



Russell George MS  
Chair of the Economy, Infrastructure and Skills Committee  
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17 November 2020

Dear Russell,

Further to my response sent to the Committee on the 25 August, please see updates for recommendations 2, 4 and 7 below.

**Recommendation 2.** The Welsh Government should update the Committee on the latest position with its plans for the EV infrastructure network and when it intends to publish its EV strategy. Alongside information on charging infrastructure the Welsh Government should also clearly set out its approach to ensuring taxi / PHV and bus operators themselves adopt EVs by the Government's target date of 2028.

**Response:** Accept

#### **Approach on zero emissions buses**

The EV Charging Strategy is in draft form and under review by the government with a view to a public consultation by the end of this year.

It is recognised that due to the high upfront purchase cost of zero emissions buses and high cost of enabling infrastructure, bus operators will need support to make the transition to a fully zero emission fleet by 2028.

Over the next year, in addition to funding pilot schemes, we will put in place a plan, through consultation with local authorities, bus operators and manufacturers, to deliver on this aim. This process will include consideration of purchase incentives, a government supported leasing model, grants for infrastructure, support for retrofitting and commitments to end the purchase of new ICE buses.

This ambition will also be supported by the UK government's pledge to deliver 4,000 zero emission buses in England and Wales over the next 5 years.

#### **Approach on zero emission taxis and PHVs**

It is recognised that due to the high purchase cost of zero emission vehicles, especially wheelchair accessible vehicles, that they will be unaffordable for many of the taxi and PHV industry, even after any grants have been applied. In the short term we are developing plans for a 'try before you buy scheme' to complement investment in charging infrastructure.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Over the next year, we will undertake an investigation and implementation of incentives such as lease schemes and loans and regulation required to enable the switch to cleaner vehicles. We will also work with Transport for Wales (TfW) to make certain that the required infrastructure is in place to support the transition to zero emission taxis.

This will provide affordable options to taxi & PHV industry, with long term vehicle fuel and maintenance cost savings, whilst contributing to a cleaner environment through the replacement of a mainly diesel vehicle fleet with zero emission vehicles.

**Financial implications:** No additional funding implications beyond what will be funded from existing budgets.

**Recommendation 4.** Welsh Government should update the Committee on plans for, and progress with, the development of UK-wide specifications, standards and long-term cost modelling for low-emission EV technology to be deployed in Wales. The Committee would also like to be informed about how Welsh Government will share its plans with Welsh transport operators, to build confidence for investment in new technology.

**Response:** Accept

We agree that there should be a UK wide response to this matter. A written update will be provided to the Committee following the announcement of the UK Government's transport decarbonisation plan which is anticipated by the end of the year. Further detail will become available as we develop the transport sector pathway for the second Wales Low Carbon Delivery Plan which is scheduled to be published in November 2021.

**Financial Implications:** No direct financial implications at this stage.

**Recommendation 7.** The Welsh Government should outline how decarbonisation targets are taken account of as part of its Covid-19 emergency response to support bus operations, and how it will capitalise on any benefits accruing from the current and future arrangements with operators and partners.

**Response:** Accept

Emergency support for bus operations through the pandemic will help meet our carbon budgets in future years, by supporting bus services and the industry which under normal circumstances result in fewer carbon emissions per passenger km than travel by private car. We are using the Covid-19 emergency support funding to enable a reshaping of Wales' bus network by giving the public sector more influence over routes and standards, including standards associated with reducing carbon emissions.

Funding to date has been delivered in two parts: the Bus Hardship Fund (Q1, £29m allocated in March) and the Bus Emergency Scheme (Q2, £16.8m allocated in June). The Bus Emergency Scheme (BES) has been designed enable a reshaping of Wales' bus network by giving the public sector more influence over routes and standards, including placing a requirement on operators to demonstrate progress on reducing carbon emissions. TfW has been working to develop the structure and terms for the next stages of BES: BES 2 and BES 3 which will govern their behaviours in the delivery of both contracted and commercial services, including their progress in reducing carbon emissions.

**Financial implications:** No direct financial implications at this stage.

I will send further recommendation updates to the Committee in early 2021.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Skates', with a long horizontal flourish extending to the right.

**Ken Skates AS/MS**

Gweinidog yr Economi, Trafnidiaeth a Gogledd Cymru  
Minister for Economy, Transport and North Wales