

# GREEN ALLIANCE BRIEFING SUBMITTED TO THE RESET ENQUIRY: SUPPORTING RESILIENT UK TRANSPORT

## KEY MESSAGES FOR MPs, MEDIA & OFFICIALS

- **Transport accounts for 34% of UK greenhouse gas emissions, the highest contribution of any sector. It has increased its overall emissions by 12% since 1990, with emissions from international aviation doubling in that time .<sup>1</sup>**
  - **There has been a marked reduction in transport demand since the pandemic started and widespread changes in behaviour during lockdown with more people walking and cycling.** For example, road use [fell to levels](#) last seen in 1955, buses and trains have seen ticket sales [falling 90%](#), and Heathrow passengers were [down 97%](#) in April. Car sales also fell to their lowest level [since 1946](#). Cycling demand has increased, however, with sales of bikes through cycle to work schemes for essential workers rising [by 200%](#).
- **In building the sector back up, choices made now can maintain improved air quality and safer, quieter streets, accelerating the shift to zero and lower carbon modes and creating new green jobs-** but only if the right policy package for recovery is put in place by the Department for Transport.
- **Without the right choices, and with continued social distancing, there is a risk of increased use of private transport once lockdown is eased, leading to increases in carbon emissions, air pollution and congestion.** [71%](#) of people are concerned about air pollution returning to pre-lockdown levels, once restrictions are lifted.

## KEY PRIORITIES FOR THE UK GOVERNMENT

- **Investments made as part of a recovery should deliver on the government's net zero commitment,** through investment in public transport, active travel, EV charging, electrification of railways and broadband to facilitate homeworking. The road building budget must be reallocated for more appropriate investments for a recovery, such as local road maintenance, public transport and cycling and walking.
- We welcome recent Government announcements on funding for emergency cycling and walking infrastructure. **In order to achieve a long-term shift to walking and cycling, Local Authorities should now be provided with sufficient guidance and resources (between £6 and £8bn over 5 years) to put permanent infrastructure in place, and the new cycling inspectorate should be given sufficient powers to hold councils to account on their support and provision of active travel.**

- **Government should plan a package of support measures for public transport**, including new safety measures post-coronavirus in buses and trains, and a new national bus

[<sup>1</sup>2018 UK greenhouse gas emissions spreadsheet](#) tables 3 and 8  
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strategy with investment to enhance frequency, accessibility, quality and affordability once social distancing is eased. There must also be continued support for public transport operators and transport authorities to run public transport services whilst adhering to social distancing guidelines, particularly for rural bus operators that represent the only means of transport for isolated communities.

- **The government should ensure that clean air zones (CAZ) across UK cities are implemented without further delay.** It should ensure that local authorities' preparatory work to develop local air quality plans continues and provide additional funding to support local schemes for the adoption of clean vehicles and removal of polluting ones.
- **Government must not provide support to airlines on the assumption that they should return to business-as-usual.** There should be measures to ensure airlines contribute more tax to general public finances and in view of the scale of their environmental costs. International aviation and shipping emissions should be included in the UK's net zero law to ensure the industry reduces its emissions in line with the UK's targets.

## IMMEDIATE RISKS AND OPPORTUNITIES

Public transport demand will likely remain low once the lockdown is lifted, partly due to the public staying away because of perceived health risks, and partly due to the reduced capacity of public transport under social distancing guidelines. **Demand for private car use is likely to increase** - as has been seen in countries like China which have already moved out of lockdown. This would lead to rises in carbon emissions, air pollution and congestion.

**For shorter distances within towns and cities, an obvious answer is rapidly expanding active travel infrastructure.** We have seen examples of rapid change across the world (see Box 1). In the UK, the Government has shown ambition with its new statutory guidance on reallocating road space and £250 million of investment in cycling and walking infrastructure and subsidised bike repair, part of a wider commitment of £2bn for cycling and walking over the next 5 years. [London](#) has also announced a comprehensive package of measures. The Government now needs to ensure local authorities deliver on the new guidance by helping them to access funding streams and giving the new cycling inspectorate the resources and powers to ensure the statutory guidance is followed. It could also introduce a stimulus into the electric bike market to support its growth beyond e-cargo bikes. E-bikes increase the distance of journeys that can be taken by bike, especially in hillier areas, and also makes cycling accessible to a wider age and ability range. Active travel can help to avoid a rise in air pollution and emissions, alongside improving physical and mental health which reduces long term pressure on the NHS. Shifting just 1.7% of journeys from cars to walking and cycling saves the NHS £2.5 bn annually.<sup>2</sup>

**Over longer distances, however, there still remains serious risks of a falling demand for public transport and a rise in the use of private cars.** Public transport will struggle to adjust to new

<sup>2</sup> Ricardo-AEA, 2013, Review of the impacts of carbon budget measures on human health and the environment

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social distancing rules, which will potentially reduce the capacity and commercial viability of Britain's public transport network. Government should continue to instigate safety measures on buses and trains to give the public confidence to use public transport, as has worked well in other countries after previous pandemics. Continued support for public transport operators and transport authorities to keep services running whilst adhering to social distancing guidelines is essential. A new national bus strategy is also needed to enhance the convenience, quality and affordability of buses nationally to increase ridership, including through investment in electrification of vehicles, new on-demand services and support for non-commercial services.

Alongside expansion of active travel and public transport infrastructure, **implementation of clean air zones (CAZ) across UK cities**, aimed at cutting air pollution by reducing traffic and driving adoption of cleaner vehicles, **will be vital to promote the transition to lower carbon and less polluting travel options**. Data from London's ULEZ and its supporting scheme the T-charge has demonstrated a 97% reduction in hourly breaches of the legal limit for NO<sub>x</sub>, as well as a 13% decrease in the total number of cars entering the city. Modelling work for the implementation of

Bristol's clean air zone revealed significant economic benefits of over £150 million over ten years. This includes almost £100 million due to a reduction of journey times and just under £10<sup>3</sup> million from the advantages of active travel. While the introduction of CAZs in Bath, Leeds, Birmingham and Manchester has been postponed in response to the crisis, it is urgent that any

<sup>4</sup> delay is minimised. The government should ensure that the preparatory work to develop local air quality plans continues and provide additional funding for local authorities to support adoption of clean vehicles and removal of polluting ones.

### **Box 1: International examples of expanded active travel infrastructure**

Cities like Milan, Paris, Brussels, Berlin, Vancouver and Bogota have all turned road space over to walking and cycle paths. For example, Milan has turned 22 miles of streets into walking and cycling paths; Bogota has 75 miles of streets free of motorised transport; and Mexico City has proposed 80 miles of temporary 'pop-up' cycling infrastructure. In France, all citizens are also eligible for free bike repairs, as well as bike training and refresher courses.

## **LONGER-TERM OPPORTUNITIES FOR REBUILDING THE ECONOMY**

### *INFRASTRUCTURE*

There is a risk that government plans to boost the recovery through infrastructure investment could lock the UK into the use of polluting transport, if for example, it invests in road building or

permits airport expansions. **Recovery investment should be in the infrastructure needed to deliver the government's net zero commitments and other priorities around health, environment and reducing regional inequalities by investing in regions around the UK.**

<sup>3</sup> P Borrowman, 2020, 'Let's make sure we keep the clean air after this crisis', Green Alliance blog

<sup>4</sup> K Nield, 2020, 'Air pollution and Covid-19: clean air zones postponed across the UK', ClientEarth  
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This includes having a public transport system of trains, buses and trams that provides reliable and efficient services to communities across the UK, which are as low carbon as possible. It also includes building up a reliable EV charging infrastructure, with particular focus on affordable grid connections and public funding to increase coverage in less populated and less affluent areas where the business case is weaker.

Given the widespread normalisation of home working during the pandemic, some of the £27bn that was ear-marked for the second Roads Investment Strategy in the 2020 Budget could instead be used to accelerate the roll-out of faster broadband. Similarly, reallocating some of this budget for improving local road networks, which currently have a £16bn shortfall in funding for maintenance, would deliver immediate benefits to local communities and facilitate plans to expand cycling and walking infrastructure. To facilitate this, the government should review their roads programme to reassess demand implications arising from their Decarbonisation of Transport Strategy and potential increases to home working.

#### *AVIATION*

Airlines and airports have been severely affected by the pandemic, and this will continue into 2022 and possibly beyond. **The government must ensure that it focuses on supporting airline workers without compromising the urgent need for a green transition and without expansion of aviation infrastructure.**

If a bail-out to airlines, or other parts of the aviation industry, is provided, appropriate environmental measures will be needed to ensure that UK aviation emissions reduction plans are sufficiently rigorous to be compatible with the 2050 net zero target. **To achieve this, the Government should include International Aviation and Shipping emissions in the UK's carbon budgets.** They can then require airlines to cut emissions as part of efforts to meet the sixth carbon budget. We recommend airlines cutting emissions from 2019 levels by 2030. Any bailouts must also include conditions to support airline workers to transition to decent jobs as the sector contracts.

**Crucially, the Government's approach to aviation should prevent future unsustainable growth in the sector by ensuring it pays a fair contribution towards public finances and placing a moratorium on future expansion of aviation infrastructure.** The aviation sector has always been very lightly taxed, being exempt from both fuel duty and VAT. Government should instead increase VAT on tickets, introduce excise duty on kerosene for remaining domestic flights, increase Air Passenger Duty, and introduce a progressive tax designed to reduce demand, such as a frequent flyer levy targeting the 15% of people in the UK who take 70% of all flights. If

aviation paid the same level of duty and VAT as motorists do on their fuel, tax revenue would increase to over £11 billion a year. The Government should also place a moratorium on future expansion of airport infrastructure including terminals and runways. The sector must be sent a clear message that future expansion will only be possible within environmental limits.

**Finally, the UK Government should aim to be a leader in zero carbon aviation.** Technology solutions for zero carbon flight are not yet mature, and until they are demand management is essential for reducing emissions. However, for aviation to achieve net zero emissions by 2050,

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innovative solutions will be needed. The industry's current preference is for buying carbon offsets. However, this cannot be a long-term answer: all sectors globally will be competing for offsetting to reduce their emissions and there is not sufficient land capacity globally to meet this demand. Genuinely sustainable aviation fuels like e-kerosene could provide a more significant long-term opportunity. **Government could introduce a mandate on the sector to use an increasing share of genuinely sustainable aviation fuels.** The introduction of e-kerosene would also progressively raise the costs of fuel helping to manage aviation demand

### *ELECTRIC VEHICLES*

Car manufacturers will be looking to spur demand post-COVID, but any support must be focused exclusively on zero emission vehicles. It is vital that the UK government maintains momentum in incentivising the transition to a zero emission transport sector through the phase out of new petrol and diesel vehicles sales by 2030.

**One effective way to stimulate vehicle manufacture as part of a green stimulus package is through a scheme to encourage fleets to continue to renew vehicles as they come to the end of their lease in return for agreeing to purchase a zero emission vehicle (ZEVs).** Fleet and leasing purchases represent around half of all new car sales and the fleet vehicles quickly pass into the second hand market. Traditional scrappage schemes, on the other hand, have in the past proved a poor way to stimulate economic activity and have very limited environmental benefits, since many vehicles are scrapped before the end of their working life.

Alongside encouraging fleets to renew their vehicles with EVs, car and van makers must be regulated to require them to progressively increase their market share of sales of ZEVs. This could be in the form of a ZEV Mandate, a system that has been successfully operated in California and China. This should be complemented by reform for 1st Year Vehicle Excise Duty as a means to continue to fund grants for ZEVs; and by a commitment to continue the low benefit in kind tax on ZEVs until at least 2025.

### *REGULATION AND TAXATION*

The price of oil is at a historical low and is beginning to feed through to motorists' bills. On the other hand, fuel duty was again frozen this year for the ninth year running, costing the Treasury an estimated £8 billion in lost tax and raising emissions equivalent to an additional [2.5 million cars](#) on the road. **This is an opportune moment to increase fuel duty to fund the cost of the coronavirus and its recovery plans.**

## **JOB CREATION FROM A TRANSITION TO SUSTAINABLE TRANSPORT:**

There are significant economic and job creation opportunities embedded in greening UK transport including in active and public transport and in electrification of transport.

### A SHIFT TO PUBLIC TRANSPORT, CYCLING AND WALKING COULD:

- **Create new employment in public transport:** increasing use of national and local public transport has long term green job potential across the UK. A 50% increase in bus

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passengers requires 12.5% more drivers, or 11,250 new jobs<sup>5</sup>. The demand for regular maintenance of road infrastructure which comes with larger public vehicles on the road also drives longer term job creation and better value for money compared to larger infrastructure projects like new road building.<sup>6</sup>

- **Create new jobs in walking and cycling:** Cycling supports around 64,000 full time jobs in the UK, including in tourism, sales and repair, cycle delivery, manufacturing, and cycle infrastructure. It could provide considerably more if bicycle manufacturing and the production of parts and accessories were better supported in the UK. Estimates suggest that doubling the modal share of cycling across Europe could increase sector jobs by over 60%, including facilitating local jobs and low skilled job creation.<sup>7</sup>
- **Support travel to work:** 77% of jobseekers in British cities outside London do not have regular access to private transport; and around 40% of UK jobseekers cite lack of<sup>8</sup> transport (private or access to public) as a key barrier for securing employment. Further, 70-90% of unfilled jobs were easily accessible by car, but only 35-55% could be reached<sup>9</sup> within 30 minutes by public transport. Public transport and access to safe cycle and walking routes is vital in enabling people to find, and sustain, employment.

### ELECTRIFYING ROAD TRANSPORT COULD:

- **Create new jobs in EV manufacturing and beyond:** The majority of existing employment in the automotive sector can be directly transformed into green jobs through<sup>10</sup> electrification. But with the right government support and incentives, the UK could become a dominant EV manufacturing hub which creates new employment. Assuming a 2030 phase-out trajectory for petrol and diesel vehicles, large scale battery production and increased manufacturing in the UK is estimated to translate to an increase in green<sup>11</sup> employment in this sector by up to 59%. The manufacturing of battery cells - where the UK is well placed to emerge a leader - as well as charger manufacturing also have the potential for exponential long term growth.<sup>12</sup> Decisive agenda setting on electrification will also lead to an increase in jobs in new<sup>13</sup> sectors. 200,000 new jobs could be created across Europe by 2030 alone due to electromobility; of this UK employment opportunities include installation and maintenance of chargers, civic and road works, and grid reinforcement and connection.

<sup>5</sup> Beggs, D, 2016, The impact of congestion on bus passengers, greener journeys <sup>6</sup> See case study on ARRA in: Better Transport, 2016, Fix It First - Campaign for Better Transport <sup>7</sup> Blondiau, T, van Zeebroeck, B and Haubold, H, 2016. Economic Benefits of Increased cycling, Transportation Research Procedia, 14, 2306 – 2313.

<sup>8</sup> Urban Transport Group, 2017, Job access schemes - Briefing; See also UK case studies of improved employment supported by increased public transport in: Campaign for Better Transport, 2016, Improving Local Transport Helps the Economy: experience from the local sustainable transport fund <sup>9</sup> Joseph Rowntree Foundation, 2012, The challenges for disadvantaged young people seeking work <sup>10</sup> WWF, 2018, *Accelerating the EV transition – environmental and economic impacts* <sup>11</sup> WWF, 2018, *Accelerating the EV transition – environmental and economic impacts* <sup>12</sup> Transport and Environment, 2020, Powering a New Value Chain in the Automotive Sector: the job potential of transport electrification

<sup>13</sup> Cambridge Econometrics, 2015, *Fueling Britain's future*  
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- **Address the risk of automation to jobs:** The most substantial threat to employment in the automotive sector is automation. A recent study linked this to a potential 12-33% <sup>14</sup> reduction in the UK vehicle assembly workforce by 2040 . In economic recessions, easily automated routine jobs - such as in the UK automotive industry - have historically been phased out permanently.
- **Drive household spending in the longer term:** On average 6.4% of household expenditure is on fuel and maintenance of vehicles. Cutting this cost frees up money that we spend in other ways, ultimately driving growth and job creation across the economy. Running an electric vehicle amounts to around just £175 per year to the vehicle owner's electricity bill, with smart charging and/or Vehicle to Grid further reducing this expenditure by 42-49%. This compares to an average of over £800 annually to run a new petrol or diesel car or van today .<sup>15</sup>

The aviation sector, however, must prepare for reducing demand for air travel. Even prior to Covid 19, jobs in the UK aviation industry were in decline due to the shift to low-cost travel models and increased automation at airports. As noted by the OECD, the aviation sector may be exposed to the risk of stranded assets in the context of a low carbon transition. Allowing unconditional airline growth would mean that current and future livelihoods would be high risk in the long term if we are to meet our commitments to the Paris Agreement, unless measures are taken now to futureproof the sector. A response to these risks will include support for people employed in aviation to transition to green jobs in other sectors.

*This briefing for parliamentarians, journalists, and civil servants was prepared jointly by Green Alliance, Possible, Transport Action Network, WWF, and Transport and Environment as part of the Climate and Transport Working Group which is organised jointly between Cutting Carbon Now and The Climate Coalition. This briefing has been signed off by CPRE, Sustrans, Aviation Environment Federation, WWF, Transport Action Network and Green Alliance.*

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<sup>14</sup> The Faraday Institute, 2019, UK Electric Vehicle and Battery Production Potential to 2040

<sup>15</sup> WWF, 2018, *Accelerating the EV transition – electricity system impacts*