network for electric and plug-in hybrid vehicles'.ⁱⁱⁱ

2.3 However, In June 2011, the government rolled back its ambitions and stated its approach was not to mandate 'a chargepoint on every corner'; that 'it is not necessary to help the market grow and would be uneconomic.'^{iv} Instead, the Government decided on home re-charging as its preferred option: 'We want to see the majority of recharging taking place at home, at night, after the peak in electricity demand.'^{iv}

2.4 In response to the government's new approach, Nissan stated:

"Our research shows that most charging will take place in the home or the workplace, therefore this is not a critical blow for electric car owners."^v

3.0 A different approach

3.1 Sunderland City Council, Sunderland University, Nissan and other partners have led the way in the development of ultra-low carbon vehicles and infrastructure with charging points across the city. We should be proud of all that has been achieved so far.

3.2 Other cities will need to follow Sunderland's example. Electric cars can only be a viable alternative if commuters can travel the same distances and easily re-fuel as they can do in regular cars. In the absence of a comprehensive national charging network, many people may be deterred from purchasing electric cars in the first place. A national charging network would offer confidence to drivers and support the mass market appeal of electric cars, driving down costs in the long term. It is disappointing that the government has gone back on its commitments.

3.3 Nevertheless, there are some policy changes, which can help secure Sunderland's place as a key player in achieving UK emissions targets. They are:

1. Incentivise energy efficient and low-carbon vehicles

Emissions produced by vans and HGVs must be addressed. Sunderland could consider tried and tested measures such as the low emissions zone in London to disincentivise polluting vehicles entering the city centre and key residential areas. The income generated from such a scheme could be re-invested into future green initiatives.

2. Support changes in consumer behaviour

Labour's car scrappage scheme was hugely successful, proving that incentivising consumer behaviour works well for both the environment and the economy. Through financial incentives residents in the city can trade up their vehicles for ultra-low emission vehicles, also produced in Sunderland.

3. Support changes in commuter behaviour

Introducing ultra-low carbon buses will be a great help in reducing emissions from public transport. However, by incentivising and ensuring commuters use these services those reductions can be magnified. Between the 1st March and 1st June I carried out a survey of my

constituents' use of local bus service and produced a report for the Transport Select Committee's inquiry into local bus services.

3.4 An extract from the report shows the concerns of local people that need to be addressed to increase the use of buses in the city, they are:

- **More direct routes**, for example, many respondents cited the lack of a direct bus route to the local hospital as a major flaw within the local bus services
- **Cheaper fares**, particularly for young families
- **More frequent services**, particularly in the early mornings and on Sundays
- **Later running buses**, particularly desired both by people working late into the evenings and young people who use Sunderland's service sector at night. One resident compared bus services to other types of public transport: '*Metros run late - why don't the buses.*'
- **Shorter distance to bus stops, particularly for those with accessibility requirements**. Distance to bus stops is having adverse effects on local people, such as one respondent who stated that the distance to the bus stop forces them '*to rely on taxis*'.

A copy of the full survey is available.

4.0 Conclusion

4.1 Sunderland is in a good position to build upon its achievements and implement further initiatives to help the UK achieve its carbon reduction targets by 2020.

4.2 The CCC has highlighted that surface transport is a significant generator of CO2 emissions and through changes in technology and consumer behaviour emissions can be cut.

4.3 The previous Labour government had plans to implement a national charging infrastructure for ultra-low emission cars, a policy which the Coalition Government is continuing at a less ambitious scale.

4.4 Overall, our city should follow a policy which incentivises energy efficient and low-carbon vehicles, supports changes in consumer and commuter behaviour, and makes local public transport a viable alternative.

ⁱ Committee on Climate Change, Surface transport: <http://www.theccc.org.uk/sectors/surface-transport>

ⁱⁱ DfT, *Ultra Low Carbon Vehicles in the UK*, April 2009, pp8-9 [emphasis added]

ⁱⁱⁱ HMG, *The Carbon Plan*, March 2011, para 5.9

^{iv} DfT/OLEV, *Making the Connection: The Plug-In Vehicle Infrastructure Strategy*, executive summary, full details on 'recharging in public places' in chapter 6

^v Op cit., "Hammond criticised over car charging points"