



Consultation Document

**Proposed changes to the London Congestion Charge
Scheme**

Response from:

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Response to Transport for London

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Executive Summary

The BVRLA welcomes the opportunity to comment on Transport for London's (TfL) proposals on the changes to the London Congestion Charge Scheme (LCCS).

As a key stakeholder, we are pleased to have been fully engaged with supporting and helping TfL to shape and develop the LCCS to date. It is on this basis that we would like to take this opportunity to highlight to both the Mayor of London and TfL some of the key changes which we believe would assist in the efficient management and operation of the LCCS and how this could, if implemented, lead to an overall cost saving to both TfL and users of the scheme.

To support the Mayor's environmental objectives which are underpinned through the use of cleaner and greener road transport in London, we would encourage the Mayor, as part of the wider policy mix, to consider the benefits of supporting and promoting the use of ultra-green rental vehicles. Research carried by Transport Research Laboratory (TRL), shows that average rental car emissions are 12% lower than the overall UK car fleet and that rental enables circa 35% of customers to avoid the need to own a car and maintain a more sustainable, multi-modal lifestyle. It is on this basis that we call on the Mayor and TfL to consider an exemption for car rental.

In our response, we outline a number of options for TfL to consider with regards to changes towards fleet users, which if implemented will deliver cost savings for TfL and fleet users through development of efficient operational processes. This includes the ability for fines to be received electronically.

We, in principle, support the following changes proposed by TfL:-

- Ultra Low Emission Discount (ULED) to replace the Greener and Electric Vehicle Discounts (GEVD)
- Removing the option to pay the charge in shops and petrol stations.

ULED – we are very supportive of the introduction of a ULED as we agree it will encourage operation of greener vehicles and it is a sound policy move to ensure the discounts given are technology neutral.

It is also pleasing to note that TfL has listened to our calls for Light Commercial Vehicles (LCVs) to be included in any future green incentives given that the operation of greener LCVs will make a substantial and positive overall environmental impact.



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We would however encourage TfL to consider a controlled and managed cessation of the current greener and electric vehicle discounts to help ensure that there is stability and certainty for early adopters of new and expensive green technology who otherwise may regret their original decision and be wary of being further penalised in the future. It is on this basis that we would ask that TfL extends the planned sunset clause so that the current GVD are available to both existing registered discount holders, but also to any new keepers until 26 June 2015. This will help instil confidence, certainty and stability for those early adopters who have chosen to invest in this new technology.

We do not support the proposed increase in the penalty charge. This increase will only perpetuate the problems our members face in not being able to transfer liability where the hire or lease agreement is more than six months in duration. Their inability to transfer the liability in relation to the PCN will often mean they have to either absorb the cost or if their contracts permit they will try to recover the costs from the customer. However, this not only has a direct cost and cash-flow impact on our members, but paying the fine means that the vehicle users rights of appeal are removed or that the offender may go unpunished. We therefore call on TfL to lend their support to a legislative amendment to the road user charging regulations to allow our members to transfer fines to the customer where the agreement is more than six months in duration.

We do not have any objection for the option to pay the charge in shops and petrol stations to be removed and understand that this will help reduce the cost TfL pay per payment transaction through this sales channel and that it is an underutilised service with only 6% of charges paid this way.

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Specific Comments

Exemption for vehicle rental

As one of the key aims of the congestion charging scheme is to encourage the reduction of vehicles being used in the congestion charge zone we believe that vehicle rental helps play a key role in this.

The BVRLA has conducted extensive research with the Transport Research Laboratory (TRL) on why people choose to rent a vehicle and what impact this has on their transport behaviour. The preliminary key findings of this research were:

- Rental enables circa 35% of renters to not own a car and maintain a more sustainable, multi-modal lifestyle
- In addition a further 35% of customers say it enables them to own fewer vehicles, own smaller ones and drive less.
- On average, rental customers have more sustainable travel habits than the general populations
- Average rental car emissions are 12% lower than overall UK car fleet
- Rental provides a key link to other forms of transport as 36% of customers pick up their vehicle from a transport location e.g airport, train station etc.

These findings help to demonstrate the important and supporting role vehicle rental plays within the sustainable modal shift, by improve the environment and reducing congestion. It is on this basis that we believe the Mayor should carefully consider our call for vehicle rental to be made exempt for the LCCS.

By exempting vehicle rental the Mayor will be showing his support for sustainable travel habits and helping to further reduce car ownership and congestion in London. More people will use public transport instead of their cars and only use a car when it is absolutely necessary.

We have also co-authored a report with the RAC Foundation “Car Rental 2.0 New alternatives to car ownership¹”, this report looks at the role local authorities can play in supporting alternative forms of car access through various policies. This includes:

- Subsidies for pay-as-you-go car use schemes, for example through the Local Sustainable Transport Fund.

¹ [RAC Foundation](#)



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- Forming partnerships between car club and rental companies and local authorities.
- Providing discounted parking spaces, particularly at locations that link up various modes of transport, for example bus and rail stations.
- Allowing car clubs and rental companies to tap into systems, such as London's Oyster card.

We hope these policies can be considered as part of TfL's wider objectives to develop London as a green city.

Ultra Low Emission Discount

ULED – we are very supportive of the introduction of a ULED as we agree it will encourage operation of greener vehicles and it is a sound policy move to ensure the discounts given are technology neutral.

It is also pleasing to note that TfL has listened to our calls for Light Commercial Vehicles (LCVs) to be included in any future green incentives given that the operation of greener LCVs will make a substantial and positive environmental impact.

We would however encourage TfL to consider a controlled and managed cessation of the current greener and electric vehicle discounts to help ensure that there is stability and certainty for early adopters of new and expensive green technology who otherwise may regret their original decision and be wary of being further penalised in the future. It is on this basis that we would ask that TfL extends the planned sunset clause so that the current GVD are available to both existing registered discount holders, but also to any new keepers until 26 June 2015. This will help instil confidence, certainty and stability for those early adopters who have chosen to invest in this new technology.

E-notification of fines

We understand from discussions with TfL that the contract for running the system for the London congestion charge is being put out to tender. We would welcome the opportunity for consideration to be given to a solution which would notify a business electronically of the existence of a penalty charge. The current process for issuing a penalty charge involves:

- TfL posting a penalty charge to the rental company
- The rental company responding with a pack of evidence to identify the customer
- TfL posting a new penalty charge to the customer



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The current process is administratively burdensome, relies on documents not getting lost in the post and a duplication of information. A simple solution would be for TfL to identify from the data file any rental companies and send them an e-notification of the vehicle registration mark, date and time when an offence was committed and the rental company could then send the e-notification back to TfL with details of how to contact the customer.

If the customer disputed the penalty charge further evidence could be provided to show the vehicle was on hire or lease at the time.

This simple process would ensure penalty charge revenue is collected in a much more efficient manner and the cost of the process would be reduced significantly for both TfL and rental companies. We believe the cost savings for TfL would be significant and would be more than happy to work closely with TfL to help develop a cost benefit analysis for this proposal.

Legislative defect

We would welcome Transport for London's support on an amendment to the Road User Charging Regulations that we have long been seeking. The amendment required will allow leasing companies whose agreements are longer than six months in duration to transfer fines to the customer.

Administration of discounts

We also would like to take this opportunity to highlight a concern with the evidence requirements for the 100% discounts for the congestion charge scheme. These discounts require the person registering the vehicle to provide a copy of the vehicle registration document to register and renew a discount.

For a business this is a burdensome approach as the vehicle registration document is often in secure storage or registered to a rental or leasing company. In addition, the DVLA are looking at proposals as part of the Government's red tape challenge for fleet customers to no longer receive a paper version of the vehicle registration document.

As an alternative we would encourage TfL to consider a DVLA look-up facility to verify any information required from the vehicle registration document. This will help TfL with more timely and cost effective processing of discount applications and renewals.



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Option to pay in shops

We support the proposal to reduce TfL's operating costs by removing the ability to pay for the congestion charge in shops and petrol stations given the reduction in usage of this channel.

Penalty charge increase

We are unable to support any penalty charge increase which will impact our members. As there is still a legislative defect in the Road User Charing regulations which prevents our members whose agreements are more than six months in duration from transferring liability for the charge to their customer.

Our members are sometimes in the position where they are held responsible for the actions of their customer and are unable to recover the costs of the penalty charge from the customer who refuses to pay. A £10 increase to the penalty charge will be more cost which our member's will need to absorb where the customer refuses to pay.

Closing Comments

We welcome the opportunity to continue our constructive dialogue and hope that we can work with TfL to take forward some of the areas we have highlighted to help reduced the costs on TfL of operating the London congestion charging scheme. We would be happy to meet and discuss the changes we have highlighted in more detail.

Leasing Members

In general, vehicle leasing is an arrangement where the user simply hires the use of the vehicle and assumes operational responsibility for a predetermined period and mileage at fixed monthly rental from the owner (the leasing company). Legal ownership is, in the majority of cases, retained by the leasing company.

Short Term Rental Members

Rental Members offer hourly, daily, weekly and monthly rental of vehicles to corporate customers and consumers. As explained above, rental members are the owners of the vehicle.



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Bona-fides **BVRLA, the industry and its members**

- The BVRLA is the trade body for companies engaged in the leasing and rental of cars and commercial vehicles. Its members provide rental, leasing and fleet management services to corporate users and consumers. They operate a combined fleet of 2.75 million cars, vans and trucks, buying nearly half 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 the millions of people who use a rental vehicle each year. As well as lobbying the Government on key issues affecting the sector, the BVRLA regulates the industry through a mandatory code of conduct.
www.bvrla.co.uk