

New Congestion Charge Proposals (London)

British Vehicle Rental and Leasing Association (BVRLA) members represent the demand-side of the automotive industry, buying around 50% of new vehicles, including over 80% of those manufactured and sold in the UK. In doing so, they support almost 500,000 jobs, add £7.6bn in tax revenues and contribute £49bn to the UK economy each year.

The BVRLA and its members are committed to supporting the Mayor's ambitions set out in the Transport Strategy. Vehicle rental and car clubs play a fundamental role providing a mode of transport that is Ultra Low Emission Zone (ULEZ) compliant that compliments active travel and use of public transport.

The vital role that shared mobility providers can bring to reducing car journeys needs to be recognised. People will only be prepared to move away from private car ownership if they have the assurance that a vehicle will be available for occasional use when it is most needed. Shared mobility providers need the full support of the Mayor and TfL if they are to offer Londoners the full mix of transport options the city needs to be a transport leader.

Summary of BVRLA view

Car sharing forms a central part of the Mayor's Transport Strategy, by enabling drivers to make the switch from regular car use to a greater use of public transport, cycling and walking. Encouraging more car owners to make the switch from ownership to usership will produce significant benefits for London.

- 100% of London's car clubs and rental vehicles are ULEZ compliant
- Each car club vehicle in London removes 23.5 private vehicles from the road, contributing to a reduction in congestion
- London's car club members/rental customers walk, cycle and use public transport more than the average Londoner

The additional costs brought about by the changes to the congestion charge have already had a significant impact and are only set to grow. This could have a detrimental impact on our members' ability to support the modal shift that is necessary for the Mayor to meet the bold ambitions set out in the Transport Strategy.

Given the substantial benefits that car sharing offers, the BVRLA believes that shared mobility providers, offering ULEZ compliant vehicles, should receive certain concessions as part of the proposed changes to the congestion charge. An exemption from the congestion zone charges for shared mobility providers will ensure that this remains a viable mode of transport for those willing to move from private car ownership.

Supporting the Mayor's ambitions

There is substantial evidence that highlights the importance of car clubs and vehicle rental to improving air quality, reducing congestion and supporting greater use of active travel and public transport.

Shared mobility leads to a reduction in the number of vehicles but also in the length of journeys undertaken. It also plays a vital role in supporting a shift away from private car ownership to occasional usage when other options are not viable.

The evidence below demonstrates the importance of shared mobility to the objectives the Mayor has set out in the Transport Strategy. Shared mobility should be central to the Mayor's thinking.

British Vehicle Rental and Leasing Association

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Air Quality

The BVRLA's recently published Sustainability Credentials show that 100% of rented and car club cars are Ultra Low Emission Zone (ULEZ) compliant as are 99% of rented vans.¹ The average age of a car club and rental car is just eight months compared with nine years for the average privately owned car. Rental vans are 1.5 years-old compared with eight years for the average van.²

Other research has found that NOx emissions were 91% less for London car club cars (0.03 g/km compared with 0.32 for the average car) and 75% less for vans (0.29 g/km compared with 1.16 g/km for the average van).³ PM2.5 emissions were also significantly lower for the car club fleet with a 74% reduction for cars and 91% for vans compared with the UK average.⁴

Congestion

Not only is the occupancy of car club and rental vehicles much higher than the average – 2.3 versus 1.6, but there are also several reports that flexible car use supports a shift away from private ownership.⁵ Research has estimated that 23.5 cars are removed for each car club vehicle. This is based on the percentage that either reduced the number of cars they owned, with 19% stating they owned at least one fewer car, or where they deferred a purchase, with 21% stating that they would have purchased a car had they not joined a car club.⁶

Research by Cairns and Harmer sets out that car club users in central London make less than half the number of trips compared to private car owners, mainly because they make considerably fewer short trips (under 25 miles), which account for 95% of all car trips in London.⁷

BVRLA research into car and van rental found that the most common purpose for renting a vehicle (a third of respondents) was to visit friends or family. Around a fifth of respondents gave the reason that they chose a rental vehicle to carry a bulky item/luggage.⁸ This indicates that people opt for vehicle rental when a car is their only option. This is further supported by research into journey profiles that showed that the vast majority (69%) of car club members use a car club less than five times a year.⁹

This provides strong evidence that they are using alternate modes of transport the vast majority of the time and only using a vehicle when it is absolutely necessary.

Supporting active travel and public transport use

BVRLA research into why people choose to rent a vehicle and what impact this has on their wider transport behaviour found that average rental customer makes more frequent trips by bus, train, bike and on foot than the average driving licence holder in London.¹⁰ This is supported by research which has consistently found that car club members have higher use of sustainable travel modes than national averages. In their latest report, CoMo found that 30% of respondents had used a bicycle at least three times a week. This compares with a 9% average in London of people that cycled just one or two days per week.¹¹

¹ BVRLA Fleet Sustainability Credentials 2021 - [BVRLA Fleet sustainability credentials 2021](#)

² Ibid

³ CoMoUK London Car Club Annual Report 2020 - [CoMoUK-London-Car-Club-Summary-Report-2020.pdf](#)

⁴ Ibid

⁵ BVRLA Car and Van Rental in the UK 2018 - [BVRLA Car and Van Rental in the UK Report 2018 \(BVRLA Members\)](#)

⁶ CoMoUK London Car Club Annual Report 2020 - [CoMoUK-London-Car-Club-Summary-Report-2020.pdf](#)

⁷ Cairns and Harmer The Emission Impacts of Car Clubs in London - [The emission impacts of car clubs in London \(como.org.uk\)](#)

⁸ BVRLA Car and Van rental in the UK 2018 - [BVRLA's Car and Van rental in the UK](#)

⁹ CoMoUK London Car Club Annual Report 2020 - [CoMoUK-London-Car-Club-Summary-Report-2020.pdf](#)

¹⁰ BVRLA TRL Rental Customer Survey - https://www.bvrla.co.uk/resource/pdf_reports_bvrla-trl-rental-customer-survey-report_2015-pdf.html

¹¹ CoMoUK London Car Club Annual Report 2020 - [CoMoUK-London-Car-Club-Summary-Report-2020.pdf](#)

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In recognition of the importance of providing integrated and active travel options to people who are on the move, one BVRLA rental member has recently partnered with a bike hire company offering rental customers the opportunity to rent a bike from their rental branch in London.

Prior to the pandemic, research had also found that 64% of car club members used the Underground at least once a week, compared to the average for people living in London of 41%. It also found that 37% reported travelling by train at least once a week, compared to the average for people in London of 17%.¹²

Impact of the proposed changes

The changes to the cost and hours of operation introduced last year have had a significant impact on shared mobility providers with costs in the multi-millions of pounds. These costs are only set to grow if these changes are extended further and made permanent. This will drive up the cost of car clubs and rental for London users and could force people to either stick with, or even return to, private car ownership.

Penalising shared mobility in this way will put London out of step with other cities, both within the UK and globally, which recognise the clear benefits of shared mobility and support the roll out of advanced mobility as a service (MaaS) and shared mobility offerings. Now, more than ever, as we emerge from a devastating pandemic, London needs to establish itself as a transport leader and not a transport laggard.

Charges and hours of operation

Shared mobility providers have reported increases in operating costs running into the millions of pounds since the changes to the congestion charge were made by TfL in 2020. This is due to both the increased charge and changed hours of operation. Operating costs are only set to increase if the proposed changes are introduced permanently.

Making the congestion charge changes permanent will have a detrimental impact on the London car sharing community which, like many other businesses, has been significantly impacted by a downturn in business due to Covid-19. Despite this it has provided low cost, or even free, transport to NHS staff and essential workers, and vehicles critical to the delivery of essential goods/services and crucial infrastructure such as the building of the Nightingale Hospitals.

In several cases any congestion charge costs have been absorbed by the business. As a car club vehicle may be out with numerous customers in a day it is impossible to pass this cost on in a fair way to individual users. Instead, the cost must be carried across all users of the car club scheme, making it more expensive for users to access and a less attractive alternative to private vehicle ownerships.

Even where the customer covers the cost, for example where rental customers are responsible for the payment of the congestion charge, this still becomes an additional cost to access the mobility option for the consumer. Making rental costs on par with private car ownership does not reflect their ability to reduce the total number of cars on London roads.

To make people opt out of private vehicles, car clubs and rental need to offer a compelling price proposition and the increased congestion charge undermines this.

Fleet Autopay discount removal

Members are very concerned about the impact that the proposed removal of the £1 discount per vehicle will have. The BVRLA has several members with over 4,000 vehicles operating in London. This will add thousands of pounds a year in cost to each operator and could force customers to opt for less sustainable modes if these costs are passed on.

¹² Ibid

Support required

In recognition of the important role that car clubs and vehicle rental are playing to support the Mayor's Transport Strategy objectives we believe there should be some concessions for shared mobility options. These would support the growth of car clubs and rental in London, which in turn would reduce private car ownership, improve air quality, reduce congestion and increase the use of public transport and active travel. It is critical that the Mayor uses the opportunity of the congestion charge change to make a clear and tangible signal of support for shared mobility in London.

We would ask that the following support is given:

- Exemptions from the congestion charge
- Promotion of car clubs and vehicle rental as a way to get people in to ULEZ compliant vehicles and out of privately owned vehicles
- A digitised process to apply for exemptions and to pay PCN charges

Exemptions from the charge

To avoid encouraging more private vehicle use on London's roads we would suggest that a **blanket exemption** is given to shared mobility providers who offer ULEZ compliant vehicles. This simple, cost-effective measure would remove a number of the key barriers impacting car club and rental operators, keep shared mobility as a viable option for customers looking to use a vehicle for occasional use and eliminate the need for other support measures to be introduced.

Whilst a blanket exemption would be our preference, we are aware that this request has been made previously and the decision was taken that this could not be upheld. However, as we emerge from the pandemic London is in a different position. Private car ownership has spiked and it is critical to rebalance the transport mix. Car clubs and rental are a compelling way to do this, with knock-on benefits for public transport.

Without a blanket exemption other support measures for car club and rental become absolutely critical to safeguard their role in London's transport ecosystem and give them any opportunity to grow. These support measures must include:

- A **weekend exemption** for car clubs and rental offering ULEZ compliant vehicles - this would ensure that those who need a vehicle for occasional use to visit friends or family at the weekend who aren't able to cycle/walk/use public transport as they do in the week are still incentivised to use car sharing alternatives to private ownership.
- A **residents' discount** for rental or car club vehicles that reside within the zone. People opting to use a car club or rental vehicle rather than own should not be penalised and nor should the provider.
- A **digitised process** that enables operators to apply for discounts and or exemptions.
- An **e-notification system** which would notify fleet owners electronically of all penalty charge notices should also be adopted. This would overcome the shortfalls of the current process which is administratively burdensome and relies on documents not getting lost in the post.

Further engagement

BVRLA members stand ready to support London and help the Mayor to achieve the aims set out within the Transport Strategy. Members were heavily involved in both the ULEZ car and van scrappage schemes and would like to continue to work with TfL and the Mayor to ensure the upcoming ULEZ expansion works for as many Londoners as possible.

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The BVRLA and our members believe greater collaboration with the Mayor's office and TfL is needed to ensure the best outcomes for mobility in London. We would welcome a meeting to discuss the vital role our members have to play.

About the BVRLA

The BVRLA represents over 970 companies engaged in vehicle rental, leasing and fleet management. Our membership is responsible for a combined fleet of four million cars, vans and trucks – one-in-ten of all vehicles on UK roads.

BVRLA members represent the demand-side of the automotive industry, buying around 50% of new vehicles, including over 80% of those manufactured and sold in the UK. In doing so, they support almost 500,000 jobs, add £7.6bn in tax revenues and contribute £49bn to the UK economy each year.

Together with our members, the association works with policymakers, public sector agencies, regulators, and other key stakeholders to ensure that road transport delivers environmental, social and economic benefits to everyone. BVRLA members are leading the charge to decarbonise road transport and are set to register 400,000 new battery electric cars and vans per year by 2025.

BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.

The association achieves this by reinforcing industry standards and regulatory compliance via its mandatory Codes of Conduct, inspection regime, government-approved Alternative Dispute Resolution service and an extensive range of learning and development programmes.

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