



House of Commons
Transport Select Committee
inquiry
into
Motoring of the Future

Submission from:

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Bona-fides: BVRLA, the Industry and its Members

- The BVRLA is a trade body for companies engaged in the leasing and rental of cars and commercial vehicles. Its members provide short-term self-drive rental, leasing and fleet management services to corporate users and consumers. They offer a combined fleet of around 3.3 million cars, vans and trucks, buying 44% of all new vehicles sold in the UK.
- Through its members and their customers, the BVRLA represents the interests of more than two million business car drivers and 10 million people who use a rental vehicle each year. As well as informing the Government and policy makers on key issues affecting the sector, the BVRLA regulates the industry through a mandatory code of conduct.



The UK rental and leasing industry is responsible for the following¹:

- An annual contribution of £14.3 billion (£1 in every £90 of UK GDP), through its direct market operations and purchases of UK-made vehicles and engines
- £2.8 billion in tax revenue (2011) – equivalent to the salaries of 85,000 secondary school teachers, or 31,000 advanced nurses
- An annual purchase of 222,000 UK-made cars (estimated), which support a £2.4 billion contribution to UK GDP, 52,000 jobs and £810 million in tax receipts
- Retail activity totalling a £98 million contribution to GDP and £31 million in tax revenues from purchases of foreign-made vehicles from UK dealerships
- A likely contribution of £311 million contribution to GDP (plus the creation of 6,700 jobs and £87 million in tax receipts), from the sale of used de-fleeted vehicles
- A total of around 184,000 jobs or (1 in every 175 UK jobs), including the direct employment of 38,000 people, which in turn support 78,000 other jobs (more than two jobs elsewhere in the economy) including 60,000 UK manufacturing jobs

¹ Source: The Economic Impact of the Motor Vehicle Full-Service Leasing and Renting Sector (Oxford Economics, March 2013) at:
http://www.bvrla.co.uk/sites/default/files/documents/economic_impact_of_vehicle_rental_and_leasing.pdf



Executive Summary

The BVRLA welcomes the opportunity to contribute to the House of Commons Transport Select Committee inquiry into Motoring of the Future.

Motoring is changing. New technologies are entering the car market, replacing older technologies at a faster rate. Access to these new vehicle technologies is also increasing. For example, driving electric vehicles, such as the new Tesla model S would once have been out of financial reach for the average driver – yet this car can now be rented by the hour, day or week². Such initiatives can not only increase standards of road safety and environmental impact., but also that non-tangible factor which might only be described as the simple joy of driving, spreading the availability of driving as an enjoyable pastime (rather than – literally – a means to an end) to a greater number of people.

Driver behaviours and attitudes toward cars are also rapidly changing. In responding to changing economic circumstances, driving behaviours have fluctuated, with variations in the number of car journeys taken, and the length and distance of these journeys. While ownership of private cars has increased, figures from the Driver and Vehicle Licensing Agency (DVLA) show an increased reliance upon older vehicles (especially those six years and older), with registrations of new and nearly new cars only just picking up having been on a steady decline since 2007. At the same time, there appears to be an ongoing preference for people to use cars as and when required as opposed to taking up all the expense and responsibilities associated with vehicle ownership. This point is highlighted by a steady increase with the use of car rentals, and a significant growth in memberships and use of car clubs – a growth which is projected to rise by a further 75% by the year 2020.

As well as offering a valuable insight into the mind of the modern driver, such trends provide an opportunity for Government to develop a clear and comprehensive strategy for motoring in the 21st Century, to guide future policy making. In developing this, a “joined-up” strategy, with input from and consistency in policy messages across all interested Government departments, is required to prevent against inconsistencies of messages to vehicle owners – particularly in the treatment of environmentally unfriendly forms of motoring, and the tax treatment of high emission cars.

² Source: Evision website, at: <http://evdrive.co.uk/vehicles/>



In addressing these issues, we would however caution the Government against any attempt to “pick winners”, something which is neither in its gift, and which can risk distorting the true market. Government should be focused on policy outcomes, and let the market decide the best way to address and deliver these. The legacy of the Government’s original subsidisation, then withdrawal of support, for liquefied petroleum gas (LPG) vehicles provides a cautionary tale against such attempts to pick and promote what it may see as new, revolutionary products over the support which can be drawn from the market itself. The resulting loss of confidence in this technology had a devastating impact with millions in investment capital lost and the virtual disappearance of this product from the UK market.

Where the Government can lead on is less in the funding of new technologies, and more in the regulation of new motoring products, especially in the expanding field of car data systems. Development of a common set of data standards and metrics is of vital importance in protecting consumer choice. These standards should be enshrined in legislation, and used as the basis of future negotiation with the European Commission throughout its ongoing review of the legal framework governing data protection. Also worth consideration is the current powers of the Information Commissioner in safeguarding personal or commercially sensitive information, and ensuring the free and open access of other data. If required, the Government should consider awarding additional powers to the Information Commissioner in order to meet data-related challenges through guidance and regulation.

Given the extent of new technologies and the speed of their entrances into the market, the Committee’s inquiry into Motoring for the Future is a timely one. The BVRLA encloses its submission which it is hoped will provide valuable insight from the vehicle rental and leasing sector, and guidance in addressing some of the legislative challenges presented to Government by such developments. We are glad to support the Select Committee in its inquiry, and would welcome the opportunity to offer any additional advice or guidance as required in how to address these challenges.

Summary of recommendations

In order to address the issues identified throughout this paper, the BVRLA recommend the following:

1. Incentivising drivers to give up older cars in favour of cleaner alternatives

Figures demonstrating the fall in car mileage in London, combined with an increasing reliance on public transport, suggest that congestion is easing. However, the expected benefit of a lowering in CO2 emissions and rise in air quality is likely to be nullified by the ongoing increase in the rates of ownership of older, more polluting, cars. This trend could be arrested by providing incentives for drivers to give up their older more polluting cars – these incentives could either take the form of cash incentives, access to a pre-agreed number of car rental days.

2. Green Lanes

In areas of high congestion and low air quality, both Government and local Councils should be encouraged to consider introducing Green Lanes, which can be used by low emission vehicles. This could be incorporated as part of a future Ultra Low Emissions Zone, such as that currently being considered for London. As rental and leased cars are typically the cleanest and greenest on UK roads, this would be supported by the industry through an affordable and accessible offering to motorists.

3. New legislation to regulate vehicle data

While car data collection and access is already subject to existing legislation such as the Data Protection Act 1998 and the EU Data Protection Directive (which among other effects, prevents personal data being exported outside of the European Economic Area without the permission of the subject of that data), further government legislation is required.

4. Common Data Standards and Interoperability

The Government must develop and implement a set of common data standards and metrics that will enable information to be compared and used across different platforms, and to which equipment manufacturers must comply. These standards should be enshrined in legislation, and championed throughout the ongoing European Commission review process and beyond. This will in turn ensure that such data can be also be utilised by motoring agencies to continue to develop further vehicle data innovations.



5. Data Protection Compliance

The role of the Information Commissioner is an important one in ensuring that certain forms of data remains open, and personal or commercially sensitive data is kept restricted. The Government should consider whether the Commissioner's existing powers are sufficient in safeguarding these, or whether additional powers should be awarded. The Information Commissioner should investigate the current rules regulating fleet and driver information with a view to improving consumer confidence by a further issuing of guidance.

6. Open access for the aftermarket

The Information Commissioner must ensure the rights of drivers to access data in an unmonitored way are maintained, without having to go through the vehicle manufacturer. For example, the aftermarket must be protected by allowing second-hand car buyers equal access, equal information and equal timescales as the new car market.

7. A comprehensive motoring review and strategy

To address motoring issues (including the above), the BVRLA believes that a full root-and-branch review of motoring is required, which should inform a new strategy for motoring. This strategy must be cross-departmental for the sake of consistency in the Government's messages on motoring policy.

8. Road safety testing

The Government should address current road and vehicle testing to ensure safety standards that will have a tangible impact on current levels of road accidents and collisions.

9. MOT alerts

DfT to send automated texts or emails to remind car owners when their MOT is becoming due.

10. Audit of current mileage standards of Government-supported fleet

Investigate current policy and regulation of AMAPs, and the potential impact these have on CO2 emissions standards and local air quality. As part of this process, the Government should consider a full audit of local government corporate car schemes, including levels of reimbursement, emissions and road safety. The results of this audit should inform further guidance for local Councils on their own transport schemes.

Current trends and implications of motoring and vehicle ownership

Over the past five to ten years there have been several notable shifts in driver behaviours which indicate a series of ongoing changes in how cars are viewed and operated. These changes – which have been recorded by several papers, such as the RAC Foundation’s 2013 report *On the Move*³ – can offer valuable insight for Government to consider when developing transport policy in areas such as the building and maintenance of roads, and areas to incentivise industry in the research and development of new vehicle technology, especially where this can have a positive impact on road safety and the environment. Papers such as that named above have highlighted the following themes:

Annual car usage

While annual car mileage across the UK has remained roughly constant between 1995 and 2005 (with an average mileage of around 3,600 car miles per driver per year), in London this has dropped dramatically from 2,200 to around 1,900 miles⁴. Observing the gender breakdown in average annual mileage between 1995/7 and 2005/7, average car driver mileage per adult male decreased by 705 miles to 6,147⁵. However, average car driver mileage per adult female increased by 544 miles to 3,025⁶. Overall, there has been a continuous decrease in the number of car journeys per person, as well as the distance and journey time of these car journeys. Since 2005, the number of car journeys per person per year decreased by a factor of 8, with the distance travelled decreasing by the same factor. The average journey distance also fell by a factor of 6⁷. This may be explained by the increase in usage of other forms of transport. The RAC report highlights that transport by bus, rail and other forms of rail transport (such as tram or London Underground) has increased by factors of 79, 42 and 59 respectively⁸.

³ RAC Foundation *On The Move* report at: <http://www.racfoundation.org/research/mobility/on-the-move-main-research-page>

⁴ RAC Foundation, Figure 3.32 at p. 54

⁵ RAC Foundation, Figure 4.1 at p. 66

⁶ The report makes clear that this growth in female car mileage per adult is less than the drop in male mileage; what is preventing this from leading to an overall drop in car mileage per capita is the increase in the proportion of adults in the population (up from 79% in 1995/7 to 81% in 2005/7), which pushes up average mileage values on a per-capita basis.

⁷ RAC Foundation, at p. 15

⁸ RAC Foundation, Figure 2.2 at p. 13

The report also highlights geographical trends in terms of the total population in each region who reported driving a car during their diary week. In 1995/7 this varied from a low of 32% in the North East region to a high of 54% in the South East. Over the next ten years the proportion of car drivers increased in every region except Greater London and the East Midlands. The fastest growth in the proportion of car drivers was in the North East (up by 41%), Yorkshire & Humberside (14%), Wales (11%), the North West & Merseyside (10%), the South West (10%) and Scotland (9%). Possibly as a result of this increase, there has also been a steady rise in the growth rates of car traffic across most UK regions between 1993 and 2008. However, the exceptions to this trend were the North East, where growth rates in car traffic began to stabilise in 1999, and London, which has seen a steady decrease also since 1999⁹. These trends are consistent with figures from the Department for Transport which show that all regions experienced gradual decreases in the total annual miles travelled¹⁰ from 2008, with small increases in the previous two years. The one exception to this trend is London, where again there has been a consistent decrease in annual mileage, with a particularly sharp drop from 2008.

Car ownership v. car sharing

In the space of ten years, car driving mileage has fallen drastically in both company and privately owned cars, from 20,460 average miles per person per year in 1995/7 to 15,909 in 2005/7 for those driving company cars (though this includes private mileage), and from 7,228 to 6,868 for drivers of private cars¹¹. This has seen a particularly steep drop in the case of London-based drivers¹². There has also been a change in the levels of car ownership. In the case of people using a company car, there has been a drop from 29 per 1,000 people in 1995/7 to 23 per 1,000 in 2005/7. However in the same timeframe, private car ownership has increased from 390 to 458 per 1,000¹³.

⁹ RAC Foundation, Figure 3.35, at p.57

¹⁰ Source: Travel volume – miles, produced by the Department for Transport, Table TRA0206, at <https://www.gov.uk/government/statistical-data-sets/tra01-traffic-by-road-class-and-region-miles>

¹¹ RAC Foundation, Table 3.4, at p.42

¹² RAC Foundation, Figure 3.28, at p.47

¹³ RAC Foundation, Table 3.3, at p.39



Figures from the DVLA confirm this apparent trend, with registrations of new cars (those aged 0-1 year old) on a steady decrease since 2007, and only beginning to rise again in 2013¹⁴. This has apparently had a similar effect on cars aged 1-2, 2-3 and 3-4 years, all of which have seen gradual decreases in the numbers of vehicles re-registered until 2013, with small rises in that year. The same timescale has also seen an increased reliance upon older vehicles, with re-registrations of cars aged 6-13 and 13+ years both seeing continuous rises, though in both cases this trend began far earlier, in 2002 and 1996 respectively. This would appear to indicate that the expense of purchasing a new car – particularly during from the 2008 recession – forced down the sale and registration of new cars, with a preference for people to hold on to existing, or purchase older, second-hand vehicles.

In contrast, membership and usage of car clubs across the UK¹⁵ has seen a continuous rise over the past five years. In London alone¹⁶, membership of car clubs have grown to 137,000 (using around 2,230 cars), with membership outside of London growing to 20,400 using approximately 570 cars across the remainder of England and Wales. This trend is likely to continue according to the economic analysis firm Frost & Sullivan, which calculates a 75% increase in the number of car club vehicles, and a 78.61% increase in membership. Taking car club membership as a percentage of total UK drivers (i.e. those who hold a UK driving licence), Frost & Sullivan calculate that the current 3.3% of UK driving licence holders are members of a car club will rise to 14.9% in 2020.

This trend of using cars when required (as opposed to owning outright) is also reinforced by the BVRLA's own data for vehicle rental. According to its Rental Customer Survey¹⁷, over a third of respondents who rented a car in 2012 did not own a car in their household, compared to a national 9% average of households with a full car licence holder who do not own a car. 26% of renters also said that the availability of car rental made them less likely to buy a household car in the next few years, with a further 15-24% of renters explicitly said that the opportunity to rent had meant that they had bought a vehicle later or owned fewer vehicles than they otherwise would have done.

¹⁴ Source: Vehicle Statistics, produced by the Department for Transport, Table VEH0207, at <https://www.gov.uk/government/statistical-data-sets/veh02-licensed-cars>

¹⁵ Source: Car Plus annual survey of car clubs 2014, at: <http://www.carplus.org.uk/resources/annual-survey-of-car-clubs/>

¹⁶ London is the largest car sharing city in Europe and the second largest in the world behind New York.

¹⁷ BVRLA Rental Customer Survey (2012) at: http://www.trl.co.uk/online_store/reports_publications/trl_reports/cat_traffic_and_transport_planning/report_rental_customer_survey_2012.htm



This projected rise in car sharing over car ownership presents an opportunity to Government in the UK. In allowing members of such clubs to use a car when required (as opposed to owning a vehicle outright), car clubs and car rental can make an important contribution to the reduction carbon and other emission levels, improving air quality and reducing private car dependency as part of a broad range of sustainable transport measures. This will also assist in de-fleeting of older, more polluting vehicles in favour of newer models with higher safety and environmental standards. In rural areas, car clubs and car rental can help to build rural resilience, improve access to job opportunities and help support local businesses by providing alternatives to the purchase of vehicles.

Recommendations

Given the available evidence on driving trends, the BVRLA believe that the Government should use this in the development of road transport policy – for example, informing on priority areas for building and maintaining roads where car use – not just ownership – is increasing. Based upon these trends, the BVRLA also provide propose the following:

1. Access to car rental and car clubs

Figures demonstrating the fall in car mileage in London, combined with an increasing reliance on public transport, suggest that congestion is easing. However, the expected benefit of a lowering in CO2 emissions and rise in air quality is likely to be nullified by the ongoing increase in the rates of ownership of older, more polluting, cars. This trend could be arrested by providing incentives for drivers to give up their older more polluting cars – these incentives could either take the form of cash incentives, such as that proposed by Mayor Boris Johnson, or drivers could be given access to a pre-agreed number of car rental days.

2. Green Lanes

In areas of high congestion and low air quality, both Government and local Councils should be encouraged to consider introducing Green Lanes, which can be used by low emission vehicles. This could be incorporated as part of a future Ultra Low Emissions Zone, such as that currently being considered by the office of the Mayor of London. Since rental and leased cars are typically the cleanest and greenest on UK roads, this would be supported by the industry through an affordable and accessible offering to motorists.

Vehicle data

The use and storage of data has become one of the most important issues facing global business. Business models within the fleet and automotive industries are likely to be re-shaped by the magnitude of customer, driver and vehicle data beginning to emerge in coming years. This data will come in an incredible volume, variety and velocity, and will need to be stored, processed and analysed within both existing and future regulations. While the new data systems offer great benefits for both industry and consumer, this will also present significant new challenges in the control and storage of personal and/or commercially sensitive information¹⁸. In recognising these challenges, there is a perception that while vehicle manufacturers have introduced the use of data collection and storage systems around twenty years later than other industries, this delay has not resulted in adequate preparatory legislation by Government to regulate the collection, access and use of this data.

What data can be collected from vehicles?

Vehicle black boxes, similar to those fitted in aeroplanes and other forms of transport, are already being fitted in motor vehicles, and are capable of collecting several forms of driver and vehicle data. This data can include details of a vehicle's fuel efficiency, which can assist organisations and individuals reduce unnecessary vehicle journeys, and ensure that all journeys are selected on the most cost- and time-efficient basis. The availability of such technology will also improve the selection of the most cost-efficient vehicle to operate and in doing so will provide an optimum performance for individual business journeys. This data can also potentially inform government in its policy making on issues such as road congestion, reducing CO2 emissions and the development of appropriate forms and levels of the taxation of motor vehicles.

Vehicle component sensors are also capable of measuring levels of wear and tear of individual components, and enabling remote diagnostics and preventative alerts. In helping operators to monitor vehicles throughout ownership, this will ensure that the car's safety standards continue to be maintained, thereby directly helping to reduce the risk of road accidents and casualties. There can also

¹⁸ The impact of new data, including financial benefits for business and industry, is addressed more fully in the BVRLA's Fleet Technology White Paper (2014), at: http://www.bvrla.co.uk/sites/default/files/u43/fleet_tech_congress_white_paper.pdf

be advantages in terms of the aftermarket – at present, service history is less of an issue for one-owner company cars, than for older models, as all major fleets have their cars serviced on schedule. However, a service history that could show that the car had never been abused in terms of driving style or excessive wear would be a clear differentiator for aftermarket customers.

Vehicle data systems can also register data relating to the driver's own style and performance, for example, the driver's adherence to speed restrictions and other road safety laws – which raises its own questions concerning who has the right to access this data. In addition, data can demonstrate the location of the vehicle at any given time. This can have major advantages – for example, the proposed eCall system will automatically contact the closest emergency centre if the (eCall-equipped) vehicle is involved in a crash. Even if none of the vehicle passengers are able to speak, the vehicle will send a “Minimum Set of Data”, including the exact location of the vehicle, which can enable emergency services to reach the site of the accident. This can be especially important if the accident has taken place in a remote location (according the European Commission, eCall reduces emergency services' response time by 50% in rural areas, and 60% in built-up areas¹⁹). Such systems can also provide a preventative tool against car theft by providing a swift means of tracking vehicles that have been stolen, even while the criminals are still in possession of the vehicle. This could also potentially provide an additional deterrence against would-be car thieves, and enhancing vehicle security.

However, vehicle tracking devices (such as those employed in the eCall system) effectively means that a vehicle is completely traceable all of the time. Not only does this raise questions of privacy, but also data security – as car companies could potentially hold a significant amount of personal data²⁰ on their customers via connected cars, this brings with it the risk of this data being hacked or used for unauthorised purposes. This is acknowledged by industry – for example, at Daimler's 2014 annual shareholders meeting, Chief Executive, Dieter Zetsche, commented that the company was acutely aware of the potential issues and was investing heavily in security systems to protect against such hacks.

¹⁹ Source: European Commission, eCall Digital Strategy, at: <http://ec.europa.eu/digital-agenda/en/ecall-time-saved-lives-saved>

²⁰ Personal data is defined by the Data Protection Act 1998 as information which concerns living individuals. However, if data is anonymised and the subject can no longer be identified, it is no longer personal data and therefore not subject to this legislation.

The expansion in the use of data could also create further challenges to be addressed, particularly in the light of the recent European case which set the precedent of a person's right for data to be deleted (the so-called right to be "forgotten")²¹. For example, when a vehicle is sold there is the question as to whether driver data could and should be wiped before transferring ownership. There is also the question as to how the driver can consent to driving data being collected and accessed by manufacturers, and whether this consent would need to be provided prior to each journey undertaken. While the European Commission is currently in the process of a review of the legal framework governing data protection, this is an area in which the UK should consider its position from the perspective of both industry and the ordinary driver, in order to make the case in Brussels.

Who does the data belong to?

As the potential commercial value of automotive data rises, the questions of who owns it will become more important. Vehicle manufacturers have an obvious interest in keeping hold of the information generated by the cars they produced. It is the result of massive investment in R&D, and any potential revenue stream is interesting to an industry with perennially low margins. This is especially considerable when the financial benefits of data connected vehicles are observed more fully:

- According to technology company Cisco, connected vehicles could deliver added value equivalent to £840 per vehicle, per year
- Fleet owner – £330 from better fuel economy, lower insurance rates and less time in traffic
- Societal – £250 from better traffic management and increasing road capacity, fewer crashes and lower emissions
- Service Providers – £90 from providing traffic guidance, navigation, parking and other services
- Vehicle Manufacturers – £180 in savings from lower warranty costs, profits from apps, etc.

Many manufacturers see the development of telematics-based Vehicle Relationship Management (VRM) as a virtuous circle that enables them to provide owners with free remote diagnostics and preventative alerts, thus enhancing brand loyalty. By extending the customer relationship beyond the point of sale, they can promote the services of their aftermarket network and help their dealerships

²¹ In the case of the "right to be forgotten", the European Court made clear that this applied only to data which is inaccurate, inadequate, irrelevant or excessive. A fuller explanation of the ruling is available here: http://ec.europa.eu/justice/data-protection/files/factsheets/factsheet_data_protection_en.pdf



take a more proactive approach to marketing – an approach similar to the provision of apps for a mobile phone. However, this approach also raises questions concerning the resulting restrictions in access to the vehicle data which is in the possession of original equipment manufacturers (OEMs). To proceed with this approach would have an impact on consumers’ freedom of choice to have their vehicles repaired or serviced by garages or dealers other than those connected or franchised to the OEM. Such acts could be regarded as potentially anti-competitive behaviour in violation of the European Block Exemption Regulation (BER), as well as the Government’s own recent guidance on general block exemptions²².

Partly due to scenarios such as those described, the final stakeholder – the driver himself – is naturally concerned about the privacy of personal data. Drivers’ privacy concerns are two-fold – the security of their data against the outside world (which is where anti-hacking measures are vital), and the use of data within the organisation. Fleets wanting to use driver data need to get their support and consider several legal issues such as employee contracts, data protection and even human rights legislation.

Despite such concerns, the reality is that the increasing proliferation of such third-party apps aimed at drivers and fleet managers are likely to mean that all stakeholders will have to relinquish some control over their data. As more vehicles are built with open systems and Facebook, Twitter and their automotive equivalents appear, it will become increasingly difficult to keep track of every piece of information. Yet there are potential advantages for the driver too – for example, transmitters fitted in data connected cars will be able alert other drivers of traffic or accidents up ahead, helping to reduce congestion and ensuring that emergency services can reach the scene more quickly. Less dramatically, drivers, manufacturers and vehicle owners may have the opportunity to market their driving data as part of in-vehicle location-based marketing initiatives. Fast food chains, department stores and car parks are some of the many potential advertisers that would be willing to pay handsomely (in cash or with vouchers, for example) in return for being allowed to pop-up on an in-car navigation screen.

²² Department for Business, Innovation and Skills; General Block Exemption Guidance, July 2014; at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325465/bis-14-943-state-aid-general-block-exemption-guidance.pdf

Recommendations

While car data collection and access is already subject to existing legislation such as the Data Protection Act 1998 and the EU Data Protection Directive (which among other effects, prevents personal data being exported outside of the European Economic Area without the permission of the subject of that data), further government legislation is required. The BVRLA offer the following recommendations for the Committee's consideration as part of addressing the main challenges presented by the expansion of data in motoring:

1. Common Data Standards and Interoperability

The Government must develop and implement a set of common data standards and metrics that will enable information to be compared and used across different platforms, and to which equipment manufacturers must comply. These standards should be enshrined in legislation, and championed throughout the ongoing European Commission review process and beyond. This will in turn ensure that such data can also be utilised by motoring agencies to continue to develop further vehicle data innovations.

2. Data Protection Compliance

The role of the Information Commissioner is an important one in ensuring that certain forms of data remains open, and personal or commercially sensitive data is kept restricted. The Government should therefore consider whether the Commissioner's existing powers are sufficient in safeguarding these, or whether additional powers should be awarded. The Information Commissioner should investigate the current rules regulating fleet and driver information with a view to improving consumer confidence by a further issuing of guidance.

3. Open access for the aftermarket

The Information Commissioner must ensure the rights of drivers to access data in an unmonitored way are maintained, without having to go through the vehicle manufacturer. For example, the aftermarket must be protected by allowing second-hand car buyers equal access, equal information and equal timescales as the new car market.



A clear and coherent Government motoring strategy

A clear and comprehensive Government strategy for motoring is required. While the Department for Transport is the obvious policy lead in this area, it has yet to publish such a strategy. There are also clear interests on the part of other government departments in the development and impact of UK road transport policy, including the Department for Business, Innovation and Skills (BIS) in stimulating and supporting the research and development of UK-manufactured cars; the Department for Energy and Climate Change (DECC) in supporting take-up of lower emissions vehicles; and the Department for Communities and Local Government (DCLG), in encouraging and assisting in the implementation of a fair and coherent parking policy. What is required therefore is “joined-up” government in developing an overall Government strategy for motoring, yet this has not been forthcoming in the following areas:

Green cars, green driving

There is currently a lack of definition of what the Government considers a green car, or even whether it is carbon emissions or impact on overall air quality which is the key indicator. There is also the potential for irregularity in environmental standards across other initiatives. For example, London is currently considering the introduction of an Ultra-Low Emissions Zone (ULEZ), probably across the same area as the existing Congestion Charge Zone. While exact charges and standards are still under discussion, the proposed charge to be levied is likely to be applied on petrol vehicles which do not meet Euro Standard IV/4, and diesel vehicles which do not meet Euro Standard VI/6. It is also understood that other cities including Birmingham and Manchester are considering introducing similar ULEZs, or LEZs. In the absence of central government guidance, there remains the potential for irregular standards being set between cities (possibly for reasons of different goals, for example, either a decrease in CO₂ emissions, or an overall increase in air quality). While this is an issue which may be considered at municipal level, it is also one which can benefit from guidance from Defra, possibly in the form of a set of recommendations for local government policy.

AMAPs

Similarly, the current lack of regulation of Authorised Mileage Allowance Payments (AMAPs)²³, particularly in the public sector, provides a disincentive for drivers to use lower emission vehicles and a further inconsistency with the Government's green agenda. According to estimates by the Family Resources Survey²⁴, there were 2.5 million claimants of AMAPs in 2011/12, though the increase of the payment rate of AMAPs from 40p to 45p per mile in the 2011 Budget has led to a greater reliance on the grey fleet²⁵. This amounts to a further incentive for employees to use older, less fuel efficient and environmentally friendly vehicles, instead of more appropriate methods of travel such as public transport, or rental or leased vehicles.

According to research carried out by the Energy Saving Trust (EST), grey fleet mileage is generally higher in the public sector. In large organisations (e.g. county councils) there can be thousands of claimants. The EST looked at 70 organisations (33 of which were in the public sector), and found that the average grey fleet mileage was 1.1 million miles. This is spread across the following range:

Mileage range	Number of organisations
0 - 100,000	27
100,000-500,000	18
500,000-1,000,000	7
1,000,000-2,000,000	4
2,000,000-5,000,000	8
above 5,000,000	6

The EST has also reported that in many cases, reimbursement is higher than the national AMAP rate for lower mileage claims. This is especially true in the public sector, with NHS employees often being

²³ AMAPs are tax-free mileage allowances which are paid to employees using their own vehicles for work (the grey fleet). At present, employees can be paid 45p per mile.

²⁴ Source: Department for Work and Pensions; Family Resources Survey, at <https://www.gov.uk/government/collections/family-resources-survey--2>

²⁵ The grey fleet includes vehicles which are owned by employees but whose use includes work-related journeys.



reimbursed at 50p per mile up to 3,500 miles, with rates being considerably lower after this point²⁶. Similarly, employees of the National Joint Council are offered a higher rate up to 8,500 miles.

For these reasons, the BVRLA believes that unlike company car schemes (as well as the use of rental and lease vehicles), AMAP payments do not reward lower emissions – actually providing a financial disincentive to using the cleanest and greenest forms of car travel available. This is inconsistent with the Government’s narrative on promoting cleaner, greener technology and should be addressed.

Road Safety

The BVRLA perceives a conflict in the evidence concerning, and the actions taken to address, road safety. Currently, MOT testing of cars does not test on areas which will necessarily impact on accidents or road deaths, the KSI (“killed or seriously injured”) criteria. For example, a car can currently fail an MOT due to a faulty light bulb over the number plate, yet vehicles can now easily be tracked using cameras and other technologies. Testing should therefore focus on areas which are likely to reduce road accidents and casualties and should be modernised to incorporate the new and emerging vehicle safety technology.

There is also a role for central government to play a role in addressing road safety through vehicle maintenance. For example, while the DVLA currently send a written reminder to drivers in the month of car tax becoming due, no reminder is sent regarding the upcoming renewal date of an MOT. Modern technology allows for this to be carried out easily, inexpensively and automatically – for example, through an automated text or email being sent on behalf of the DVSA to the registered driver. Alternatively, drivers could be alerted to an MOT becoming due an alert from the car itself, similar to existing annual service reminders which are already a feature for many current vehicles.

There could also be more immediate safety benefits of this data technology. If the vehicle data indicated to the manufacturer that the vehicle had a serious or long standing fault, the driver could be contacted to either fix or recall the vehicle. This could either be sent via existing communication systems, or via an alert in the car itself, warning of the issue and requirement for the vehicle recall.

²⁶ Often, higher amounts of mileage paid at a lower rate will cancel out the increased payments – though as the data table provided demonstrates, the majority of organisations are at the lower end of mileage.

Recommendations

To address motoring issues (including the above), the BVRLA believes that a full root-and-branch review of motoring is required, which should inform a new strategy for motoring. This strategy must be cross-departmental for the sake of consistency in the Government's messages on motoring policy.

The following are also recommended:

1. Road safety testing

The Government should address current road and vehicle testing to ensure safety standards that will have a tangible impact on current levels of road accidents and collisions.

2. MOT alerts

Consideration of an automated text or email system to remind car owners when their MOT is becoming due.

3. Audit of current mileage standards of Government-supported fleet

Investigate current policy and regulation of AMAPs, and the potential impact these have on CO2 emissions standards and local air quality. As part of this process, the Government should consider a full audit of local government corporate car schemes, including levels of reimbursement, emissions and road safety. The results of this audit should inform further guidance for local Councils on their own transport schemes.



Closing comments

The BVRLA welcomes the opportunity to provide its experience, and that of its members, and hope that this submission is beneficial to the Select Committee in considering its inquiry and making appropriate recommendations to the Government. We would be happy to provide any additional information, or present our views to relevant officials, if desired.