

## **SMMT Response to the Public Bill Committee Call for Evidence on the Bus Services (No.2) Bill**

### **About Us**

1. The Society of Motor Manufacturers and Traders (SMMT) is one of the largest and most influential trade associations, representing the automotive industry in the UK.
2. The automotive industry is a vital part of the UK economy, integral to growth, the delivery of net zero and the UK as a global trade hub. It contributes £92 billion turnover and £25 billion value added to the UK economy and invested £5 billion in R&D, with 183,000 people employed directly in manufacturing and some 796,000 in total across the wider automotive industry. Many of these automotive manufacturing jobs are outside London and the South-East, with wages that are 8% higher than the UK average. The sector accounts for 13.4% of total UK exports of goods with more than 140 countries importing UK produced vehicles, generating £108 billion of trade in total automotive imports and exports.
3. The UK manufactures almost every type of vehicle, from cars, to vans, taxis, trucks, buses and coaches, as well as specialist and off-highway vehicles, supported by more than 2,500 component providers and some of the world's most skilled engineers. In addition, the sector has vibrant aftermarket and remanufacturing industries. The automotive industry also supports jobs in other key sectors – including advertising, chemicals, finance, logistics and steel.
4. The automotive industry has made huge strides towards developing zero emission vehicles and battery technologies, decarbonising its manufacturing processes, and investing in net zero skills. Going forward, it will be critical for Government and the automotive industry to work together to deliver net zero in a way that maximises economic opportunities and minimises any adverse impact on the automotive market.
5. SMMT welcomes the Bus Services (No. 2) Bill to improve the performance, accessibility and quality of bus passenger services. As the representative association for bus manufacturers, our interest lies in the requirement to mandate zero emission bus services and the territorial extent to which this policy will apply. Further detail about the necessary requirements for achieving a zero-emission bus fleet in the UK are outlined in our publication, [Next Stop Net Zero: the route to a decarbonised UK bus market](#).<sup>1</sup>
6. When considering the next stage of the Bill, we make the following recommendations.
  - **Zero emission vehicle use should extend to all of the UK**
  - **Financial support should be made available for smaller operators to enable them to purchase new vehicles or re-power their existing vehicles to zero emissions.**
  - **Vehicle charging and refuelling infrastructure at transport depots must be prioritised to accelerate decarbonisation and meet net zero ambitions.**
  - **A strategic, nationwide plan and consistent regulatory framework for bus decarbonisation should be created that will create a timeline for manufacturers to be able to fulfil new and re-powered vehicle orders and for DNO's to make available the required energy at depots.**

### **Introduction**

7. The UK boasts the biggest zero emission bus market by volume in Europe.<sup>2</sup> In 2024, 43.9% of new single and double decker buses were zero emission. This success is due to the commitment by regional transport authorities and bus operators to deploy zero emission buses supported by government through funding schemes for both the vehicles and the necessary charging and refuelling infrastructure required at depots.

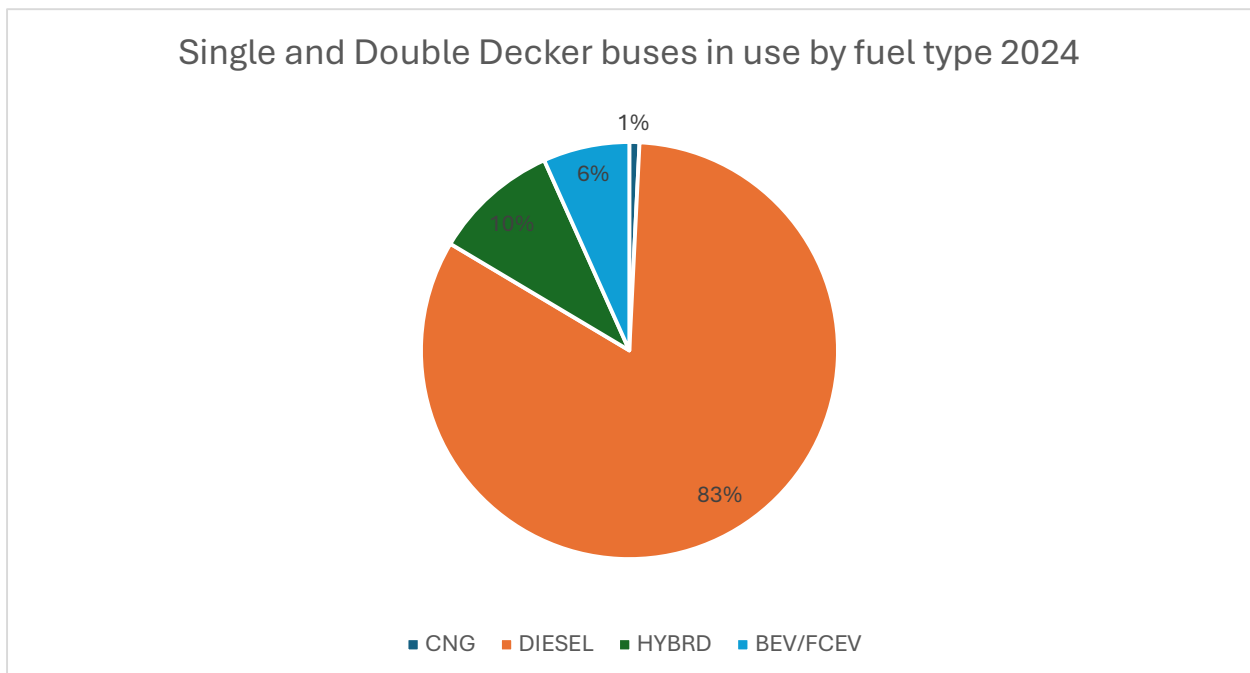
<sup>1</sup> <https://www.smmt.co.uk/britains-buses-need-a-timetable-to-arrive-at-net-zero/>

<sup>2</sup> [https://www.acea.auto/files/Press\\_release\\_commercial\\_vehicle\\_registrations\\_2024.pdf](https://www.acea.auto/files/Press_release_commercial_vehicle_registrations_2024.pdf)

8. For this success to continue, it is vital that operators and manufacturers have clear policy aims supported by appropriate funding to achieve a fully zero emission bus market in the UK.
9. The UK government published 2 consultations in 2021 and 2022 on the end of sale of new, non-zero emission buses. A formal response to the outcome of these consultations has not been published.
10. The 2022 consultation outlined a proposal to end the sale of new, non-zero emission buses from 2025 at the earliest and 2032 at the latest. The SMMT response on behalf of bus manufacturers stated the following.
  - SMMT believes **the end of sale of new, non-zero emission buses is possible by 2030**, but only if government creates the right policies to remove barriers to uptake. **This may be sooner if the appropriate support is accelerated, including provisions for infrastructure, incentives and a stable policy framework for operators is in place.**
  - **An end of sale date should only be set alongside a plan for the creation of a depot based charging and refuelling network ensuring sufficient electrical energy is available**  
Government should set a target to mandate the provision of charging infrastructure in parallel with their expectations for vehicle uptake.

### Market

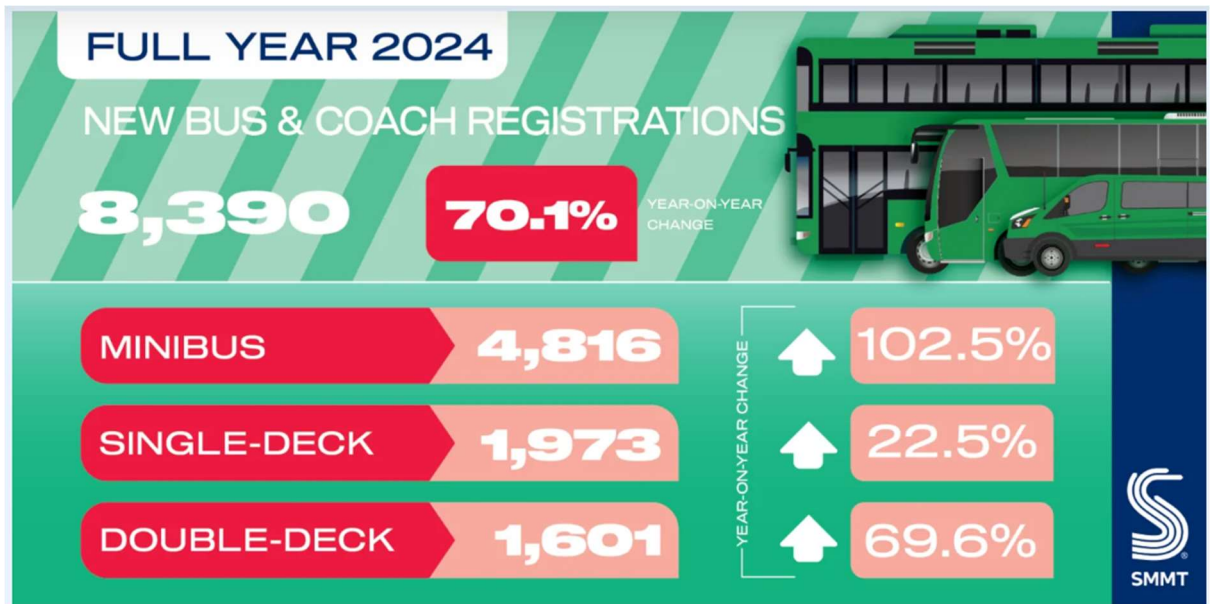
11. SMMT parc data shows there to be 71,178 buses on the road in the UK (this includes coaches and minibuses).<sup>3</sup> We estimate 48,374 single and double decker buses with only a little over 3,000 of these being zero emission.



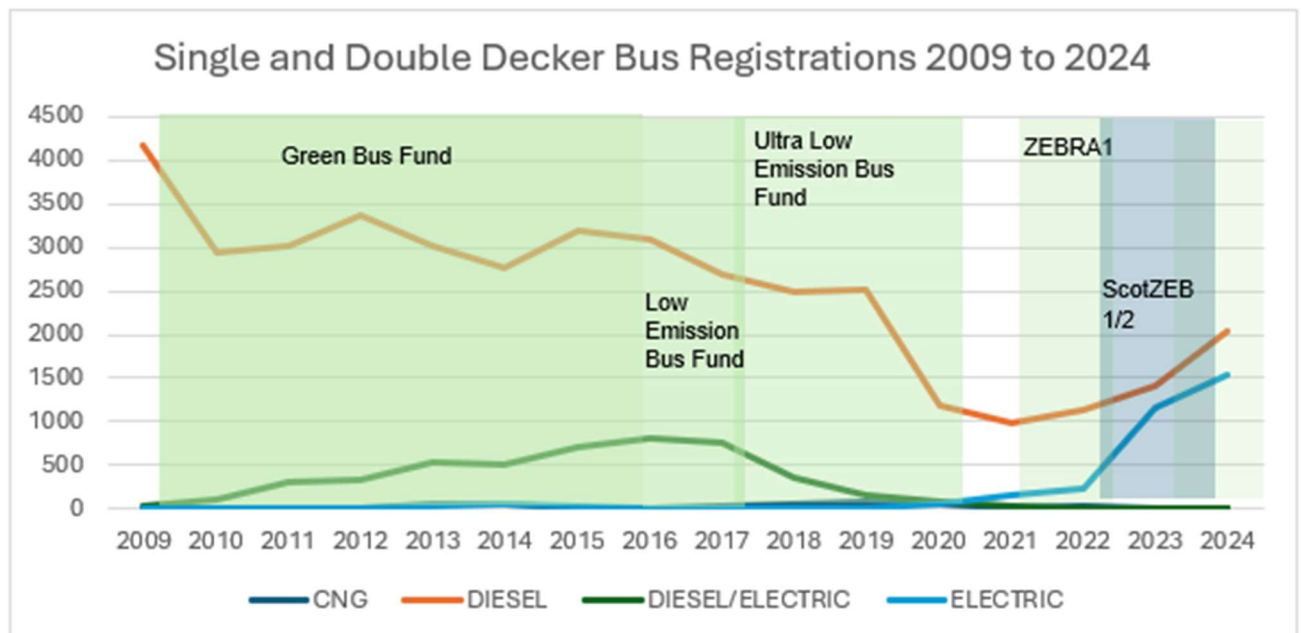
12. In 2024 8,390 buses in total were registered with 19% (1570) of the market being zero emission. Single and double decker bus registrations make up 43% (3574) of the total market with the remainder being minibuses. In 2024, 43% (1535) of single and double decker bus registrations were zero emission<sup>4</sup>.

<sup>3</sup> <https://www.smmt.co.uk/vehicle-data/motorparc-vehicles-in-use-uk/>

<sup>4</sup> <https://www.smmt.co.uk/britains-bus-market-soars-to-16-year-high-and-remains-europes-biggest-zero-emission-buyer/>



13. Since the first zero emission bus was registered in 2009, the market has grown gradually with registrations of hybrid and zero emission buses in line with funding available. The first funding schemes launched in 2009 included funding for hybrid buses and registrations of these vehicles peaked at 796 and 766 registrations in 2016 and 2017 respectively. Once the funding criteria changed the decline in registrations was severe with no hybrid bus sales since 2021.
14. There was a sharp rise in zero emission bus registrations going from just 16.6% in 2022 to 45% in 2023 and 43% in 2024. This can be attributed to ZEBRA and ScotZEB funding. 2024 saw the highest level of zero emission bus registrations with 1535 vehicles sold.



## Policy Measures

15. Local policies, such as the Mayor of London's commitment to procure only zero-emission buses, have incentivised operators to adopt cleaner fleets. However, this approach is not applied uniformly across the UK. Combined with differing franchising models, this results in unequal access to zero-emission bus services and inconsistent passenger experiences depending on the region.
16. The measures proposed in the Draft Bus Services (No.2) Bill have the potential to enhance service quality and connectivity. While the inclusion of a zero-emission bus requirement is a positive step toward fleet decarbonisation, we believe that, as currently drafted, it falls short of what is needed to achieve a fully zero-emission bus fleet.
17. We are pleased to see the amendment to an earlier version of the Bill that includes all franchised services and bus services in London under the zero-emission requirement. While we recognise that the scope of this legislation – under Section 37 – only applies to England, the omission of devolved administrations risks operators moving their fleets around the country and therefore missing the opportunity to improve air quality in areas where zero emission buses are not required to be used. Therefore, we would welcome further engagement with UK and devolved Government's to explore potential to extend regulatory requirements across the whole of the UK.
18. **SMMT recommends the requirement for zero emission vehicle use should extend to all of the UK.**
19. The restricted emissions detailed in Section 37 3(c), limit the technology options to battery electric and hydrogen fuel cell electric vehicles only. Whilst not zero-emission, the use of alternative fuels including biogas, biodiesel and hydrogen as a combustion fuel (H2ICE) can provide a cost-effective solution for operators to decarbonise their fleets particularly on longer, rural routes. Whilst there are trace elements of nitrogen dioxide when using H2ICE these remain significantly lower than current diesel vehicles. Government should maintain a technology neutral approach to decarbonisation, with many operators and manufacturers continuing to advocate strongly for the role that H2ICE and other alternative fuels could play in the rapid decarbonisation of bus fleets. In cases where zero emission is not yet possible, operators could deploy these low carbon solutions.
20. Bus services in many parts of the country are vital to keep communities connected and support social equity particularly in rural areas. Further support is required for community-based transport by ensuring connections for infrastructure are available and smaller operators are still able to operate in a financially sustainable manner.
21. Manufacturers are committed to zero emission bus manufacturing and the UK boasts a leading bus manufacturing sector which supports both domestic and European demand. The earliest date of 1 January 2030 for the requirement for zero emission bus use to come into force is, while ambitious, still potentially achievable provided sufficient support for operators is available. Clarity on the end of sale of all new, non-zero emission buses including minibuses and coaches is still required.
22. The majority of zero emission buses on the road are operated by one of the "Big Five" bus operators (Arriva, FirstGroup, Go-Ahead, National Express, Stagecoach) with the addition of Metroline having a considerable proportion of zero emission buses in their fleet. These operators have benefited from funding available for infrastructure as well as vehicles. Smaller operators who are yet to purchase zero emission buses and often only purchase second hand

vehicles will struggle to decarbonise their fleet without adequate financial support for infrastructure to charge vehicles.

23. Re-powering registered diesel vehicles to electric offers a cost-effective and efficient alternative to purchasing new zero-emission vehicles. This approach accelerates fleet decarbonisation by leveraging existing assets. However, current funding initiatives for zero-emission buses have largely focused on new vehicle procurement, overlooking other solutions that could significantly reduce emissions from the existing fleet. Supporting re-powering efforts can provide a faster, more scalable path to achieving transport decarbonisation goals.
24. **Financial support should be made available for smaller operators to enable them to purchase new vehicles or re-power their existing vehicles to zero emissions.**
25. The energy requirements for installing charging infrastructure at depots often require a new grid connection. These new connections can take up to 15 years to obtain.<sup>5</sup> Even once applications have been made and approval is granted, distribution network operators (DNOs) are still not able to provide the required connection for an average of 3-4 years.
26. Government recently announced prioritisation of connections for some businesses.<sup>6</sup> With road transport continuing to be the UK's largest contributor to CO<sub>2</sub> emissions, **vehicle charging and refuelling infrastructure at transport depots must also be prioritised to accelerate decarbonisation and meet net zero ambitions.**
27. The requirement for the use of zero emission buses as prescribed in the draft Bill does not cover the whole of the bus market. To achieve the UK's legally binding target to reach net zero greenhouse gas emissions by 2050, further measures will be required to ensure buses not registered under Section 6 of the Transport Act are also zero emission.
28. Confirmation of the end of sale date for all new, non-zero emission buses should be provided to secure investment for new vehicles and supporting charging infrastructure. **A strategic, nationwide plan for bus decarbonisation should be created that will create a timeline for manufacturers to be able to fulfil new vehicle orders and for DNO's to make available the required energy at depots.**

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<sup>5</sup> <https://www.gov.uk/government/news/clean-energy-projects-prioritised-for-grid-connections>

<sup>6</sup> <https://www.gov.uk/government/news/clean-energy-projects-prioritised-for-grid-connections>