



NEWS RELEASE

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Government changes to BSOG removes bias against low carbon buses but provides no incentive says LowCVP

The Low Carbon Vehicle Partnership (LowCVP) welcomes the announcement by the Secretary of State for Transport, Geoff Hoon, regarding changes to the Bus Service Operators Grant (BSOG) which removes the inherent bias against fuel efficient low carbon buses. However, the provision of a 6p per kilometre additional payment paid for all kilometres operated by a low carbon bus provides only the equivalent BSOG payment that a diesel bus would receive. It does not provide the incentive promised by the Secretary of State when he announced the change in December 2008.

If low carbon buses are to be encouraged to play a valuable role in meeting the UK's climate change targets then Government needs to share the risk that bus operators face in introducing new low carbon technologies into their fleets.

The BSOG was recognised as the main barrier to the introduction of fuel efficient/low carbon buses in the UK. In December, the Secretary of State announced that the BSOG would be revised to provide incentives for low carbon emission buses along with measures to link future BSOG increases to fuel efficiency improvements.

Following the announcement, detailed work by the LowCVP showed that an additional 6p per kilometre for low carbon buses would provide equivalence with convention diesel buses. To incentivise the purchase of low carbon buses, the Partnership recommended initial support of 12p per kilometre and that the Department for Transport fund a demonstration programme to encourage bus operators outside London to gain experience of the new low carbon technologies.

The LowCVP Director, Greg Archer commented: "The Secretary of State needs to go further to realise his commitments on BSOG to incentivise low carbon buses. This represents a missed opportunity to ensure that low carbon buses are given the stimulus needed to be adopted throughout the UK and play a significant role in tackling climate change. What is now needed is for bus operators to be given access to funds already announced to demonstrate low carbon vehicles. Without this the market for low carbon buses is likely to remain very small."

ENDS

Notes to Editors

The Low Carbon Vehicle Partnership was established in January 2003 with funding from the DfT and the DTI (now BERR) and a mandate to accelerate the shift to low carbon vehicles and fuels and create opportunities for UK business. The Partnership's aims are:

1. To facilitate cross-sectoral engagement between industry and other stakeholders with the purpose of:
 - Developing collaborative initiatives that develop the market for low carbon vehicles and fuels;
 - Building understanding and consensus regarding the optimum pathways to low carbon road transport;
 - Influencing Government and other decision makers on the future direction of policy and optimum delivery mechanisms.
2. To encourage research, demonstration and commercialisation of low carbon automotive technologies in the UK and assist UK businesses to participate in emerging markets.
3. To contribute towards the setting, and achievement, of UK Government's targets for carbon reduction from the road transport sector.
4. To facilitate an effective flow of information within and between industry and other stakeholders to:
 - Raise awareness of recent developments and new opportunities;
 - Improve understanding and awareness of key issues;
 - Increase stakeholder knowledge of the mission of the Partnership and its achievements.

It delivers on these aims through initiating practical initiatives amongst its members, providing advice to Government and other decision makers and through research to understand and address market barriers.

For further information:

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