

**EXPLANATORY MEMORANDUM TO  
THE FINANCIAL ASSISTANCE FOR ENVIRONMENTAL PURPOSES (ENGLAND  
AND WALES) ORDER 2009**

**2009 No. 1506**

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

**2. Purpose of the instrument**

2.1 This Order gives the Secretary of State, subject to the Treasury consent, the power to provide financial assistance to, or for the purposes of, the Low Carbon Vehicle Partnership in relation to its activities as respects England and Wales.

**3. Matters of special interest to the Joint Committee on Statutory Instruments**

None.

**4. Legislative Context**

4.1 This Order is made in exercise of the powers conferred by section 153(4) of the Environmental Protection Act 1990 which allows the Secretary of State to vary section 153(1) by adding to the list set out therein any description of an organisation, scheme, programme or international agreement whose purposes relate to the protection, improvement or better understanding of the environment. The Order adds the Low Carbon Vehicle Partnership Limited to the list in section 153(1) thus enabling the Secretary of State, with the consent of the Treasury, to give financial assistance to, or for the purposes of, the Low Carbon Vehicle Partnership Limited in relation to its activities as respects England and Wales.

**5. Territorial Extent and Application**

5.1 This instrument applies to England and Wales only

**6. European Convention on Human Rights**

The Minister of State for Transport, Sadiq Khan has made the following statement regarding Human Rights:

In my view the provisions of the Financial Assistance for Environmental Purposes (England and Wales) Order 2009 are compatible with the Convention rights.

**7. Policy background**

7.1 The Government has a commitment to reduce greenhouse gas emissions by at least 80 per cent by 2050 (compared to 1990 levels) and is also committed to demanding overall targets by 2020. Achieving these goals will require contributions from all sectors of the economy, including transport which currently contributes around 23 per cent of UK domestic carbon dioxide (CO<sub>2</sub>) emissions. Road transport on its own, currently produces about 93 per cent of all CO<sub>2</sub> emissions from domestic transport. It is important that Government works with the automotive and fuel industries and other key

stakeholders to improve the carbon efficiency of road transport and help meet these targets.

- 7.2 The Low Carbon Vehicle Partnership (LowCVP or the Partnership) was established in 2003 to help the Government deliver its low carbon transport strategies. The Government undertook, as part of its Powering Future Vehicles Strategy (2002), “to work closely with all stakeholders from the automotive, energy and other sectors, establishing a forum to maximise the potential for UK business to gain competitive advantage from the Powering Future Vehicles Strategy”. At the same time, the Automotive Innovation and Growth Team (AIGT) set up by the then Department of Trade and Industry (now BIS) recommended that “a Low Carbon Transport Partnership should be established”.

### **Aims of the Partnership**

- 7.3 The LowCVP is an action and advisory group, set up to take a lead in accelerating the shift to low carbon vehicles and fuels in the UK and to help ensure that UK business can benefit from that shift. It is a partnership of organisations from the automotive and fuel industries, the environmental sector, government, academia, road user groups and other organisations.
- 7.4 The broad aims of the Partnership are to develop initiatives to promote sales and supply of low carbon vehicles and fuels; provide input and advice on Government policy; provide a forum to share knowledge and information; ensure that UK businesses are best placed to capitalise on the opportunities in the low carbon markets of the future; and contribute to the achievement of UK Government targets for road transport carbon reduction. The governance and strategic direction of the Partnership is provided by a Board, comprising senior representatives from stakeholder organisations and including observer representatives from the Department for Transport (DfT) and Department for Business, Innovation and Skills (BIS).
- 7.5 Though the Partnership was set up as an independent body, it works very closely with DfT and BIS and currently receives the majority of its funding from these Departments. This funding has been matched, approximately, by the value of financial and in-kind contributions from its member organisations. The Partnership was initially established as a work programme of the Energy Saving Trust (EST). This enabled the Departments to provide financial assistance to LowCVP through a grant payment to EST. It has since been identified that the Partnership could significantly reduce overheads and have greater flexibility if it was incorporated as a not-for-profit company. LowCVP was incorporated as a company limited by guarantee on 20 March 2009.
- 7.6 This Order will enable the Secretary of State to continue to provide financial assistance to LowCVP, in relation to its activities in England and Wales.

## **8. Consultation outcome**

- 8.1 In 2002, the Government invited comments in the draft powering Future Vehicles Strategy on the setting up of a Low Carbon Vehicle Partnership. Consultation responses welcomed the concept and in particular the Automotive Innovation and Growth Team (AIGT) study viewed the Partnership as playing a key role in the shift to low-carbon transport. The Government welcomed these responses, and the Low Carbon Vehicle Partnership was established in 2003.
- 8.2 As this Order will enable the Government to continue to provide financial assistance to LowCVP, there has not been a formal consultation. The LowCVP Board and Secretariat

have, however, been consulted by DfT in the drafting of this Order and they are content to proceed.

## **9. Guidance**

9.1 None required.

## **10. Impact**

10.1 This Order has no impact on business, charities or voluntary bodies other than enabling LowCVP to continue to receive financial assistance from the Government.

10.2 This Order has no impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument.

## **11. Regulating small business**

11.1 The legislation does not have a direct impact on small business, however there might be indirect impact. The legislation enables the Government to provide funding to LowCVP to undertake their work programme, which may include projects that benefit small businesses (for example, help in identifying potential sources of funding for small or medium sized enterprises).

## **12. Monitoring & review**

12.1 Standard terms and conditions for grant payments will apply. The grant will be based upon a formal agreement (grant offer letter) with LowCVP which will specify the purpose of the grant, the specific rules and the agreed payment schedule. The Department for Transport and Department for Business, Innovation and Skills will review the level of financial assistance to LowCVP on an annual basis.

## **13. Contact**

Stephen Powton at the Department for Transport Tel: 0207 944 4349 or email: Stephen.powton@dft.gsi.gov.uk for any queries regarding the instrument.