



Pioneering motorists will receive up to £5,000 to buy an ultra-low carbon car, and the roll-out of supporting infrastructure will begin in selected regions, the Government announced today. The Plug-in Car Grant will be distributed directly to the consumer at the point of purchase and will be available across the UK from January 2011, by which time a range of eligible vehicles is expected to be available.

Also included in the Government's plans is the roll-out of a £30m fund for a network of electric vehicle hubs – called Plugged-In Places – which will see charging infrastructure appearing in car parks, major supermarkets, leisure and retail centres, as well as on the street. The first Plugged-In Places were today named today as London, Milton Keynes and the North East; and between them they will be installing over 11,000 vehicle recharging points during the next three years.

The initiatives are part of a £450 million Government strategy to support the creation of a flourishing early market for ultra-low carbon vehicles. The programme will help to meet the UK's commitment to reduce carbon emissions from transport; as well as creating new business opportunities for UK-based companies in the automotive and charging infrastructure sectors.

Transport Secretary Andrew Adonis said:

"Decarbonising transport isn't an aspiration - it's a reality. By this time next year, cutting edge motorists will be on the roads with these next generation cars they've purchased because of our help.

"And thanks to the Plugged-In Places we will have in place infrastructure to support this growing early market.

"Transport has a huge part to play in helping the UK meet its stringent emission reduction targets and today's announcement is another step on the road to putting the UK at the global forefront of ultra-low carbon vehicle development, manufacture and use."

Business minister Pat McFadden said:

"Low Carbon vehicles are an important part of the broader shift to a low carbon economy.

"We have already committed £450m to delivering our ambitious vision of supporting suppliers of low carbon technology, encouraging demand from consumers and enabling lead UK cities and regions to switch on charging infrastructure.

"The Government is focusing on this sector as a priority and we are committed to helping British businesses take advantage of the growth potential and job opportunities this presents."

The Plug-in Car Grant will significantly reduce prices by providing 25 per cent towards the cost of a new car, capped at £5,000, and will be open to both private and business fleet buyers.

To be eligible for the scheme, cars will have to pass performance criteria to ensure safety, range, and ultra-low tailpipe emissions.

The Plugged-In Places will provide the charge points to support these vehicles – demonstrating how electric vehicle charging works in practice in a range of different settings – urban, suburban and regional – as well as testing innovative technologies such as rapid charging, inductive charging and battery swap.

A second competition for Plugged-in Places funding is to follow later in the year, with consortia from the West Midlands, Cornwall, Sheffield, the Lake District, Greater Manchester and Northern Ireland having already confirmed their intention to bid for the next wave of funding.

These measures – to be delivered by the Office of Low Emission Vehicles (OLEV) – will move the UK further towards its ambitious carbon reduction targets. They will also support the UK automotive, charging infrastructure and other related supply chain industries in realising the economic opportunities that a shift to low carbon represents.

OLEV will also lead work to join up the Plugged-In Places, working closely with partners including the Energy Technologies Institute and the Technology Strategy Board to ensure a fully interoperable network is established in the UK. OLEV will be assessing the feasibility of charging along strategic corridors with the Highways Agency and motorway service area operators; and of charging infrastructure at railway station parking facilities with the Association of Train Operating Companies (ATOC) and Network Rail.

Notes to editors

1. The development of a consumer incentive scheme for Ultra-Low Emission Vehicles was originally launched as part of 'Ultra Low-Carbon Vehicles in the UK ' www.hmg.gov.uk/lowcarbon

2. The experiences of the first three Plugged-in Places will inform the future development of a national charging infrastructure. The first round of Plugged-in Places funding was open to bids from consortia in England, Scotland, Wales and Northern Ireland made up of local authorities, businesses, electricity distributors and suppliers and other organisations like the RDAs. The consortia had to demonstrate why their area was best suited to be at the forefront of the EV market, for example, through use of local incentives: Milton Keynes, for instance, will be offering ultra-low carbon car drivers in their region free parking and electricity, and London will be waiving the congestion charge. Successful bidders also had to demonstrate how their plans would fit in with other Government objectives, such as improving local air quality, and create local incentives to further encourage the uptake of electric vehicles.

3. OLEV will be working with partners such as the Highways Agency, motorway service area operators; Network Rail; and the Association of Train Operating Companies (ATOC) to determine how charging infrastructure could be installed at motorway service areas and at a railway stations to support the wider use of electric vehicles. OLEV will also be working with the Plugged-In Places, the Energy Technologies Institute and electric car manufacturers to ensure that drivers can easily use charging and payment technology, no matter which part of the country they happen to be in.

4. The £8.2m announced today for investment in 2010/2011 is from the low carbon element of the Strategic Investment Fund, which forms part of the up to £30m Plugged-In Places fund. A second round of Plugged-In Places funding will be held later this year. Consortia from the West Midlands, Cornwall, Sheffield, the Lake District, Greater Manchester and Northern Ireland have already confirmed their intention to bid for second round funding.

5. Payment of the 'Plug-in Car Grant' will be managed in a similar way to that made as part of the Government's successful 'scrappage' scheme. Offer of the 'Plug-in Car Grant' will be subject to notification of technical requirements to, and state aid approval from, the European Commission. Cars will be discounted at the point of purchase and subsidy claimed by the manufacturer, providing a simple, hassle-free process for the consumer. Subsidy will be 25% of the car's Recommended Retail Price, up to a value of £5,000.

6. Any car eligible for subsidy will have demonstrated compliance against safety and performance criteria. These criteria have been published today. These, and further information about the Plug-In Car Grant and Plugged-In Places are available from www.dft.gov.uk/olev.

7. Overall, the Government is investing over £450m to encourage the development, manufacture and use of next generation ultra-low carbon vehicles. Delivered by the Office for Low Emission Vehicles this support is being targeted to maximise the economic benefits for the UK and to cut carbon from UK road transport.

8. OLEV is a cross- Government team, bringing together existing policy and funding streams to drive and streamline policy delivery. It incorporates policies, people and funding from DfT, BIS and DECC.

9. The Government has already committed over £450 million of support to encourage development and uptake of low and ultra-low emission vehicles which includes:

- £230m plug-in car grant

- £30m plugged in places

- £140m RD&D support through the Technology Strategy Board (this includes the £25m ultra-low carbon vehicle demonstrator programme)

- £20m low carbon vehicle public procurement programme, which will rise to £50m if the first phase is successful.

- £30m Green Bus Fund

- Additional funding announced of £30m announced in the PBR for low carbon transport projects