



**Ending UK sales of new, non-zero
emission buses and calls for evidence
on coaches and minibuses.
Consultation**

A Response from CTA

May 2022

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Introduction

CTA welcomes the opportunity to provide evidence on the challenges in moving to a zero-emission fleet for the community transport sector, sharing our guidance on what an appropriate end of sales date might be, and add comment on the extent of government intervention necessary to accelerate the transition for our sector. CTA is pleased to see that the Government recognises the nascent position of the zero-emission minibus market and the specific uses that these vehicles play, especially the demand for smaller passenger vehicles including demand responsive and rural services vehicles. CTA will be responding to [Section 7](#) of the Ending UK sales of new, non-zero emission buses and answering the request for consultation on coaches and minibuses. CTA has formulated the response to these questions using existing data and intelligence provided by our members.

CTA is in complete agreement with the need for all to contribute to the net-zero GHG emissions targets, and CTA sees the community transport sector as a modal-shift option to help these targets to be achieved.

In the community transport sector, some CT operators have already commenced investing in new, green electric minibuses, supported in the main by government initiatives such as “Capital funding for Electric buses for Community Transport Providers across NI”, which was provided by the NI Dept for Infrastructure. In Scotland the Plugged-in Communities Grant Fund funded by Transport Scotland. Wales local government Ultra Low Emissions Vehicles (ULEZ) provide a one-off funding programme and the Western Valleys pilot funded by Welsh Government with approx. 1.1m investment going into electric vehicles from the Household Support Fund. Whilst as always funding into the CT sector is welcomed, there isn’t a specific joined up approach to decarbonisation of the sector by local or devolved governments and the schemes unfortunately are not longer-term strategic funding plans to support the transition from Internal-Combustion-Engine Vehicles to Electric Vehicles but most certainly welcomed start and key learnings will hopefully be gained out of all these projects.

CTA is committed to supporting our sector to decarbonise, to do this we require the governments help to achieve what is needed.

Introduction to Community Transport and CTA

CTA champions, connects, supports, and grows the UK's Community Transport sector and our mission is providing accessible, inclusive, and sustainable transport for all. Over 1,000 Community Transport schemes are members of CTA and operate in urban, rural and island communities in England, Scotland, Wales, and Northern Ireland. The sector encompasses community-led solutions to local transport needs, playing a critical role in levelling up across the UK.

CTA members deliver a diverse range of adaptable, cost-effective, and innovative services, which are always for a social purpose and non-profit. Our members are practical and passionate problem solvers who deliver services which fight poverty and inequality; tackle isolation, exclusion, and loneliness; reduce carbon emissions, air pollution and congestion.

Community Transport facilitates modal shift away from private cars to more sustainable modes such as buses, minibuses, bicycles, e-bikes, and car share. The sector delivers shared transport services – such as dial-a-lift, electric car clubs, patient transport, school transport, 'wheels-to-work', minibus hire and bicycle or e-bike hire – as well in GB scheduled community bus services on routes which are deemed socially necessary or may have been deemed commercially unviable.

Many older and disabled people, as well as those in deprived households or marginalised neighbourhoods are most likely to be underserved or excluded by public transport and least likely to be able to afford or own a private car. They rely on Community Transport to access amenities, education, employment, family and friends, health & social care and other public services. Most Community Transport vehicles are minibuses which are wheelchair accessible. Drivers are professionally trained to assist with health or mobility issues and often deliver door-to-door or door-through-door support to passengers.

To operate a Community Transport service an organisation must operate their service as non-profit under either a Section 19 or Section 22 Permit (Section 10B in Northern Ireland). Based on data from The Office for the Traffic Commissioner there are around 6,082 organisations that hold either S19 or S22 Permits including CTA's NI members with NI's Section 10B this increases up to 6172. CTA can estimate that within our membership there are approximately 7000 minibuses in use to deliver services to their local communities.

Ending the sale of new, non-zero emission minibuses - call for evidence

The Transport Decarbonisation Plan commits to consulting on phasing out the sale of all new non zero-emission road vehicles by 2040. As outlined above, the proposals in this consultation document currently exclude minibuses. We recognise the nascent position of the zero-emission minibus market and the particular uses that these vehicles tend to play, for example there is a growing demand for smaller passenger vehicles particularly around demand response and rural services. Our best estimate is that there are around 85,000 minibuses in the UK fleet with an average age of the vehicles of around 8 or 9 years, with the largest sector of the fleet being for educational establishments. These vehicles tend to have different refuelling/recharging needs, generally operating outside a central depot arrangement. In the main, minibuses also utilise diesel, with a limited number of available zero-emission options currently. They therefore face challenges with regard to upfront purchase costs and infrastructure challenges. We want to understand these challenges, as well as the opportunities arising from decarbonising minibuses.

Against this background we want to use this opportunity to obtain evidence and views to understand:

- the challenges to transitioning to a zero-emission minibus fleet;*
- what might be a realistic date to end the sale of new non zero-emission minibuses;*
- what would need to be true/in place to make the phase out of non zero emission minibuses happen; and*
- what might Government do to accelerate the transition*

1) The challenges to transitioning to zero emission minibus fleet:

Overview

CTA is of the opinion that a just transition to net zero for the community transport sector to be achieved there needs to be a clear and consistent UK wide Community Transport decarbonisation strategy, which supports not-for-profit organisations transition by giving long term assurance over capital investment for decarbonisation, as well as planning based on the needs of the sector. Decarbonisation for the CT sector is complex and challenging given the lack of suitable zero emission vehicles on the market which meets the needs of the service users and the cost of replacing traditional internal-combustion engine vehicles with zero emission vehicles. There is also the lack of suitable infrastructure which meets the needs of the

community transport sector though we appreciate this opportunity to consult on the phasing out of ICE minibuses the sector is concerned it will be left behind if a strategy for decarbonisation is not put in place.

Infrastructure & Electricity Supply

For transitioning to be successful there needs to be an extensive roll out of high-speed electrical connections in both the depots and in the community with the electricity supply to deliver the charging network requirements. An example from Northern Ireland is helpful to explain this point: To charge CT vehicles onsite the operator would require 10 x 22kw chargers, the chargers require a 3-phase electrical supply which is not readily available. When our member spoke to the NIE (Northern Ireland Electric) when considering a move to new premises which only had a single-phase supply, the member asked about the possibility of 3-phase and they replied that there wasn't enough electricity supply in some areas of Northern Ireland and to achieve the levels needed it would require government investment. CTA's understanding that the electricity network across the UK would require considerable investment for our members to be able to consider a transitioning their fleets to electric.

We need infrastructure capable of being used by minibus operators, consideration must also be given that certain CT operators run their services from rented sites. This will create barriers when investing in charging infrastructure as there are additional risks to be considered when investing in infrastructure as a lease may expire and the possibility to take the charging infrastructure to a new site impossible. The high-speed charging infrastructure needs in rural communities must not be overlooked; the government needs to understand that the commercial operators in the infrastructure delivery market will not be prioritising remote, rural areas. There needs to be government policy designed to ensure no rural community left behind. Lessons should be learnt from the roll out of the high-speed internet across the UK, it required a joined up government backing to deal with the gaps of service delivering across the UK and those most disproportionately impacted was those living in rural communities the same must not happen when it comes to the rolling out of electric vehicle charging/ refuelling infrastructure that includes a joined up approach across the four nations to ensure there is fairness across the UK.

Community Transport sector will require a comprehensive charging infrastructure be it electricity or hydrogen that meets the specific needs of the sector. This will require local and central government investment as the CT sector does not have the means to be able to invest in the creation of the infrastructure, given the nature of this not-for-profit sector and the financial burdens that would be put onto organisations already running on limited budgets.

Community Transport would need to be involved in the planning/ development stage of creating local charging infrastructure to ensure that the needs of the sector are met, there are

multiple examples already where the infrastructure has been installed however it doesn't meet the needs of the community transport operators, charging bases are not the right size for the vehicles, charging points aren't compatible with the vehicles, charging points are regularly in use or if they are out of service they are not being fixed quickly enough are problems that electric minibuss operators are facing currently. The reliability of the charging network is not where it needs to be and there isn't confidence in the charging network throughout the UK. The CT sector would also be keen to note that operators would require government funding to support the infrastructure needs especially in the early phase and there needs to be technological advancements to reduce costs and improve range/battery capacity.

Cost of Zero-emission vehicles

The cost of ZEV's is considerably more than the cost of an ICE vehicle, on average a new electric minibuss is between £80,000 - £100,000 compared to a new diesel minibuss would be approx. £56,00-£65,000. For not-for-profit operators the expense of purchasing the vehicle is too much to be able to undertake without some form of government financial support helping with the transition from diesel to ZEV's. CTA is concerned that for operators, the cost could be a barrier for them to continue their services given that many of the operators run with very modest income and do not have a means to generate a profit to invest in the ways that commercial operators can. There has been discussion around the potential for conversion/retrofitting options to move from diesel to electric vehicles, but this is extremely immature market. Without regulation, standards or government oversight set on this type of conversion approach to decarbonising a vehicle, it is not a form to decarbonise that we can rely on currently.

Additional costs should also be noted which would be additional running costs which are higher when compared with operating ICE vehicles, specialist mechanical costs and higher insurance premiums to name a few.

Range

There are several issues when it comes to addressing the issues regarding the current range of ZEV's. The range of ZEV falls short of the needs of operators especially operators working in rural communities, given rural terrain and a lack of mid-journey charging infrastructure, CT operators are unable to undertake the same level of journeys, thus impacting the service delivery to the members who use the service. Some CT operators would consider EVs currently too precarious when carrying elderly/disabled passengers if there is a risk that the vehicle may run out of battery (range-anxiety).

At present, no manufacturer can give range with confidence, with early learning from the Northern Ireland pilot indicating 80-mile range.

It is also important to note when considering range, that the degree of rurality will have a massive impact. Specific consideration needs to be given to the challenges of 'deep rural' areas which have exceptionally low population densities and large expansive area. Often, the deep rural areas will be marked by challenging topography which place greater demands on an EV than are experienced in more metropolitan and urban areas. EV's do not operate well in:

1. Damp and wet conditions
2. Hilly type typography
3. And, on long runs, as they depend on braking to help recharge
4. Loading of the vehicle, with the greater the number of passengers the lower the distance the vehicle can travel.

Managing the journey capability of the EV adds another level of complexity to journey planning, it requires dedicated expertise on the limitations of the vehicle and details of the journey ensuring it matches the vehicle's capabilities. This expertise requires investment in training, another outgoing that needs to be taken into consideration. This would be lessened by longer range vehicles, and if there is the mid-journey charging infrastructure in place. In urban areas there are a different set of challenges and risks still to be considered, the mid-journey fast charge infrastructure isn't where it needs to be and for a lot of our members mid-journey charging is not a viable option for operators as there are specific issues around driver hours, finding charging point that can accommodate the size of the vehicle, waiting for such charging points to become available and finding charging points that fast charge the "over-sized" battery packs as compared to MPV's.

Lack of zero-emission minibus options and waiting times for delivery

There is a lack of ZEV options meeting the diverse needs of the CT sector on the market, with limited choice for ZE minibuses, the needs of the operator delivering the service may not be met. Be it a vehicle which can hold the number of wheelchairs that are needed, a low floor ZE minibus or the space on the bus for the passengers who are older/ living with a disability to sit comfortably for the journey. Engagement is needed with the community transport sector from the zero-emission minibus developers, getting them to understand the needs and requirements of the sector. CTA would be very keen to support this joining up of the sector with the vehicle manufactures and voice the sector's needs and concerns.

Supply chain issues are leading to extensive waiting lists for ICE vehicles, this has been caused by production delays which were created over the pandemic. This is now further exasperated with the impact the Ukraine war has had on manufacturing and the impact of Brexit on the import market. Concerns are being cited within the CT sector, that if this is the case for the established ICE market that these challenges will be even more prevalent in the less developed ZE minibus market.

Weight of electric minibuses

Community Transport operators have weight restrictions that they must operate within to be eligible for their permits. The weight of electric batteries restricts the options to choose from and many of the smaller zero-emission minibuses on the market are not meeting the needs of the community transport sector and most importantly the people who utilise the service. The **Motor Vehicles (Driver Licences) Regulations 1999** allows drivers who have passed their car test from 1 January 1997 to drive minibuses. However, these regulations restrict a driver with only a category B entitlement specify that to drive a minibus for social purposes they: May drive a vehicle with a maximum authorised mass (MAM) not exceeding 3,500kg, excluding any part of that weight which is attributable to specialised equipment intended for the carriage of disabled passengers; and not exceeding 4,250kg otherwise. Our members are telling us that 3.5 tonne commercial base vehicles, as typically used for minibus conversion, are falling a long way short of capability claims by manufacturers in terms of 'real world' experience.

Community Transport Association is calling on the DFT to seriously consider a review on the weight restrictions in place for license holders as a work around to help community transport operators transition quicker to ZEV's and not being restricted with the weight of the vehicle given the limited zero-emission minibus options on the market which meets DFT's and other devolved nations weight limit.

2) What might be a realistic date to end the sale of new non-zero emission minibuses

CTA believes that having a set end of sale date would provide the certainty required to accelerate the transition of the UK's community transport minibus network to ZEBs. CTA argues that there needs to be more incentives to stimulate the ZEV market than just an end date being set; the government needs to be part of the catalyst to lobby minibus providers to act faster and progress further in delivering the technology meeting the needs of the community transport sector. Considerations must be given to the challenges the sector has faced and is facing including the impacts of Covid-19 on the industry, CT operators are in a weakened financial situation as they recover from the Covid-19 restrictions as well as facing exponential financial pressures with the rising cost of fuel and operating costs. These are the key challenges and unfortunately decarbonising is not a priority for many operators, though it is something they are mindful they will need to address in the future. We would like to note that if the end of sale date is set too early and the key challenges were not addressed it would run the risk of operators being unable to deliver their service to the most vulnerable within our communities. Impacting on the communities which they serve, that is why CTA is keen to work

with government and help to support and facilitate the decarbonisation of the Community Transport sector in a just and fair manner. The concern CTA has is if the date was set too soon without investment to help operator transition to ZEV's some operators may opt to running their inefficient diesel vehicles longer in low demand areas, emitting carbon further impacting on air quality.

We would like to see a date set between 2032 and 2040, given that 2032 is on the table for bus decarbonisation and that market is more advanced than the minibuses market, it seems appropriate that the end date would run between 2032-2040. However, we do appreciate that only gives 10 years if the higher limit was set, up until 2050 when the UK target for net-zero GHG emissions is set for. The community transport sector would prefer not to have any non-zero emission vehicles operating post 2040 and that the sector at that point is operating at a net-zero level and continuing to support modal-shift but to attain that ideal scenario the conditions to achieve this outlined in this consultation response must be applied.

The CTA would like to note that if an end date of 2040 was set, our members are comfortable that it would be enough time for the sector to decarbonise given ZEV's are not a completely new technology, it is an advancing technology. Though we would be concerned that a long lead-in time of 18 years would lead to inaction for the first period and a rush at the end to achieve decarbonisation of the sector. To prevent this, it would be suggested that there would be decarbonising markers signposting desired progress throughout the 18 years to help instruct and guide the sector to decarbonisation as well as targets set for the government along the way signposting the support and their commitments to the sector beyond the standard yearly investment cycles.

3) What would need to be true/in place to make the phase out of non-zero emission minibuses happen

Upfront costs of vehicles and the need for comprehensive charging infrastructure, both electric and hydrogen facilities, is the biggest barrier for the CT sector, followed by the lack of the range needed to support operators in rural areas.

- ZEV's which have the matched mileage range as internal-combustion engine vehicles, at this stage electric minibuses are curtailed if they use the heating system or a tail-lift it dramatically reduces the mileage range. These practicalities need to be addressed before a phase out of non-emission minibuses can happen successfully. Addressing these issues will ensure no community is left behind especially those in rural areas who without a doubt are the most vulnerable in this equation.

- A joined-up decarbonisation approach across the four nations to ensure that in each region the same focus and support is being given to the community transport sector to decarbonise
- CTA would suggest local government ring-fencing funding for the sector in anticipation of local council plans for decarbonisation, ensuring they must guarantee support for the decarbonisation of the Community Transport sector operating in their area.
- A comprehensive charging/refuelling infrastructure in place across the UK which meets the specific needs of the community transport sector.
- A range of vehicles on the market which meets the bespoke needs of the community transport sector and the communities which they serve
- A competitive insurance market which is similarly priced to the current insurance market for diesel and petrol vehicles, currently the price to insure an electric vehicle is considerably higher, Given the operating nature of the CT sector as non-profit this is a cost that the sector cannot afford to absorb and another dis-incentive to transition to a zero-emission vehicle.

4) **What could the government do to accelerate the transition to low-emission vehicles?**

- Recurring multi-year investment in the sector to provide financial support to phase out the ICE minibuses and to replace with EVs
- Incentives put in place for the technology sector to move smarter and faster to bring more zero-emission minibuses onto the market which have a longer range / battery life / lighter, fully operational via the battery and that heating system/using the tail-lift doesn't have a massive impact on the mileage range
- Create the charging infrastructure across the UK which will be suitable for the charging of minibuses understanding the bespoke needs of the Community Transport sector
- Understand the unique nature of the Community Transport sector and support community transport operators who do not own their own premises have access to charging infrastructure. Joining up with commercial operators to share their infrastructure resources and that there are incentives in place for commercial operators to support local community transport operators in this way
- Government support would be required to cover the cost differential between ZEBs and internal combustion engine (ICE) models. Either incentivise the ZE minibus manufacturing market to reduce the cost of their vehicles, or provide grants for the community transport sector to go towards the purchasing of new ZE minibuses or indeed an attractive scrappage scheme similar to that which we have seen in the private vehicle sector over the years.
- Vehicle Maintenance – there would need to be a review of the current capabilities around the maintenance of vehicles, mechanics need to be upskilled in the maintenance of an EV fleet and this is right across the UK.

- CTA would like to see a decarbonisation pilot scheme launched as soon as feasibly possible. Within that scheme it would pilot exactly what is needed to serve a region with zero-emission vehicles, we can test and learn exactly what needs to be in place to effectively decarbonise the entire sector, practical lessons can be learnt. CTA would be willing to support in the planning and delivery of such a scheme and has the expertise and structure in place to support the undertaking of the pilot
- Community Transport cannot cover the financial burden of installing dedicated charging/ refuelling infrastructure, particularly expensive grid connections, we would require investment to cover those costs.
- Investment in the development of the hydrogen minibus market, currently there are no hydrogen minibuses for sale within the UK and from our research limited worldwide. This is a potential market which would support the decarbonisation of the rural areas while waiting for the electric capability to catch-up to the needs of rural communities.
- Given governments potential investment in a nationwide network of hydrogen refuelling stations it would support the CT sector greatly if hydrogen development was also focused on minibuses and the sector could make use of the hydrogen refuelling stations.
- Community Transport would welcome a national scrappage scheme to provide an incentive to our members to scrap their ICE in favour of the ZEV, however this scheme would be of no benefit if the infrastructure, weight, range and ongoing maintenance costs were not addressed
- There are concerns that government ministers don't fully understand the reality of running a Community Transport operation, and the true extent and value that the service delivers. Community Transport would like more involvement from government ministers, and it has been suggested that it would be of massive benefit to the sector if there was a Minister appointed specifically with the brief of Community Transport.

Conclusion

We would call on the government to give serious consideration to the points raised throughout this consultation without losing sight of who the Community Transport sector serves. It is delivering services which connect communities, delivers services for the most vulnerable of society including our elderly and those with disabilities and is presently adding immense value in terms of modal shift and decarbonisation by virtue of reducing the need for individual single vehicle journeys. The sector is operated by a dedicated network of staff, many of whom are voluntary who provide an invaluable service they are proud of, they play an important and often unseen role, and they need our support. The community transport sector needs support from the central government departments in the UK, across the devolved nations, in city decarbonisation planning and across local governments.

If the government wishes for the sector to phase out sooner there would need to be extensive investment in infrastructure and the development of technology which meets the needs of the sector. CTA is keen to work with the government on the planning and delivery of the decarbonisation of the community transport sector and we feel we are best placed to be able to help facilitate that with governmental support.

Further information

Response submitted by:

Noeleen Lynch, Director for Northern Ireland, Community Transport Association:

Contact information:

noeleen@ctauk.org

07927629836

www.ctauk.org

The Community Transport Association (CTA) is the UK charity that represents and supports providers of Community Transport. Our 1200 members across England, Wales, Scotland and Northern Ireland are local charities and community groups which provide transport services always for a social purpose and never for profit. We believe in accessible, inclusive and sustainable transport for all.