



A CARBON REDUCTION FUND: A PROPOSAL FOR THE DEPARTMENT FOR TRANSPORT'S CARBON REDUCTION STRATEGY

UK domestic transport emissions in 2020 are forecast to be just over 5% lower than in 2005. Large cuts in transport emissions of carbon dioxide are essential if the UK is to meet its climate change targets. The Government cannot rely on technology alone and changes in travel behaviour are needed. A Carbon Reduction Fund would help make these cuts happen by using existing transport funds to create showcase carbon reduction transport projects. Moving towards low carbon transport will also create jobs and establish new low carbon industries.

Why a Carbon Reduction Fund is needed

Reducing carbon from transport is now a priority for the Department for Transport (DfT) but this has not led to the major changes needed:

- Schemes that increase emissions, such as the Weymouth Relief Road, are still being approved
- Cutting carbon is not a priority for bodies such as the Highways Agency and transport operators
- Bids for future transport funding submitted by regions earlier this year prioritised road schemes that will increase carbon, rather than measures that will cut emissions
- Knowledge is still lacking about “what works” in terms of reducing carbon from transport, with a belief that cutting emissions through changing travel behaviour is difficult and expensive

By establishing a Carbon Reduction Fund, DfT would give cutting carbon emissions the prime place in transport policy and delivery that is needed. The Fund would:

- give a clear signal that carbon reduction is a priority for transport agents and create a clear funding stream – both capital and revenue funding - to give effect to this priority
- be able to test a wide range of measures to cut emissions through changing travel behaviour, helping create a robust methodology for judging what works and what is best value for money, and assess which measures help address DfT's other economic, social and environmental goals
- support the bringing forward of innovative transport schemes that may not emerge from current funding frameworks, allowing DfT to try out a wider range of projects

How a Carbon Reduction Fund would work

The Fund would invite bids from a wide range of bodies: local councils, transport operators, Network Rail, Highways Agency, freight companies, those generating travel (employers, leisure providers, travel destinations such as National Parks), and social enterprise and not-for-profit organisations such as Sustrans and community transport groups.

The Fund could be used to bring forward low carbon projects via existing programmes. For example, regions could be asked specifically to produce and prioritise low carbon projects as part of a revised Regional Funding Advice.

The Fund would allow for a wide range of projects and schemes, including revenue as well as capital funding. This is a critical transport funding issue as problems with the availability of revenue funding has limited the scope for measures such as public transport subsidies, travel information campaigns and travel planning.

Parts of the Fund should be set aside for larger projects (those taking a wide range of measures or covering a wide area); and, potentially, for taking forward the best ideas from a “low carbon transport” competition for the public, aimed at changing travel behaviour

The Fund should allow for full, thorough and long-term monitoring of schemes.

Source of funds

The Fund would be created by the reallocation of half of the remaining funds set aside for the Government’s Transport Innovation Fund (TIF). If current TIF levels are continued, this would allow for approximately £5 billion between 2008/09 and 2018/19.

Currently, TIF funding is allocated to ‘congestion TIF’, to support local road user charging schemes, and ‘productivity TIF’, supporting schemes that improve national productivity. But neither Congestion nor Productivity TIF guidance has cutting carbon emissions as a key objective of projects, a major weakness given the need for urgent action.

The remaining funds should stay in TIF but all future bids to these funds should demonstrate carbon savings in addition to congestion and productivity gains.

If a long-term commitment is not possible, the Fund should at least be piloted.

What the Fund would buy

There are a large range of measures that the Fund could pay for. Many schemes and initiatives have already been developed for the RFA and LTP process but have not been prioritised. The Carbon Reduction Fund would help unblock this ‘delivery pipeline’:

Possible capital schemes, with indicative examples, include:

- Public transport interchanges (the Rochdale interchange will cost £8m, but smaller interchanges may be cheaper)

- Liveable communities (a 'DIY streets' programme allowing residents to redesign their own streets would cost £350,000 over 3 years for a neighbourhood of 7 streets including robust community involvement).
- Guided bus/rapid transit (most schemes cost around £30-40m)
- Cycling and walking paths (1km of 'Greenway' traffic-free route has been shown to cost around £27,000).
- New rail stations (costs vary enormously, but the local council is contributing £7m to the new Bromsgrove Station)
- Rail line upgrades (a resignalling/upgrade from Nottingham-Lincoln is set to cost £47m).
- Light rail lines/extensions (Manchester Metrolink line 3a is £175m)
- Smartcards (the Yorkshire Yorcard scheme is estimated to cost £30m)
- Local transport packages (the Worcester package is estimated to cost £46m)

Possible revenue investment includes a large range of proven, cost-effective smarter choices work:

- Personalised travel planning (Sustrans TravelSmart programmes have already provided tailor-made information and support to over 200,000 households in England and Scotland and costs £25 per household. An England wide TravelSmart programme would cost £400m over 10 years).
- Intensive promotion of cycling in schools (a 'Bike It' officer costs £65,000 per year to support 12 schools. An England-wide 'Bike It' programme would cost £5.3 million a year).
- Travel plans (the Meadowhall Shopping centre near Sheffield provides a travel plan for 7,000 staff and 400,000 visitors per week at £96,000 over two years).

Packages of measures providing real alternatives to car use could include:

- Sustainable travel towns that integrated smarter choices programmes
- Whole route/network upgrades for buses (bus priority, more services, low emission vehicles and intensive marketing)
- Station travel plans and measures to link rail with other modes such as cycling through easy access to and parking at stations
- Integration of taxis into public transport networks
- Local rail upgrades (extra tracks, line speeds, passing loops etc)

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