

# Drive cleaner, drive cheaper



HM TREASURY

**dti**

Department of Trade and Industry



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Department for Environment  
Food and Rural Affairs

## Drive cleaner, drive cheaper

What car you drive and which fuel you use affects the environment, and the cost of motoring. By choosing cleaner cars and fuels you can **make a difference to the environment** and **save money**. You can even get a Government grant to help you buy a clean car, or convert your existing car to a cleaner fuel. This leaflet provides helpful information about cleaner cars and fuels to help you to make the right choices for you, and the environment.

### Cleaner cars

Cars bring great personal freedom, and for some journeys the car is the only sensible option. In recent years, excellent progress has been made in reducing the impact cars have on the environment and on human health. New cars today are cleaner than ever before, as a result of progressively tighter European emission standards (known as “Euro standards”). They are also getting more fuel efficient as a result of the voluntary agreements between the European Union and motor manufacturers. But there is still more that we can do to minimise their environmental impact. The good news for motorists is that there are steps they can take which will save them money as well as safeguarding the environment.



Toyota Prius – A hybrid car.

## Save on road tax

In 2001 the Government reformed the vehicle excise duty (VED) system – the annual road tax. Drivers of fuel efficient and low-carbon cars now pay less road tax than drivers of other cars. The new system is on a sliding scale and applies to cars first registered from March 2001. It is based on the car's CO<sub>2</sub> emission level and fuel type, and has six bands (see table below). For example, the road tax for an alternatively fuelled car in the lowest emission band is £55 a year. A car in the highest emission band pays £165. If your car was registered before March 2001 there are two emission bands. Cars with an engine capacity under 1550cc pay £110. This is £55 less than larger cars.

Although, diesel cars almost always have higher fuel efficiency than similarly sized petrol cars they tend to release more pollutants that affect local air quality. The road tax system recognises this, therefore diesel cars pay slightly more road tax than petrol cars with the same CO<sub>2</sub> emission level. For more information on road tax visit [www.dvla.gov.uk](http://www.dvla.gov.uk).

CO <sub>2</sub> Emission Figure (g/km)	AAA VED	AA VED	A VED	B VED	C VED	D VED
	Up to 100	101- 120	121- 150	151- 165	166- 185	Over 185
Alternative Fuel Car	£55	£65	£95	£115	£135	£155
Petrol Car	£65	£75	£105	£125	£145	£160
Diesel Car	£75	£85	£115	£135	£155	£165

## Save on company car tax

Since April 2002, the company car tax system has been based on CO<sub>2</sub> emissions. This allows company car drivers to save hundreds of pounds each year by choosing the most fuel efficient cars. The change also helps protect the environment by discouraging the use of cars that emit higher levels of CO<sub>2</sub>.

For information on these incentives – and company car tax generally – visit [www.inlandrevenue.gov.uk/cars](http://www.inlandrevenue.gov.uk/cars).

## Find out your car's CO<sub>2</sub> emissions

All new cars are labelled with their CO<sub>2</sub> emissions. This makes it easy to see how much road tax, or company car tax, you will pay.

For more information on the CO<sub>2</sub> emissions and running costs of different car models on sale in the UK visit [www.vca.gov.uk](http://www.vca.gov.uk). More information can also be obtained in the free Vehicle Certification Agency booklet, available from car dealerships.



Vauxhall Astra iMogen hybrid diesel demonstrator vehicle.

## We're moving to cleaner, greener fuels

The fuel you use makes a difference to the efficiency of your car, how much it pollutes and how much it costs to run. The UK has led the way in the introduction of cleaner fuels such as lead-free petrol and ultra low sulphur fuels. New environmentally friendly alternatives to conventional fuel are already on sale and have lower fuel duty tax due to their environmental benefits. These cleaner fuels include:



A hydrogen pump.



Trees from sustainable forests can be used to produce bioethanol.

- **'Biofuels'** – Made from natural materials, biofuels have less impact on the environment than other fuels. **Biodiesel** – with 20 pence per litre lower fuel duty – is now becoming more widely available as a 5 per cent blend with conventional diesel. It can be used just like ordinary diesel in all private or commercial vehicles – without adaptation, and under vehicle warranty. **Bioethanol** will soon have the same low duty as biodiesel.
- **Liquified petroleum gas (LPG or 'Autogas')** – Now readily available in the UK. LPG cars are 'dual fuel' and run on LPG or petrol. Eight car makers offer LPG models as a ready-to-drive option and conversions for other models are available.
- **Natural gas (NG)** – Mainly used for heavy goods vehicles and buses, NG has cleaner emissions and lower engine noise than conventional diesel fuel. NG is being used by a growing number of heavy fleet operators, including some national supermarket companies.

## Grants towards the cost of buying cleaner cars

To make it easier to buy cleaner fuel cars, you can apply for a grant through the Government's **PowerShift programme** which is run by the Energy Saving Trust (EST). Grants are available on all cars listed on the **PowerShift Register**. Grants are also available for PowerShift approved conversions to LPG or NG.

Cars that meet the top PowerShift standard are currently exempt from the London congestion charge. Local authorities have other special arrangements for clean cars, such as free parking.

The **PowerShift Register** is your guide to **clean fuel cars and conversions**. You can find out more on the PowerShift web site at **[www.powershift.org.uk](http://www.powershift.org.uk)** or call the EST's Transport Energy Hotline on 08456 021 425.



Honda Civic IMA – A hybrid car.

## Looking into the future

New vehicle and fuel technologies already offer cleaner and less polluting motoring. But this is only the start – vehicle and fuel technologies are changing fast.

The Government's **Powering Future Vehicles Strategy** sets out how the Government is promoting the development and take up of these vehicles and fuels in the UK. By 2012, the aim is for 10 per cent of new cars sold in the UK to be low CO<sub>2</sub> vehicles emitting 100 grams of CO<sub>2</sub> or less per kilometre. Free copies of the strategy are available from the Department for Transport at [www.roads.dft.gov.uk/cv/power](http://www.roads.dft.gov.uk/cv/power) or by phoning 0870 1226 236.

**Hybrid cars** are already available in the UK and have lower CO<sub>2</sub> emissions and better fuel economy by using a petrol or diesel engine with an electric motor. Hybrid cars will become increasingly widespread over the next few years as more manufacturers develop this technology.

Further into the future, the introduction of **hydrogen fuel cell technology** will offer the possibility of ultra-clean vehicles with virtually no tailpipe emissions. From 2004, three demonstration trial hydrogen buses will be in operation in London. The Government is providing support for these bus trials.

## Further information

Further information is available from the following sources:

### CO<sub>2</sub> emissions

- [www.vca.gov.uk](http://www.vca.gov.uk)
- [www.vcacarfueldata.org.uk](http://www.vcacarfueldata.org.uk)

### Cleaner fuels and technologies

- [www.transportenergy.org.uk](http://www.transportenergy.org.uk)

### Energy Saving Trust's

#### PowerShift programme

- [www.powershift.org.uk](http://www.powershift.org.uk)
- **EST's Transport Energy Hotline – 0845 6021425.**

### Powering Future Vehicles Strategy

- [www.roads.dft.gov.uk/cv/power/index](http://www.roads.dft.gov.uk/cv/power/index)

### Transport for London congestion charging scheme

- [www.cclondon.com](http://www.cclondon.com)

### Vehicle Excise Duty

- [www.dvla.gov.uk](http://www.dvla.gov.uk)
- [www.dvla.gov.uk/cars](http://www.dvla.gov.uk/cars)

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