

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT ROAD VEHICLE CARBON DIOXIDE EMISSION PERFORMANCE STANDARDS (CARS AND VANS) (AMENDMENT) (EU EXIT) REGULATIONS 2021

Tuesday 13 July 2021

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The Committee consisted of the following Members:

Chair: †RUSHANARA ALI

Abrahams, Debbie (*Oldham East and Saddleworth*)
(Lab)

Caulfield, Maria (*Lewes*) (Con)

Champion, Sarah (*Rotherham*) (Lab)

Dowd, Peter (*Bootle*) (Lab)

Duguid, David (*Parliamentary Under-Secretary of
State for Scotland*)

† Harris, Rebecca (*Lord Commissioner of Her
Majesty's Treasury*)

Hendrick, Sir Mark (*Preston*) (Lab/Co-op)

Jones, Mr Marcus (*Vice-Chamberlain of Her
Majesty's Household*)

† McCarthy, Kerry (*Bristol East*) (Lab)

† Maclean, Rachel (*Parliamentary Under-Secretary of
State for Transport*)

Mak, Alan (*Lord Commissioner of Her Majesty's
Treasury*)

Mann, Scott (*Lord Commissioner of Her Majesty's
Treasury*)

Mohindra, Mr Gagan (*South West Hertfordshire*)
(Con)

† Pursglove, Tom (*Corby*) (Con)

† Rimmer, Ms Marie (*St Helens South and Whiston*)
(Lab)

Rutley, David (*Lord Commissioner of Her Majesty's
Treasury*)

Thomson, Richard (*Gordon*) (SNP)

Joanna Dodd, *Committee Clerk*

† **attended the Committee**

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Tuesday 13 July 2021

[RUSHANARA ALI *in the Chair*]

Draft Road Vehicle Carbon Dioxide Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2021

2.30 pm

The Chair: Some quick announcements: Mr Speaker has said that masks should be worn in Committee, except when Members are speaking or unless they are exempt. Please send your speaking notes to hansardnotes@parliament.uk.

The Parliamentary Under-Secretary of State for Transport (Rachel Maclean): I beg to move,

That the Committee has considered the draft Road Vehicle Carbon Dioxide Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2021.

It is a pleasure to serve under your chairmanship, Ms Ali.

The draft regulations will be made under the powers provided by the European Union (Withdrawal) Act 2018 to deal with matters arising from the Northern Ireland protocol. The statutory instrument amends regulation 2019/631 and regulation 114/2013, as amended by a prior EU exit SI. The regulations set the carbon dioxide emission standards for new cars and vans in Great Britain, as well as the rules for applying for a derogated target.

Regulation 2019/631, as amended, currently sets manufacturers of new cars and vans in Great Britain CO₂ emission reduction targets and allows for assessment with those targets. The provisions were set in Great Britain only as the regulations were originally listed in annex 2 of the Northern Ireland protocol, meaning Northern Ireland would continue to be captured by the EU regime following the transition period.

The current fleet average CO₂ emission reduction target for cars is 95 grams of CO₂ per kilometre and for vans it is 147 grams of CO₂ per kilometre. Manufacturers can still be set individual targets above or below those figures providing that they average out to the fleet average targets, as aforementioned. Individual targets are based on the mass of a manufacturer's fleet compared with the average mass of the entire GB fleet. The heavier the fleet, the higher the target and vice versa. The fleet average targets for both cars and vans will further tighten in 2025 by 15% and in 2030 by 31% for vans, and 37.5% for cars, when compared with the 2021 baseline. Fines, called excess emission premiums, are levied for non-compliance with CO₂ targets. Flexibilities exist within the regulation to help the manufacturers reach their target.

One such flexibility enables smaller manufacturers to apply for a derogation from the "normal" target, and be given one that is more in line with their technical and economic capability. Pooling is another flexibility by

which manufacturers can join together for the purposes of the regulation and be given one CO₂ target. Manufacturers can also receive a limited amount of credits for deploying CO₂-reducing technologies in their vehicles, such as LED bulbs.

Further, more credits can be received up to a certain value if a manufacturer puts more zero and low-emissions vehicles on the market. Those are called super-credits and are only available from 2021 to 2022.

Regulation 114/2013, as amended, is a tertiary piece of legislation that further sets out the rules and procedures for manufacturers when applying for a derogated target. The European Union (Withdrawal) Act 2018 retained EU regulation 2019/631 and 114/2013 in their entirety into UK law. Those regulations were corrected for by a prior EU exit SI, SI 2020/1418, which set obligations in the GB only.

The EU regulations were removed from annex 2 of the Northern Ireland protocol on 17 December 2020, leaving Northern Ireland without regulation. The draft instrument we are considering extends the regulations to Northern Ireland from 1 September, in effect creating a UK-wide regime. The amendments throughout the regulations primarily swap references to GB for UK. However, an additional provision was added stating that new car and van registrations in Northern Ireland prior to 1 September were out of scope of the regulations, including all CO₂ target calculations. The SI is essential to ensuring that CO₂ emissions from new cars and vans in Northern Ireland are regulated and held to the same standards as elsewhere in the UK.

The regulations before the Committee are essential to ensuring that the UK achieves its net-zero carbon ambitions and legally binding carbon budgets. I hope that colleagues will join me in supporting those regulations, and I commend them to the Committee.

2.34 pm

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to see you in the Chair, Ms Ali.

As we know, transport is the single largest contributor to UK emissions. That was the case before the pandemic and continues to be the case even with the significant drop in journeys taken during lockdowns. We need to act, and I look forward to seeing, finally, the much delayed transport decarbonisation plan, which I gather will be published tomorrow, accompanied by a statement to the House.

Improving the CO₂ performance standards for cars and vans is an important part of keeping emissions from surface transport in check, and getting manufacturers to reduce the carbon footprint of their vehicles. Following our departure from the EU and the end of the transition period, we have now this legislation before us. Labour did not object when the EU emission performance standards were rolled over, and we will similarly support the SI today, as it merely extends those standards to Northern Ireland, which has previously abided by the relevant EU regulations.

I continue to have concerns, however, about the lack of ambition that accompanied the rolling over of the EU standards. The EU regulations saw manufacturers given CO₂ targets based on the average mass of their fleet compared with the average mass of the EU fleet, and that continues to be the case. However, the UK's

average vehicle weight is above the EU average, meaning that UK standards are now weaker than they would have been if the UK average weight had been used instead.

It is disappointing to note that, rather than embracing strengthened emission standards, the Government opted to retain the weaker formula, despite our changing political circumstances. The Government were fully aware of this issue because it was highlighted in responses to their consultation. As I understand it, they dismissed the alternative as “too challenging”. Unfortunately, that appears to be another instance of the Government shying away from more ambitious action, despite their failure to address transport emissions over the past decade. Those emissions fell only 1% between 2009 and 2019. Even with the 2030 ban on new petrol and diesel vehicles, we are still facing nine years of new polluting vehicles making their way to UK roads—14 years if we include hybrids.

The Climate Change Committee recently highlighted how much could and should be done by the Government. In its annual progress report, it called for ambitious regulations on new car and van CO₂ intensities, requiring a 55% reduction by 2025 and a 97% reduction by 2030. That is the level of ambition that we need to deliver the green transport of the future, yet all we have today is a reiteration of the status quo that has failed to make a dent in our emissions. There is still time to change that, and I would welcome the Minister taking the opportunity to spell out now what will be done to increase UK ambitions on surface transport emissions.

Labour recognise the necessity of the regulations and agree that they should be extended to Northern Ireland, and we will give our support to today’s measure. However,

we fully support the CCC and other environmental stakeholders in their desire to see much more from the Government to address emissions and pollution from cars and vans.

2.37 pm

Rachel Maclean: I sincerely thank the hon. Lady for her support for the regulations, just as she supported the relevant prior legislation and accompanying regulations.

The hon. Lady is right to say that tomorrow the Government will be publishing our transport decarbonisation plan, which takes into account the advice from the Climate Change Committee, which she and I have discussed on many occasions. She will see from that plan the full detail of how we intend to meet our environmental objectives for the transport sector.

On regulations, we have always been clear that when we left the EU, we would strengthen our CO₂ emissions reductions regime. In the light of that, we have brought forward our 2030-35 phase-out date—that would not have been possible were we still EU members. We are leading the world in terms of setting our objectives and phase-out dates. There will be much more detail in our transport decarbonisation plan, which will answer the other questions that the hon. Lady put to me.

The SI is necessary to ensure that the emissions from new cars and vans in Northern Ireland are subject to the same stringent regulation as elsewhere in the UK.

Question put and agreed to.

2.39 pm

Committee rose.

