

## Department for Transport Public Consultation - Phasing out sales of new petrol and diesel cars from 2030 and supporting the ZEV transition

### Response from Transport for the South East

#### 1. Introduction

1.1 This document is the draft Transport for the South East (TfSE) response to the Department for Transport's consultation on phasing out sales of new petrol and diesel cars from 2030 and supporting the ZEV transition. This is a draft officer response that will be presented to our Partnership Board on 17 March 2025 for their approval. A further iteration may therefore follow.

1.2 TfSE is a sub-national transport body (STB) for the South East of England. Our principal decision-making body, the [Partnership Board](#), brings together representatives from our 16 constituent local transport authorities, district and borough authorities, protected landscapes, business representatives, Highways England, Network Rail and Transport for London.

1.3 We have a vision led [Transport Strategy](#) in place to influence government decisions about where, when and how to invest in our region to 2050. This strategy is currently in the process of being refreshed with a draft copy of the revised strategy out for consultation until 7 March 2025.

1.4 Our [Strategic Investment Plan](#) provides a framework for delivering our Transport Strategy setting out transport infrastructure and policy interventions needed in our region over the next three decades.

1.5 TfSE welcomes the opportunity to respond to this consultation which requests feedback on proposals for supporting the UK's transition to zero emission vehicles. We trust that our response will provide value to the work of the Department for Transport, but also form the basis for further engagement, especially on the refresh of our transport strategy throughout 2025, as well as our ongoing work regarding the rollout of EV charging infrastructure across the south east of England.

#### 2. Consultation Response

##### **Part 1: 2030 phase out of new ICE cars, and CO<sub>2</sub> requirements for vans**

**Question 1: Do you agree with the Government's view that full hybrid and plug-in hybrid technologies only should be considered? Please explain your answer.**

*TfSE supports the electrification of the UK car fleet as a vital mechanism for cutting carbon emissions from the transport sector.*

*The trajectory in the ZEV Mandate compels penetration of BEV in annual new car registrations to meet or exceed 80% by 2030 and 100% by 2035. The decision to allow only a declining*

*percentage of diesel, petrol or hybrid vehicles to be newly registered between 2030 and 2035 will have little impact on the overall penetration of net zero vehicles within the car fleet.*

*Supply - To satisfy their long-term production planning, manufacturers will have had to take decisions by 2030 as to which mix of drivetrains optimise production efficiency. On their journey to the 2035 phase out date, it may well be that a second option (whether hybrid or ICE) may not deliver such efficiency.*

*Demand – By 2030, there is likely to be little consumer resistance to BEV based on (i) improving battery range and fuel efficiency, (ii) cost parity, (iii) the presence of a much more developed public charging network and (iv) growing scarcity of convenient petrol/diesel supply.*

*For both of these supply and demand focussed observations, it is likely that the market itself will both accelerate the adoption of BEV and take decisions as to specific fuel requirements (i.e., petrol, diesel or hybrid) for specialty vehicles and use cases (e.g., blue light fleet, etc) that may not at that time have been addressed by BEV.*

**Question 2: Do you prefer a technological definition that permits both HEVs and PHEVs, or a technological definition that permits PHEVs only? Please explain your answer.**

*We prefer a technological definition that permits PHEV only. This is because there is little difference in carbon emissions between HEV and petrol or diesel vehicles (whether the HEV be “light” hybrid or other). Based on the trajectories specified within the ZEV Mandate, and our assessment of market conditions by 2030, there is likely to be little appetite either from manufacturers (“supply”) or consumers/commercial drivers (“demand”) for HEV over and above what may be present for diesel and petrol vehicles.*

**Question 3: Do you support no further CO<sub>2</sub> requirements, a vehicle level CO<sub>2</sub> cap, or a fleetwide CO<sub>2</sub> requirement? Please explain your answer.**

*No Response.*

**Question 4: Should a minimum range be required for new PHEVs and, if so, at what level should it be set? Please explain your answer.**

*No Response.*

**Question 5: Do you agree with the Government’s intention not to establish a technological definition for the specification of new non-ZE vans that may be sold from 2030? Please explain your answer.**

*Yes, there is no benefit in establishing a technical definition for the specification of new non-ZE van variants (i.e., a “Euro 7” standard) that may be sold from 2030 outside that already established for BEV. In establishing the 75% benchmark for penetration of BEV in new van registrations by 2030, government has signalled its conviction that BEVs already demonstrate sufficient technical capabilities to satisfy most commercial van use cases.*

*However, the absence of charging facilities for fleet vehicles is seriously inhibiting the uptake of BEV by commercial fleet operators with the result that in 2024 the penetration of new van*

registrations is only 6%, well below the ZEV trajectory of 10%. Rather than establishment of a reduced CO<sub>2</sub> requirement for vans from 2030, the market would be better served by government intervention in reinforcing the charging network for commercial vehicles.

[Our recent work](#) in anticipating the emergence of demand for BEV charging resources from commercial fleet operators demonstrates the need to establish additional supply of 'en route' charging infrastructure. We are now working with local transport authorities in our area to address both (i) demand-driven opportunities for commercially viable charging infrastructure projects that will deliver conveniently located facilities to commercial fleet operators and (ii) the challenges faced by the public sector in rolling out commercial vehicle-focussed charging resources on publicly owned land.

We anticipate that this intervention by the public sector will enhance the appetite of commercial van operators to accelerate adoption of BEV within new van registrations in compliance with the ZEV trajectory.

**Question 6: What are your views on establishing a CO<sub>2</sub> requirement for vans from 2030? What is your preferred measure, if any, and at what level should the target be set? Please explain your answer.**

We acknowledge that questions 5, 6 and 7 refer only to the period between 2030 and 2035 and that the ZEV Mandate is to remain in its current form through to 2030.

Whilst we cannot comment on the technical opportunity for manufacturers to satisfy a newly defined CO<sub>2</sub> cap, we are concerned with the regulatory cost of enforcing a more ambitious non-ZEV fleet average CO<sub>2</sub> requirement. We further observe that:

- BEV penetration of commercial vans is far below that specified by the ZEV Mandate's trajectory,
- BEV technical specifications satisfy most commercial van use cases,
- BEV adoption by commercial van operators is inhibited by:
  - An as yet, underdeveloped recharging solution,
  - Challenges in financing and depreciating higher priced BEV vans,
  - Delayed formation of a robust second hand market both to make BEV available to small-and-medium-sized-enterprises (SME) that dominate operation of vans over 36 months old, and to validate residual values on which newly registered vehicles are financed, and;
  - Other factors not impacted by the lack of a hybrid option in newly registered BEV vans.
- Decisions taken around that declining allowance for non-ZEV new van registrations from 25% to 0% between 2030 and 2035 has little impact on the overall penetration of BEV and indeed non-ZEV into our registered van fleet.

*Therefore, while we cannot comment on the definition of a new or additional non-ZEV requirement and we do acknowledge the absence of compelling hybrid variants, we also acknowledge the potential for commercial van use cases that may not be entirely satisfied by BEV vehicle specifications and concede that there may be market requirement to allow the sale of diesel-powered vans (whether to the existing 2011 emissions standard or otherwise) within that declining allowance for non-ZEV new van registrations from 25% to 0% between 2030 and 2035.*

**Question 7: What would be the impact to the economy and to UK society of any new or additional non-ZEV CO<sub>2</sub> requirements in the van sector from 2030? Please explain your answer and provide evidence where possible.**

*Economic sectors served by commercial van operations are vital to the UK. Furthermore, according to government statistics, vans comprised only about 12% of the registered vehicle fleet in 2023<sup>1</sup>, but they represent 18% of total miles driven and a comparable amount of greenhouse gas emissions from road transport<sup>2</sup>. Therefore, their conversion to ZEV is vital if these emissions are to be reduced.*

*The inhibitor to BEV uptake by commercial van operators is not the absence of a hybrid alternative, but rather the “key asks” included in the Zero Emission Van Plan created by BVRLA, Logistics UK, Recharge UK, the Association of Fleet Professionals and the EV Café ([Zero Emission Van Plan 2024.pdf](#)) including:*

- *Increased fiscal support including grants to make new and used e-vans affordable,*
- *Regulatory and fiscal support for accessible, affordable and fit for purpose chargepoints and*
- *Full alignment of 4.25t ZEVs with diesel vans and classified as a van not an HGV.*

**Question 8: What are your views on current measures to support demand for zero emission vehicles? What additional measures could further support the transition?**

*The penetration of BEV within new car registrations in 2024 of approximately 20% has been largely in line with the ZEV trajectory. Transport and Environment goes so far as to indicate that the automotive industry has complied with the mandate ([Car industry complied with UK ZEV mandate... | Transport & Environment](#)). However, the Society of Motor Manufacturers and Traders (SMMT) indicates that the sector may have discounted pricing by £4.5 billion to achieve such sales ([Record EV market share but weak private demand frustrates ambition - SMMT](#)).*

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<sup>1</sup> VEH0105: [Licensed vehicles at the end of the quarter by body type, fuel type, keepership \(private and company\) and upper and lower tier local authority: Great Britain and United Kingdom](#)

<sup>2</sup> TRA0101: [Road traffic \(vehicle miles\) by vehicle type in Great Britain](#)

The table to the right reflects information from SMMT's January 2025 report of 2024 performance. Whilst the penetration of BEV within new car registrations is far stronger in the fleet market than in the private and business sectors, the stronger uptake by fleets reflects the availability of the tax incentives available to beneficiaries of company car and salary sacrifice schemes.

EV Penetration of Total New Registrations 2024

figures in thousands	Fleet	Personal and Business
Total New Car Registrations	1,164	789
New BEV Registrations	303 (26%)	79 (10%)

Source: Derived from SMMT

On closing its plug-in car grant scheme in 2022, government asserted that the program had, "succeeded in creating a mature market for ultra-low emission vehicles". Now, the Department for Transport asserts that, "in many cases ZEVs are significantly cheaper to run, maintain and repair than their petrol and diesel counterparts".

The value of tax incentives delivered through company car and salary sacrifice schemes and price discounting of £4.5 billion indicated by SMMT, already defray customers' exposure to retail price premium of BEVs.

In the face of increasing levels of EV adoption specified by the ZEV Mandate, government could elect to reinstate some form of plug-in grant scheme (or extend and increase the scheme for vans). However, to avoid artificial price inflation for BEVs (including transfer of value directly to manufacturers reducing their exposure to market pricing), such scheme should incorporate acknowledgement and even promotion of identified total cost of operation (TCO) that underlies government's statement within "Phasing out the sale of new petrol and diesel cars from 2030 and Support for the Zero Emission Transition".

As well as support for the vehicles, support is also needed to develop the right charging infrastructure in the right place. Vans are less likely to have access to private charging and need to recharge more frequently due to their higher mileages and lower efficiency than cars. The provision of publicly available infrastructure is therefore crucial to their adoption. Sub-national transport bodies (STBs) are well placed to develop and make available accurate regional forecasts for demand to support the development and supply of commercial fleet focused charging infrastructure.

Over the course of 2023/2024, TfSE undertook a 12 month project with the support of specialist consultancies Steer and Mitie to develop forecasts for electric-fleet vehicle, energy and charging infrastructure demand. Unlike other national forecasts that use registration data, this forecast was based on where vehicles actually operate. We used ONS UK Business Workbook data to segment the van fleet based on the size of business and different industry sectors and to assign assumptions about their mileage and about where they might have access to charging. The resulting aggregated energy demand suggests that 42% of energy needs will need to be met at publicly accessible chargepoints. We would like to rollout out this methodology across all the other STB geographies and continue to develop and refine the outputs of this work. We will also continue to support our constituent authorities in their utilisation of this resource to take the next steps in supporting the development of van-friendly charging infrastructure.

**Question 9: What are your views on whether small volume manufacturers (between 1,000 and 2,499 registrations) should be subject to the 2030 requirements for cars and/or vans?**

*No Response.*

**Question 10: What are your views on whether micro-volume manufacturers (fewer than 1,000 annual registrations) should be subject to the 2030 requirements for cars and/or vans?**

*No Response.*

**Question 11: What is your opinion on exemptions for Special Purpose Vehicles from the 2030 requirements for cars and vans?**

*No Response.*

**Question 12: What is your opinion on exemptions for kit cars from the 2030 requirements for cars and vans?**

*No Response.*

## **Part 2: Vehicle Emissions Trading Schemes Updates**

**Question 13: Are the time limits on the current flexibilities in the ZEV Mandate for cars and for vans still appropriate? Please explain your answer.**

*Yes for Cars - Based on uptake of BEV cars in 2024 that very nearly met the ZEV standard of 22%, we see no imperative to adjust current flexibilities. While many manufacturers have been compelled to access these flexibilities, we understand that no manufacturer was fined in 2024. It appears likely that all manufacturers will be able to accelerate production of BEV and promotion to the UK market to avoid fines throughout the term of the ZEV Mandate.*

*No for Vans - At roughly 6%, the 2024 uptake of BEV vans in the UK fell below the ZEV Mandate's standard of 10%. This shortfall can be attributed to a number of factors outside of manufacturer's control including:*

- A yet underdeveloped recharging solution – the majority of the publicly accessible charging infrastructure rolled out to date has not been designed for vans that require larger bay sizes;*
- Challenges in financing and depreciating higher priced BEV vans;*
- Delayed formation of a robust second-hand market both to make BEV available to small-and-medium-sized-enterprises (SME) that dominate operation of vans over 36 months old and to validate residual values on which newly registered vehicles are financed; and*
- Other factors not impacted by supply of new BEV vans.*

**Question 14: What are your views on the proposal to implement a van-car transfer in VETS? Please explain your answer.**

*The implementation of a one-way transfer of excess van allowance to the car scheme would not incentivise manufacturers to increase supply of BEV vans creating a small average annual CO<sub>2</sub> saving. The adoption of BEV vans by commercial fleet operators is currently inhibited by a range of factors outlined in our responses to questions 7 and 13 above rather than a shortage of supply.*

*Furthermore, a bi-directional model may further inhibit BEV van uptake as manufacturers are far more likely to over-achieve in creating CRTS allowances than VRTS allowances, creating an opportunity to “shield” shortfalls in compliance with the van trajectory in the ZEV Mandate.*

**Question 15: Are there other flexibilities that should be considered within VETS for cars and vans?**

*No for cars – We observe that the performance of manufacturers against the 2024 trajectory in the ZEV Mandate has been satisfactory and that any additional flexibilities might obstruct the market’s incentive to fulfil government’s objective that all new car registrations will be zero-emission by 2035.*

*Yes for vans – We observe that uptake of BEV vans is currently obstructed by factors other than supply and that manufacturers are unlikely to achieve compliance with the van trajectory of the ZEV Mandate. These factors addressed in our response to questions 7 and 13 generally comprise:*

- Increased fiscal support including grants to make procurement and finance of new and used e-vans affordable,*
- Regulatory and fiscal support for accessible, affordable and fit for purpose chargepoints addressing the current under-development of a refuelling solution for commercial van operators,*
- Formation of a robust second hand market both to make BEV available to small-and-medium-sized-enterprises (SME) that dominate operation of vans over 36 months old and to validate residual values on which newly registered vehicles are financed and*
- Full alignment of 4.25t ZEVs with diesel vans and classified as a van not an HGV.*

*While we anticipate that government may need to add incremental flexibilities or more broadly adjust the van trajectory within the ZEV Mandate, we also observe a regulated trajectory to be fundamental to manufacturer’s facilitation of government’s objective of ensuring that all new vehicles registered after 2035 will be zero-emission. Such trajectory is a significant improvement over comparable regulation in the EU, which is not supported by such a trajectory.*

**Question 16: Do you agree that VETS should be amended to account for the UF change? If so, do you agree with the proposal set out? Please explain your answer.**

*No Response.*

**Question 17: Do you agree with the proposal to allow UK derived or EU derived WLTP specific emission reference targets to apply from 2021-2023 in the United Kingdom, and in 2024 in Northern Ireland? If not, why?**

No Response.

[Ends]