



## Creating a plan to decarbonise transport: call for ideas

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### Introduction

The British Vehicle Rental and Leasing Association (BVRLA) represents over 1000 members in the vehicle rental and leasing sector. BVRLA members own and operate a combined fleet of over five million cars, vans and trucks. They purchase around 50% of all new vehicles sold in the UK, including an estimated 80% of new battery electric vehicles (BEVs).

These companies run the [youngest, cleanest fleets on UK roads](#), providing people and businesses with flexible, affordable access to road transport by the minute, hour, day, week, month or year. BVRLA members also advise their customers on how they can decarbonise or embrace more sustainable transport modes for their travel needs.

### Decarbonisation of road vehicles

The vehicle rental, leasing and fleet sector has a crucial role to play in the decarbonisation of road transport. With a typical fleet cycle of between 1-5 years, BVRLA members spend billions of pounds on new plug-in vehicles each year and feed thousands of affordable electric cars and vans into the second-hand market.

BVRLA members are already phasing out ICE cars and vans. They have embraced the challenge of transport decarbonisation and many have introduced internal ambitions for zero-emission fleets far in advance of the previous 2040 phase out target. The incentive regime for parts of the industry, specifically company car fleets, has allowed our members to become the trailblazers of decarbonisation.

Every part of the fleet sector is committed to decarbonising, but some face a much harder challenge than others.

### The role of government

In the BVRLA's response to the OLEV consultation on the phase out date for petrol, diesel and hybrid vehicles the BVRLA stressed the need for government support to be tailored to specific use cases. Government intervention must consider demand measures that will drive uptake, the supply measures that will ensure sufficient vehicles are available and the infrastructure measures that will meet that fleet operating model.

For a full list of recommendations please see the BVRLA's [response to the OLEV consultation on the phase out date for petrol, diesel and hybrid vehicles](#)

### **Accelerating modal shift to public and active transport**

BVRLA members recognise they have a critical role to play in delivering transport behaviour change.

Transport policymakers around the UK are understandably keen to retain some of the air quality and traffic reduction benefits resulting from the lockdown. In our new socially-distanced environment they need to ensure that public transport remains financially viable and adequately funded and that private car use does not soar.

There are over 30 million cars on the road in the UK today but the way we use our cars and how we transition to a 'car lite' future is barely addressed.

The BVRLA's [Cars in the City report](#) cited research findings that show many people are unaware of the range of options available. It also found that the quality of public transport options has a large impact on whether people move to more flexible car usage or stop travelling by private car altogether. There are several areas across the UK where the provision of public transport is inadequate and where the distances travelled are too far to walk or cycle. In many parts of the UK car travel is the consequently the only viable option.

Car rental, car clubs and other forms of flexible, pay-as-you-go car use offer an immediate safe, sustainable and inclusive solution to those who may be unable to walk or cycle. This kind of shared transport can complement active travel and the use of public transport by giving people the confidence to give up a privately-owned car in the knowledge that they can always access one if needed.

### **The role of government**

The Government should look to establish a Shared Mobility Taskforce. The taskforce would bring together representatives for all transport modes, including shared car use, to work collaboratively to find solutions to common problems and to identify opportunities for joint working which are complimentary, plugging any gaps in service provision.

The taskforce should aim to look at how to retain some of the air quality benefits witnessed as a result of the coronavirus as well as address how to encourage people to make greater use of public transport and active travel options. It also needs to act quickly to ensure the opportunities to influence behaviour change are embraced and to buck the trend of growing private car ownership.

Mobility credits are an important tool which can influence behaviour change and promote the use of MaaS to parts of the community which may not be fully aware of all the transport options on offer.



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The ['Mobility Credits Scrappage Scheme'](#) policy paper makes the case for a nationally funded, locally targeted vehicle scrappage scheme that offers a mobility credit in exchange for a household scrapping its older, polluting vehicle.

Individuals receive a credits payment of between £2500 and £4000 which can be redeemed against travel journeys with a range of transport providers, including car rental/car clubs, in return for scrapping their car.

This promotes the use of public transport and more active travel and moves people away from buying another polluting vehicle.

Mobility credits can be tailored to the needs of the local community. In areas with high unemployment they could be offered as a way to help people travel to job interviews when walking or cycling may not be viable.

Both central and local government have a role to fund and trial mobility credits, sharing best practice and using this as a way to deliver positive public policy outcomes.

Recent trials involving BVRLA members have shown that using car rental and car clubs as part of MaaS pilots has led to an overall increase in active travel and public transport use.

There is growing evidence that flexible car use leads to:

- Fewer private cars on the road
- Reduced mileage
- Increased occupancy
- Increased car utilisation and
- Greater use of public transport and active travel

(Page 10 BVRLA's [Cars in the City report](#))

Mobility credits can easily be incorporated into MaaS platforms and would encourage more active and sustainable travel.

The Government should invest in further trials of MaaS and also seek to establish a Mobility Innovation Fund to help cash and resource strapped local authorities as they work with local transport operators and residents to develop new, integrated mobility services.

### **Decarbonising how we get our goods**

When looking at some of the challenges of decarbonisation these are often most acute for our commercial vehicle owners/operators. The issue of supply is most constrained for the van market. There is also a huge amount of uncertainty regarding the best path to decarbonise for heavier goods vehicles and more specialist vehicles.

This is also the group likely to be most affected by the penalties being used to nudge behaviour change to ensure better air quality, for example the hefty fines charged to HGVs entering Clean Air Zones or proposals for zero emission zones which for many freight owners/operators are being considered ahead of the appropriate technology being widely available.

The average lifecycle for a truck is around 12 years, that is only two fleet cycles away from net zero. It is imperative that freight owners and operators are supported to make the right investment decisions and that the regulatory environment helps rather than hinders their ability to decarbonise.

### **The role for government**

A roadmap setting out the long-term goal and incremental steps for heavier goods decarbonisation (where batteries are likely to be insufficient) is paramount. This needs to consider the impact of Clean Air Zones and the impact these zones could have on the sectors ability to invest in zero emission vehicles as these become more widely available.

Central government could support this sector by helping educate local authorities on what is feasible as well as advising they avoid the introduction of zero emission zones before transition technology is available. It could also provide funding, via a Clean Freight Fund, to support those looking to upgrade their vehicles ahead of the introduction of a charging Clean Air Zone.

Clean Air Zones (CAZ) should be used as a last resort. Where government have insisted a CAZ is necessary it is essential that businesses are offered financial support allowing them to upgrade to compliant vehicles. The Clean Freight Fund would offer this support. The fund must be run in conjunction with finance companies, similar to the scheme being proposed by Transport for Greater Manchester. This will ensure that the fund can be used to support more rapid fleet cycles that can accelerate the move from Euro 6 to zero emission alternatives as they become available.

At the start of the year the BVRLA was invited to attend a DfT meeting aimed at developing a 'Future of UK Freight Strategy' to ensure the freight sector continues to be a world leader to 2050 and beyond. Unfortunately, this work was put on hold due to the pandemic. We would encourage this group to reconvene as a way to help address some of the challenges facing this sector.