

Will **Labour** FAIL its transport decarbonisation test?



Issues Briefing - May 2024

This briefing is intended particularly for Labour MPs/PPCs, policy makers and stakeholders as they approach the 2024 General Election, which may see their party forming the next government. It asks whether those preparing Labour for potential power have adequately addressed the most difficult carbon reduction challenge of all: how they intend to pass the **'Transport Decarbonisation Test'**.

The stakes couldn't be higher. Transport is now by far the largest emissions sector within the UK carbon budget. Why? Because, for the entire first half of the period between 1990-2050 established by the 2008 Climate Change Act (CCA) to bring us to Net Zero, **no transport decarbonisation** below the CCA 1990 baseline had occurred at all. So the sector's entire emissions reduction task will now have to be accomplished in just half the allotted time.

**From 1990 baseline: BY 2019 NO TRANSPORT DECARBONISATION ACHIEVED!
~ BY 2030 EMISSIONS DOWN BY JUST 20%! ~ BY 2050 NO AVIATION
DECARBONISATION AT ALL!**

The briefing examines the important questions arising from this fact. Why did that lost opportunity to reduce transport emissions occur? Did the publication in 2021 of the Conservative government's Transport Decarbonisation Plan, which Labour will inherit, transform the policy landscape responsible for that failure or not? With just 25 years left to undertake transport's complete emissions reduction to Net Zero, has Labour assessed - before it enters power - how it will undertake this huge challenge, and resolve the inherent policy tensions and competing priorities within the rest of their 'mission-led' agenda for government?

Labour has been publicly forthcoming about its proposals for public and active transport - to renationalise the railways, and take buses back into local control - and the implication appears to be that action to boost rail and bus will somehow reduce emissions sufficiently to pull decarbonisation back on track. In reality even radical improvements to public transport, say over the next decade, will be incapable of reducing transport emissions to the required extent. So - **how** will that be accomplished? **?**

This briefing is a concise summary of the findings of its accompanying detailed **Analysis Report**. To explore an issue further, for additional explanation and data sources, just click on the **?** links in this text. Further commentary & resources on the **Transport North** website.

WHAT IS THE TRANSPORT DECARBONISATION TEST?

Summary 'How from their first days in government will Labour set and then implement a transport emissions reduction pathway and policy framework which ensures that critical decarbonisation targets that have to be reached by 2030 will actually be achieved?'

Its factual components are as follow.

- The Climate Change Act requires that across the period 1990-2050 the UK's carbon dioxide emissions are reduced to 'Net Zero'. Transport's baseline emissions in 1990 were **153 million tonnes CO2e** - at that time, 18% of the UK carbon budget (UKCB). **?**

- Progressive emissions reductions in each successive CCA 5 year carbon budget adopted by the government create a smooth pathway to Net Zero (NZ) in 2050, to be achieved by progressively reinforcing policy changes. But if one emissions sector such as transport does not contribute sufficiently to annual reductions down the overall NZ pathway, that will result in increased cumulative erosion of the total carbon budget between 1990-2050, and increased costs to all other sectors. ?

- In the first 30 of the 60 year NZ period, transport emissions did not reduce at all. Actually they **increased** to +20% above the 1990 baseline by 2007, and only finally fell below the 1990 level in 2020 because of Covid impacts on travel activity. Now (latest figures: 2023) they stand at **151MtCO₂e**, essentially still at the 1990 baseline. Since all other emissions sectors have been reducing - so that the overall UK carbon budget is now down to just 49% of its 1990 baseline - transport's share of the UKCB has consequently doubled: from **18% to 36%**. Even if 2030 transport emissions achieve the reductions set in government or Climate Change Committee projections, 75+% of the 1990 baseline decarbonisation will remain to be accomplished. ?

- These CO₂ tonnage numbers, largely ignored by observers, provide a straightforward quantification of the **sheer scale of the transport decarbonisation challenge** the next government cannot avoid: how to prepare, then enact and actually deliver policy change to a transport emissions sector which at all levels, nationally and locally, has resisted reduction, and do this decisively in the limited number of years to 2030? Transport now represents 70% of the 'policy gap' affecting the total UK carbon budget. ?

- This situation has not emerged accidentally. Transport's undermining of the UK's overall progress to Net Zero has been caused by **two core policy stances** within the Department for Transport (DfT) which have been deliberately promoting the expansion of **road transport** (representing 66% of annual transport emissions) and **aviation** (23%) - so 89% of the total. Worse still, the failure to decarbonise transport will continue into the future, all the way to 2050, because those two policy stances have been surreptitiously reinserted within 2021's Transport Decarbonisation Plan (TDP), thus subverting its ostensible and critical purpose. ?

- The roads and aviation policy stances permeate throughout DfT strategy frameworks and across government. Daughter documents such as 2024's National Networks national policy statement (NPS - for roads) and 2022's Jet Zero Strategy (aviation) support the continuing expansion of road and aviation demand and capacity, whilst also preventing effective challenge of individual expansion proposals by the deployment of de minimis mechanisms. All regulatory levers that could potentially constrain aviation demand, airport capacity and emissions levels have been quietly removed. The TDP framework disregards transport's cumulative carbon impacts, whilst the aviation framework does the same for its non-CO₂ impacts. ?

- The significant and positive policy changes that have been made, such as a beginning of the transition to electric vehicles (EVs), will **not** be enough. The consensus of expert analysis is that the achievement of transport's Net Zero pathway cannot be achieved without both EV transition *and* constraining the level of transport demand for both road and air travel. Technological interventions to reduce aviation emissions will make little impact for at least the next 10-15 years. ?

- Even if an effective transport decarbonisation policy framework is put in place, the next government will be immediately confronted by a second test: actually implementing its prescriptions, almost from a standing start, such that emissions reductions accelerate back to pathway. But at the moment the TDP has no associated delivery and monitoring framework. ?

The fact that the DfT's Transport Decarbonisation Plan is not at all 'fit for purpose' has therefore been effectively disguised. Consequently an incoming Labour government will face a fundamental and immediate choice: either continue with this TDP 'pretence', or alternatively remake the transport decarbonisation policy framework so that it does actually deliver the required emissions pathway. This illustrates the centrality of that framework for the achievement of the entire UK carbon reduction effort led by shadow Energy Security and NZ secretary Ed Miliband. If transport decarbonisation fails, then the probability is that Net Zero fails as well.

LABOUR AND THE TRANSPORT DECARBONISATION TEST

The accompanying Analysis Report examines in greater detail what is known about Labour's intended approach to transport decarbonisation, and to future roads and aviation policy. At present the answer is: **almost nothing has been disclosed**. Does this indicate that Labour hasn't yet decided what changes to make, or alternatively that they intend to keep in place the existing Conservative government policy framework which has already conclusively failed the same 'transport decarbonisation test'?

Shadow Transport Secretary @Louise Haigh is relentless in her pronouncements and Twitter support for better rail and bus transport. But on the interrelated issues of decarbonisation, & roads and aviation policy she has been silent. The same goes for her colleagues @Bill Esterson (shadow Roads minister) and @Mike Kane (shadow Aviation minister, whose constituency includes Manchester Airport). Previous promises – that 'ahead of the next general election, Labour will set out more plans to tackle emissions in every sector of the economy to accelerate to Net Zero', including transport - have so far not been kept. However Labour leader Sir Keir Starmer has made repeated and ambiguous statements which hint at support for new roads and airports infrastructure. ?

Roads - If Labour policy does not constrain projected traffic growth and require the Roads Programme to be Net Zero compatible, then it WILL fail the Transport Decarbonisation Test

Emissions pathways • baseline 1990-2019 (pre-Covid peak) effectively no reduction from 111MtCO₂e to **111.5MtCO₂e (+0.5%)** ~ **By 2023 just -10% below 1990 baseline**. So in the first half the NZ period 1990-2050 there was effectively no road transport decarbonisation whatsoever • **To 2030 & beyond** No specific emissions pathway for road transport has been identified in the government's 2023 Carbon Budget Delivery Plan (CBDP) but that for domestic transport (with reasonable adjustments) is an acceptable proxy. Its emissions reduce to **66 MtCO₂e** in 2030 (so approx. **41%** below 1990) and just **31.5MtCO₂e** in 2035 (approx. **72%** below 1990). This pathway at last offers the prospect of radical reductions in carbon emissions from road transport, to be delivered via the transition to electric vehicles (EVs), now supported in policy by the ZEV Mandate by 2030 and with Labour committing to reinstate the new petrol/diesel vehicles 2030 phase-out date. • However the CBDP has already identified a substantial decarbonisation 'delivery risk', precisely related to a DfT failure to constrain traffic demand. ?

Traffic Demand Because EVs are much more efficient than conventional vehicles, the Climate Change Committee (CCC) has calculated that annual operating cost savings of around £20bn will accrue to motorists in 2035. With car travel becoming cheaper it follows that the volume of road traffic will tend to increase. CCC therefore concluded that a demand management component has to be included within future transport policy, and there is a consensus amongst expert analysts that a reduction in traffic of around 20% by 2030, in parallel with a strong EV transition, will be required to achieve a surface transport decarbonisation pathway consistent with the UK carbon budget. Contradicting this however, all DfT current road traffic forecasts identify an increase in road traffic (between 22-54%) - this provides the DfT justification for continuing with roadbuilding - but did not model a traffic scenario compatible with Net Zero. ?

Taxation & Capital Expenditure • The Labour leadership seems to have signalled an 'in principle' block against a rise in taxation; in September 2023 Sir Keir Starmer promised that 'We will do nothing to increase the burden on working people, whether it comes to tax or anything else'. How would that pledge apply to the level of Fuel Duty (FD)? This has been frozen by the Conservative government since 2012, a regressive measure which benefits wealthier motorists more. However the Office for Budget Responsibility, in its modelling to assess whether future government expenditure remains within limits, is still assuming that prescribed future FD increases will have to take place. Will Labour comply with this OBR assumption? Meanwhile and longer-term, the major contribution that Fuel Duty makes to government revenue (around £28bn) continues to be eroded by the transition to EVs, which are FD exempt. The present government has refused even to review

the options for its replacement by such as road user charging, so what will the Labour position be, in the light of the controversy surrounding the extension by Labour London Mayor Sadiq Khan of his ULEZ charge to Outer London?

- So far as capital expenditure is concerned, Labour faces an equivalent dilemma. Since it has already made expensive commitments to implement the Northern Powerhouse Rail scheme in full (currently costed at £17bn), and will have to continue to meet the ongoing costs of completing HS2 as far as Birmingham, how would it also be able to afford the extensive programme of new roads schemes in Road Investment Strategies (RIS) 2 and 3 (to 2030) - particularly if in its last months the Conservative government approves a number of major roads schemes costing in total £16bn: Stonehenge A303/A66 North Trans-Pennine/Lower Thames Crossing - and still stay within the expenditure envelope set by the Shadow Chancellors 'golden rules'? ?

Infrastructure capacity The DfT continues to bring forward programmes for additional road capacity at a substantial cost - around £3-4bn annually in the current RIS2, 2020-25 - on the basis of the contested claim that the resultant shorter journey times and temporarily reduced congestion does not induce more traffic. Many of these road schemes also have very poor value for money. That there will be absolute traffic growth continues to be a foundational assumption in the National Networks national policy statement (NPS) which thus provides unchallengeable support for new roads schemes. The NPS also prevents the carbon impacts of new roads being quantified and necessarily constrained. Yet it's been estimated total cumulative additional emissions between 2020 and 2032 as a result of RIS2 additions to the Strategic Road Network (SRN) may be about 20MtCO₂. This would negate 80% of potential carbon savings from electric vehicles over the same period. Separately an assessment which aggregated the carbon impacts of 46 recent new roads schemes calculated that this would lead to 33Mt of extra CO₂ emissions.

- Labour has however already committed to a position that increased infrastructure, including roads, is essential for its priority 'Mission' of higher economic growth, and that consequently obstacles in the way of such infrastructure programmes need to be 'bulldozed'. Sir Keir Starmer has made repeated references to particular road schemes being held up by 'planning' delays. Consequently Labour has committed to a review of all the national policy statements but has not specified that this should require that all schemes arising should also be **Net Zero compatible**, or to see whether the claimed need for new infrastructure could be avoided by increasing the efficient use of existing infrastructure (e.g using demand constraining techniques). Another Labour Mission -for increased housebuilding - will also require the national planning policy framework (NPPF) to be revised in order to make the location of new housing development compatible with reducing transport emissions, which can actually be done. ?

Aviation - If Labour does not constrain rising air passenger demand, halt airport expansion, and reduce aviation's carbon & non-CO₂ emissions, then it WILL fail the Transport Decarbonisation Test

Emissions pathways • baseline 1990-2019 (pre-Covid peak) Aviation emissions didn't reduce at all but instead actually **increased by +124% above 1990 from 17.0MtCO₂e to 38.1MtCO₂e**. • To 2030/2050 In the DfT's 2021 Jet Zero Strategy (JZS), emissions in 2030 would reduce to **35.4MtCO₂e**, only -7% below their 2019 peak so still **+108% above 1990**. At NZ 2050, emissions would be **19.3MtCO₂e**, thus still above the 1990 baseline. Therefore there will have been no decarbonisation at all by the aviation sector across the entire 60 year NZ period 1990-2050. • The DfT excludes measurements of aviation's **non-CO₂ emissions**, which substantially exceed its carbon ones, and also doesn't count the cumulative impact of all these emissions. Consequently aviation's true climate impacts will hugely exceed the 1990 baseline all the way to 2050. ?

Passenger Demand The emissions increase was caused by the growth in passenger numbers 1990-2019: from **104 million per annum to 297mppa - +186%**, as the DfT assiduously supported the expansion of low-cost flying. Yet the DfT's policy intention in its 2021 Jet Zero Strategy is to promote a further expansion of passenger demand to **355mppa in 2030** (so +241% above 1990), reaching **430mppa by 2050** (+313%). Policy-supported increases in demand drive further airport expansion. The DfT rejects the recommendation of the Climate Change Committee that there should be no increase at all in passenger demand above the 2019 peak until at least 2035. • Just 15% of

passengers - the wealthy 'Frequent Flyers' - take 70% of all UK flights, whereas more than half the UK population don't fly at all in any given year. Around 80% of air travel is for discretionary leisure with business travel an ever reducing proportion (down to 17%) ?

Infrastructure capacity The UK already has more airport capacity than it needs to meet sustainable levels of demand all the way to 2050. The Climate Change Committee advises that any net expansion in airport capacity would be incompatible with the UK's Net Zero target and requested the DfT to develop a UK-wide capacity management framework, to be operational in 2024. The response of DfT and airport operators alike has been to thumb their noses at the CCC: the Jet Zero Strategy explicitly supports the opportunity for any airport to propose expansion, which means that a planning application seeking this cannot effectively be challenged. Currently Gatwick, Luton and London City are all promoting expansions, so these applications - which therefore flout the CCC recommendation - could fall to be decided in the opening months of an incoming Labour government. Furthermore placing a notional ban on 'airport expansion' would not be sufficient because with the existing surplus in UK runway capacity (and the possibility of expanding terminal capacity if necessary), passenger numbers and aviation emissions will still be able to continue to grow because of the substantial headroom available within existing planning permissions. ?

Taxation & Capital Expenditure As already noted for Roads, the Labour leadership has signalled an 'in principle' block against increases in taxation, which in this case could be used to constrain rising aviation passenger demand. Previously some Labour MPs have opposed constraints on increasing passenger demand on the basis that this would prevent ordinary people taking flights, ignoring the fact that pressure for expansion comes instead from the wealthy frequent flyers. Whilst the funding for airport infrastructure itself comes from private sector operators, this does not apply to expenditure on new road/train links associated with airport expansion which is generally publicly funded. More directly the Labour South Yorkshire city region mayor has recently chosen to allocate £138m of scarce capital funding as just a first commitment to reopen Doncaster Sheffield airport that closed in November 2022 when it was no longer commercially viable. ?

PUBLIC & ACTIVE TRANSPORT - Even if Labour does substantially improve rail, bus, cycling & walking, that cannot reduce emissions by enough to keep to the Net Zero pathway. In which case the Transport Decarbonisation Test will STILL be failed.

Public transport modes (rail, bus & coach) represent a small proportion of UK travel. In recent years longer journey rail passenger kilometres have been increasing but local 'workhorse' bus journeys have experienced long-term decline (outside London); bus/coach vehicle kilometres are around 0.5% of the road total. Even if bus and rail usage and occupancy in particular exhibited radical improvements this would never be able to counterbalance increases to the much larger road and aviation emissions sectors. ?

Additionally: will there be sufficient available capital and revenue expenditure to improve public & active transport modes? Labour has already given commitments, principally to implement Northern Powerhouse Rail in full (+ HS2 completion London>Birmingham). If during the months before the general election the Conservative government approves and contractually commits that £16bn large tranche of major roads schemes then the headroom available for Labour to fulfil its rail pledges within the shadow chancellors 'golden rules' will be reduced still further. Labour's ability to transfer revenue resources towards public + active transport will be limited by a cut imposed on the DfT revenue budget of 30% in 2024/25. ?

Implementation & Delivery Risk - If Labour does not transform the implementation of decarbonisation policy (national>regional>local), focused on removing delivery risk, then it WILL fail the Transport Decarbonisation Test

The Transport Decarbonisation Plan did not include an implementation & monitoring framework so there is no established means by which decarbonisation progress can be transparently reviewed. The TDP contained nearly 80 apparently specific 'commitments', but have they been implemented and with what quantified decarbonisation impact? In fact 2023's Carbon Budget Delivery Plan already identified two substantial

delivery risks to its overall UK pathway; both are related to surface transport decarbonisation. Should actual transport emissions between 2025-30 turn out to be higher than the pathway allows, it turns out that there are no 'levers' available to pull which will get the UK back on track. The TDP either doesn't provide them, or indeed has ripped them out. The implication of the 3rd May 2024 judgement in favour of the Friends of the Earth judicial review of the government's overall Net Zero Strategy is that the delivery risk associated with individual 'policies and proposals' (under S.13 of the Climate Change Act) has to be identified and potentially reduced • The TDP does recognise that, with transport being essentially a cross boundary issue, its implementation framework 'down through the levels' - from national DfT level >devolved administrations >subnational transport bodies >city regions/counties >local authorities - could have a significant impact. But that framework has not been 'rewired' for decarbonisation. Local Transport Plan guidance meant to be focused on decarbonisation was first delayed for 2+ years, and has apparently now been cancelled. ?

ISSUES & CHOICES FOR LABOUR: ON TRANSPORT DECARBONISATION AND ROADS & AVIATION POLICIES

Conclusion By the midway point of the 60 year Net Zero period transport emissions should have approximately halved, like UK emissions as a whole. But they **HAVEN'T**. Instead DfT have exploited the opportunity within the drafting of the Climate Change Act - that its reduction requirements apply only to the UK carbon budget as a whole and not individual emissions sectors – in order to ignore the Act's decarbonisation imperative. Thus at the midpoint there had been NO reduction against 1990 for road emissions, whilst aviation emissions have been aggressively promoted in completely the opposite direction. This position will continue unless the next Labour government revises the principal policy frameworks they will inherit: the Transport Decarbonisation Plan, National Networks NPS, Jet Zero Strategy, and quite a few more. • However, at the moment it seems more likely that the Labour approach is **NOT** to do that. No new policy frameworks have yet been proposed before the election to ensure that transport decarbonisation would be delivered successfully by a Labour government, or that a delivery framework be put in place afterwards to, if necessary, pull the UK back on pathway. ?

There are a number of common themes emerging from this analysis that spotlight the **policy choices** that Labour must engage with right now if prospective voters are to be reassured.

1. Above all, it's clear that **the Net Zero transport decarbonisation pathway across the period of a next Labour government is now threatened**. However Labour has not publicly acknowledged the size of transport's huge carbon tonnage and how they intend to respond to it. Unless that response is prepared for in advance of government it will not be possible for Labour to announce (e.g in its 'First 100 Days') the pronounced change of policy direction required to prevent the transport decarbonisation pathway slipping further out of reach in the years to 2030.

2. That possibility will become immediately visible in government because of **decisions already taken or imminent to promote continuing expansion of roads and aviation**. The existing policy frameworks might not permit transport ministers to reject several airport expansion proposals even if they wished to, and the Conservative government may have contractually committed major new road capacity schemes (which, again, Labour might actually support).

3. Labour will be confronted by the starkest of political dilemmas: **either to accept and implement Climate Change Committee recommendations, or reject these and thus effectively repudiate the Climate Change Act** on the watch of the politician who originally introduced it in 2008 – Ed Miliband. CCC are now explicitly rejecting any net expansions in airport capacity, and states that the roads programme has to be reviewed because it's being pushed forward without proper account for its carbon implications. How would it be possible for Net Zero Secretary Ed Miliband to accept decisions by fellow Cabinet members to contravene this advice?

4. At present Labour is also **ignoring the Net Zero delivery risks** to the transport pathway that have already been discovered and **could now potentially be challenged in the courts**. In the last two years there has been a crescendo of legal challenges to shortfalls in the Conservative government's NZ strategy, and to individual roads/airport schemes. Labour should be under no illusion that this won't continue if it forms the next government, particularly since the evidence is that transport is responsible for 70% of the UK policy gaps.

5. All this is happening because there are **structural flaws in the underlying DfT roads and aviation policy frameworks** - and the Transport Decarbonisation Plan itself - which are not applying mechanisms to constrain travel demand, or sending pricing signals via taxation, in order to reduce BAU emissions. As a result the DfT continues to promote road capacity expansion incompatible with Net Zero, whilst there are in practice no policy controls over aviation emissions. It follows that delivering transport emissions reduction **can ONLY be achieved if these frameworks are substantially revised to make them Net Zero compatible**. Similar revisions to the national planning policy framework (NPPF) and the national>regional>local implementation framework will have to be made because these are also essential for transport decarbonisation. ?

6. The alternative 'decarbonisation' approach proposed by DfT - **by 'techno-fixes' alone** - towards which Labour is already being drawn, will simply **not** be sufficient. Over the next decade only the transition to EVs will make a significant contribution to transport emissions reduction. As it happens, near-term demand management of aviation would actually assist technological innovation by allowing more time for its development. **Both technological interventions and travel demand constraint are necessary.** ?

7. **A principal** cause of this situation is that, within Labour, there are **unresolved tensions and competing priorities within its overarching election strategy** which are acting to undermine transport decarbonisation. An apparent binary choice is being put forward - 'economic growth' versus 'critical decarbonisation' - whereas these two priorities instead need to be integrated into one single sustainable solution. Other unresolved tensions include the choice between 'new additional infrastructure' versus 'more effective use of existing infrastructure, via demand management', and the competition for limited capital funding between rail and road. ?

THESE might be the reasons why **Labour has not disclosed its position on transport decarbonisation!** In its pre-election planning and policy development it has not been able to unravel these complexities and contradictions - so is afraid to disclose their existence to public view - or alternatively doesn't yet recognise that they exist.

HOW MIGHT LABOUR RESPOND TO ITS TRANSPORT DECARBONISATION TEST?

The accompanying Analysis Report quite deliberately does not propose particular 'solutions' to transport decarbonisation problems. Rather it identifies questions and relevant information about them for policymakers to examine, and it suggests a 2 stage and scenarios process by which decarbonisation options can be developed. As a very first step however Labour would need to • acknowledge the **existence of this major decarbonisation problem** and that they do intend to tackle it • publicly adopt an **accelerated transport decarbonisation pathway** when in government and • **radically revise the policy frameworks** that at the moment are acting to prevent this. This would allow Labour to declare its decisive support for transport decarbonisation via policy change. ?

WHAT ARE THE CONSEQUENCES IF LABOUR FAILS TO PASS THE TRANSPORT DECARBONISATION TEST?

If a next Labour government did not proceed to immediately revise and then implement strengthened policy frameworks capable of delivering accelerated transport decarbonisation, then it will become increasingly apparent that the consequent pathway threat will not just be limited to transport's annual and cumulative emissions failing to sufficiently reduce. As the years ratchet down towards 2030 and 2050, that threat will menace the Net Zero and Climate Change Act processes themselves. Legal challenges to protect them will keep coming. Transport is the largest UK emissions sector contributing to the accelerating global climate crisis.

If this comes to pass Labour **WILL** have **FAILED** the Transport Decarbonisation Test.

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