



Department  
for Transport



## Transport Decarbonisation Plan update

February 2021

Dear colleagues,

Welcome to the latest edition of the Transport Decarbonisation Plan (TDP) newsletter intended to update you on our work to develop the plan to decarbonise transport.

Please feel free to share it and indeed your feedback on what we are doing.

Since our last newsletter, we have continued to engage with stakeholders, including via the Net Zero Transport Board, considering all your views as we further develop the final plan.

Transport decarbonisation was a key theme in the Prime Minister's recently announced [Ten Point Plan for a Green Industrial Revolution](#) – an innovative and ambitious programme of job creation to ensure we build back better, accelerate to net zero and deliver up to 250,000 jobs.

Since the announcement, we've been working hard on all areas, particularly the £20m we have to begin our world leading zero emission road freight trials. This programme will support UK industry to develop cost-effective, zero-emission HGVs and their refuelling infrastructure by trialling the technologies of hydrogen, catenary electric and battery electric HGVs on UK roads.

This newsletter provides an overview of the PM's [Ten Point Plan](#) which marks an important step in the Government's plans to meet the fourth (2023-27) and fifth (2028-32) carbon budgets, across the economy and sets out where £12 billion of government investment will be mobilised.

We are working hard to finalise our bold and ambitious plan to decarbonise transport, and expect to be ready to publish in Spring 2021, as confirmed by [Secretary of State this week](#).

In November, the UK will host COP26 in Glasgow. An [Expression of Interest](#) process is now live for businesses, civil society, academia and others to apply to get involved in UK Government managed spaces at COP26. The decarbonisation of transport will be a key theme and we encourage you to get involved.

Keep well,

Bob Moran, Deputy Director, DfT Environment Strategy

# 1. Prime Minister's Ten Point Plan

[Ten Point Plan](#), announced on 18 November, sets out ambitious policies and significant new public investment to allow the UK to forge ahead with eradicating its contribution to climate change by 2050<sup>1</sup>.

The Prime Minister has set out his ambitious Ten Point Plan for a green industrial revolution – an innovative and ambitious programme of job creation that will support levelling up and up to 250,000 jobs.

Spanning clean energy, buildings, transport, nature and innovative technologies, the plan will mobilise £12 billion of government investment, and unlock three times as much private sector investment by 2030<sup>2</sup>.

The Prime Minister's ten points, which build on UK strengths, are:

1. **Advancing Offshore Wind:** By 2030 having the ability to power every home in the country with offshore wind, quadrupling the capacity of offshore wind available to generate to 40GW by 2030, including 1GW of floating offshore wind, supporting up to 60,000 jobs.
2. **Driving the Growth of Low Carbon Hydrogen:** Working with industry aiming for 5GW of low carbon hydrogen production capacity by 2030, supporting up to 8,000 jobs, and developing plans for the first town heated by hydrogen before the end of this decade. This will be supported by up to £500 million for low carbon hydrogen production across the decade, with £240 million committed out to 2024/25. We will also support industry in trialling homes using hydrogen for heating and cooking, starting with a Hydrogen Neighbourhood in 2023, moving to a Hydrogen Village by 2025, with an aim for a Hydrogen Town – equivalent to tens of thousands of homes – before the end of the decade.
3. **Delivering New and Advanced Nuclear Power:** Significant funding to help develop large and smaller-scale nuclear plants, and R&D for advanced modular reactors. Progressing large-scale nuclear could support 10,000 jobs per project at the peak construction.
4. **Accelerating the Shift to Zero Emission Vehicles:** Backing our world-leading automotive sector, including in the West Midlands and North East and Wales to accelerate the transition to electric vehicles, and transforming our national infrastructure to better support electric vehicles.
5. **Green Public Transport, Cycling and Walking:** Making cycling and walking more attractive ways to travel with hundreds of miles of new cycle lanes and investing in zero-emission public transport of the future, including thousands of green buses.
6. **Jet Zero and Green Ships:** Positioning the UK at the forefront of aviation and maritime technology to push forward low carbon travel through research projects for zero-emission planes and ships, sustainable aviation fuels and developing the infrastructure at our airports and seaports.
7. **Greener Buildings:** Investing £1 billion to make our homes, schools and hospitals greener, warmer and more energy efficient, whilst supporting around 50,000 jobs and keeping us on track for net zero by delivering 71Mt of carbon savings over 2023-32. We also have the ambition to install 600,000 heat pumps per year by 2028. This includes

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<sup>1</sup> Prime Minister's Office Press Release, (2020), PM outlines his Ten Point Plan for a Green Industrial Revolution for 250,000 jobs, <https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs>

<sup>2</sup> Ibid

extending the Green Homes Grant and improving the energy efficiency of lighting and appliances.

8. **Investing in Carbon Capture Utilisation and Storage:** Becoming a world-leader in technology to capture and store harmful emissions away from the atmosphere, with an ambition to remove 10Mt of carbon dioxide a year by 2030, equivalent to all of industrial area of Humber's emissions today. This is supported by an extra £200 million of new funding to create two carbon capture clusters by the mid-2020s, with another two set to be created by 2030. This increased investment totals £1 billion, helping to support 50,000 jobs, potentially in areas such as the Humber, North East, North West, Scotland and Wales.
9. **Protecting our Natural Environment:** Protecting and restoring our natural environment, whilst creating and retaining thousands of jobs including starting the process to designate more National Parks and Areas of Outstanding National Beauty, create more green jobs with £40 million for a second round of the Green Recovery Challenge Fund and £5.2 billion for a six year programme of flood and coastal defences.
10. **Innovation and finance:** Developing the cutting-edge technologies needed to reach these new energy ambitions with already announced £1 billion Net Zero Innovation Portfolio. In addition, the UK will deliver on clean private investment at the scale and pace required through the UK's first Sovereign Green Bond and mandate the reporting of climate-related financial information by 2025.

## 2. Accelerating the Shift to Zero Emission Vehicles

In the UK, cars and vans contribute nearly a fifth of the economy-wide greenhouse gas emissions. Following extensive consultation, the Prime Minister announced in the 10 Point Plan, decisive action **to end the sale of new petrol and diesel cars and vans by 2030**. All vehicles will be required to have a significant zero emissions capability (e.g. plug-in and full hybrids) from 2030 and be **100% zero emissions from 2035**. To support this acceleration, the Government will provide:

- **£1.3 billion** to accelerate the rollout of chargepoints for electric vehicles in homes, streets and on motorways across England, so people can more easily and conveniently charge their cars.
- **£582 million** in Plug-in Vehicle Grants for those buying zero or ultra-low emission vehicles to make them cheaper to buy and incentivise more people to make the transition.
- Nearly **£500 million** to be spent in the next four years for the development and mass-scale production of electric vehicle batteries, and other strategic technologies as part of our commitment to provide up to £1 billion, boosting international investment into our strong manufacturing bases including in the Midlands and North East.

Together, these measures will help us meet our climate change obligations, improve air quality in our towns and cities, keep the UK at the forefront of the electric vehicle revolution, and support economic growth – including **supporting 169,000 jobs in the automotive sector**

We will work with industry to make the transition to ensure it remains one of Britain's success stories. Alongside this new phase-out date, we will publish a Green Paper next year on the UK's post-EU emissions regulations.

We will also consult on a date for phasing out the sale of new diesel heavy goods vehicles (HGVs). We will invest £20 million next year in freight trials to pioneer hydrogen and other zero emission lorries, to support industry to develop cost-effective, zero-emission HGVs in the UK.

### 3. Green Public Transport, Cycling and Walking

As well as decarbonising private vehicles, the 10 Point Plan outlines the need to increase the share of journeys taken by public transport, cycling and walking. We will therefore accelerate the transition to more active and sustainable transport by investing in rail and bus services, and in measures to help pedestrians and cyclists. We will fund thousands of zero-emission buses and give our towns and cities cycle lanes to rival Holland. This will improve the air we breathe and increase both mental and physical health, as well as reduce emissions.

We will invest tens of **billions of pounds in enhancements and renewals of the rail network, £4.2 billion in city public transport and £5 billion on buses, cycling and walking**, as announced by the Prime Minister in February. We will electrify more railway lines; end the complicated franchising model and create a simpler, more effective system; and create integrated bus and train networks in more places, with smart ticketing, more frequent services, and bus lanes to speed journeys.

We will provide **£2 billion** over five years to increase cycling and walking with the long-term vision for half of all journeys in towns and cities to be cycled or walked by 2030. Over £200 million is being provided in 20/21 with final Local Authority allocations for Tranche 2 of the Active Travel Fund announced 13 November.

We will deliver a range of commitments over the next five years, as set out in the Government's long-term cycling and walking plan, published in July 2020. This will include:

- Funding for local authorities to develop thousands more miles of segregated cycle networks, more direct walking routes and safer road crossings;
- Providing intensive investment to 12 local authority areas to build mini-Holland schemes to make local high streets and neighbourhoods more cycle and pedestrian-friendly;
- Offering cycle training to every school child and to every adult who wants it in order to give more people the skills to cycle safely and confidently on the roads;
- Developing a national programme of support to increase uptake of electric bikes which could include loans, subsidies, or other financial incentives.

We will also **invest up to £120 million next year to begin the introduction of at least 4,000 zero emission buses**. This investment will accelerate the decarbonisation of the bus fleet, reduce carbon emissions and improve air quality.

This year we will publish a **National Bus Strategy**, which will set out ambitious plans to transform the sector including the £5 billion announced by the Prime Minister for buses and cycling to deliver higher frequency of service, simpler fares and improved routes.

### 4. Jet Zero and Greener Maritime

By taking immediate steps to drive the uptake of sustainable aviation fuels, investments in R&D to develop zero emission aircraft and developing the infrastructure of the future at our airports and seaports – we will make the UK the home of green ships and planes.

This will build on the work of the Jet Zero Council to accelerate the development and adoption of new technologies to help develop our strategy to reach net zero aviation. Internationally, we will continue to lead efforts to find international solutions to global aviation emissions.

The 10 Point Plan announced an investment of £20 million into the Clean Maritime Demonstration Programme to develop clean maritime technology. We are already running hydrogen ferry trials in Orkney and are due to launch a hydrogen refuelling power in Teesside, as we seek to revitalise our ports and coastal communities.