



**Department for Transport**

**Call for Evidence into**

**The Future of Mobility**

**Submission from:**

***The British Vehicle Rental and Leasing Association (BVRLA)***

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## **About the BVRLA and its members**

- Established in 1967, the British Vehicle Rental & Leasing Association (BVRLA) is the UK trade body for companies engaged in vehicle rental and leasing.
- 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 maintaining industry standards and regulatory compliance via its mandatory codes of conduct, inspection programme and conciliation service. To support this work, the BVRLA shares information and promotes best practice through its extensive range of training and events.
- On behalf of its 900+ members, the BVRLA works with governments, public sector agencies, industry associations and key business influencers across a wide range of road transport, environmental, taxation, technology and finance-related issues.
- BVRLA members are responsible for a combined fleet of almost five million cars, vans and trucks, supporting around 465,000 jobs and contributing £49bn to the economy each year.

- 1) *We have identified above the main technologies and trends that we believe will affect urban mobility in the coming decades. Are there any missing?*

In terms of shared mobility, policymakers must consider the relative market share of different transport modes and models they want to appear in their cities and towns. The shared economy is relatively unregulated and untaxed, which means that, in many cases, policymakers have very few levers that enable them to influence which vehicles are used, and how. The same can be said about ride hailing. Policymakers have a more collaborative relationship with car club operators and can stipulate minimum standards for vehicle age, type and emissions as well as working together on issues such as pricing, locations and complaint mechanisms.

Policymakers should also focus their attention on the emergence and growth of mobility platforms: both on-demand platforms that match customers and transport providers (e.g. ride hailing services); and marketplace platforms that provide a ranked and sorted pool of mobility options (e.g. price comparison or certain Mobility as a Service platforms).

In developing its urban mobility strategy, the Government must ensure that the final plan allows for flexibility, not only between modes of transport for users, but also in terms of the booking platform, and how different modes of transport can be accessed by the user (including as part of the same journey). In order to ensure a level playing field for transport providers, the Government should also provide the same level of guidance, ground rules, and consumer protections in place for users for all future urban transport initiatives, and across transport modes.

- 2) *We want our urban infrastructure to support these trends and deliver benefits to society. What changes are required to urban infrastructure?*

Wherever possible, policymakers should try and ensure that rules and regulations around urban infrastructure are as standardised as possible. This should include everything from

signage and road markings to the technology used for sharing information between vehicles and infrastructure such as parking spaces or traffic lights. Interoperability is particularly important, with technology used to share data (e.g. on parking, congestion, traffic lighting, etc.) being identical across the UK. The BVRLA believes that a UK-solution is required in setting and implementing data standards, rather than a city-by-city approach.

Similarly, we believe that a common approach for payment infrastructure should be taken, albeit one which takes consideration of the fact that different modes of transport can cost different amounts depending where in the country these are hired. However, as much standardisation as possible when paying for services such as parking would be preferred.

In terms of infrastructure assets, items such as electric vehicle charging points need to be more widespread, easier for drivers to access, and provided at a fair and equal cost to consumers. Government should also ensure the swift rollout of rapid charge points, which will be especially important for private hire vehicles and car clubs. In the case of the latter, car club fleets have a large percentage of electric vehicles, but often find it difficult to access charging points, so more infrastructure is required. While the funding provided under the Road to Zero strategy is welcome, it remains to be seen if this will be sufficient.

Given current uncertainty on the part of some businesses, we also recommend that the Government publish a plan for the roll-out of such charging infrastructure (especially as many of those already announced are not due to be installed for some time). This would provide consumers with the confidence to know that sufficient charging points will be available for newly purchased plug-in vehicles, which business – particularly those in the leasing sector – will respond to by offering such vehicles.

Further support must also be available for businesses dealing with charging-related planning, particularly those operating out of leased premises, where going through planning requirements and red tape can be a long and drawn-out process.

3) *What evidence do you have to enhance the overview of the impacts of these trends on cities and their use of urban space? Are there any impacts missing?*

The BVRLA has no comment to add.

4) *What possible market failures might emerging technologies and trends give rise to that could require intervention by Government?*

There is a very real danger that unregulated growth of integrated mobility platform providers could deliver a huge market advantage to certain dominant operators. This [‘data asymmetry’](#) could potentially lead to a large technology platform such as Uber or Google (Waze) gaining a near monopoly over other urban transport providers, leading to an actual reduction in public transport use. It could result in unregulated and controlled growth of a business model, e.g. ride hailing, leading to an increase in congestion or pollution. In addition, many emerging business models operate on very thin profit margins, or at a loss. This can limit their ability or desire to focus on less commercially attractive areas of the market – for example disabled passengers that require expensive vehicle adaptations; or lower-income passengers that reside in areas that create extra insurance costs to service.

Many new technology-based platforms are essentially run by [‘algorithmic management’](#) which can present major challenges in terms of navigating platform policies which are often poorly communicated and just a software update away. They can also reduce the ability for platform participants to manage customer complaints.

In addressing a rapidly developing market, both Government and industry must learn from the experiences of others. For example, where authorities in Paris offered large subsidies to transport providers under excessively long contract terms, this resulted in both sides being tied in for too long to adapt to changes in the market, and the financial cushion removing the required incentive and imperative for such providers to make necessary changes. While the BVRLA does not oppose incentives being provided, these must be carefully considered

according to the individual transport requirements and current available network of each city and/or region, in order to avoid such market stagnation.

5) *We are committed to a transport network that works for everyone. What role should Government play in helping to ensure that future transport technologies and services are developed in an inclusive manner?*

As with existing models of public transport, providing a more inclusive service may well require additional subsidies, tax incentives or support with additional insurance costs. Operators may also be willing to accept a more tightly regulated operating regime in terms of pricing, minimum service levels, etc.

Government must be open and engage with industry on how and where it is aiming to roll out its urban mobility strategy, in order for transport providers to both assist in the development of policy, and respond in the areas policymakers wish to address. In doing so, Government must be clear on which criteria it wishes to prioritise – i.e. will the final strategy focus on geographical areas, or on social demographics? Industry can address either (or any other criteria), if sufficient notice is provided for businesses to build their transport solutions around these. A collaborative approach between Government (both central and local) and industry is therefore required.

In terms of addressing different demographics between potential transport users, a flexible approach must be taken. For example, younger (or older) drivers may not necessarily hold credit cards, which are typically required by car club operators to not only pay for membership and usership, but also to cover speeding or parking fines. Similarly, while operators may wish to encourage younger drivers into membership as early as possible (ideally before they purchase their first car), this is currently not financially feasible due to insurance costs. Therefore, if members are taking an increased commercial risk, the counter-balancing rewards should be increased also. For this reason, there could be differences in costs between older and younger drivers. Such differences must be accepted if industry is practically able to

reach poorer socio-economic groups, and where provision of a transport mode is commercially feasible to a given grouping or area, subsidies may be required.

*6) How can Government ensure that future urban transport systems support people's wellbeing and flourishing, healthy communities?*

Transport policymakers should provide clearly sign-posted, long-term direction in terms of emissions standards and other minimum operating requirements for operators. The BVRLA recommend a city-by-city approach (coordinated at a national level), widely and effectively communicated and be co-ordinated on a national level to reduce the compliance burden for operators trying to provide consistent services on a UK-wide basis.

In developing a or regional or city-wide transport strategy, transport modes should be agreed in an order of priority, and priced accordingly. Such pricing should be based on current transport availability, city-specific concerns (e.g. congestion, current emissions, accessibility, etc.). In addition, it must be acknowledged that some cities have better transport provision than others, so a “one size fits all” policy is not sufficient. In addressing these issues, it should be acknowledged that there are circumstances in which cars – shared or otherwise – remain the best and most realistic option for users, so such options should not be penalised or frozen out.

*7) What role should Government play in understanding, shaping and responding to public attitudes to emerging technologies and services?*

More leadership from central Government is required on shared transport, taking into account the views of users and providers of transport systems. The Government could build on the National Travel Survey by launching a nationwide survey of urban transport, which should look to develop a clearer understanding of transport needs, behaviours and attitudes. Current Government policy on Future Mobility is predominantly focused on the vehicle

manufacturing supply chain and technology providers, with little attention given to end users and the operators delivering these different modes of transport on a pay-as-you-go basis.

*8) What changes do you expect to the mobility-related labour market? How can Government best support people and businesses affected by these changes?*

The BVRLA has no comment to add.

*9) What other actions should Government prioritise to help people, businesses, and cities prepare for the future?*

Cities around the UK need more central policy support to help them understand and deal with new and disruptive forms of mobility as they emerge. With a more consistent and strategic approach, cities can work with national government to create a distinct vision for Mobility as a Service that sees them take a leading role rather than having a large platform provide just implement its model on top of them. The advent of bike and car sharing, ride hailing, on-demand buses and other mobility models means that urban-focussed policymakers need to think again about how they classify transport, particularly what they view as private or public transport. In some cases, they may need to consider introducing some kind of hierarchy that provides more clarity on which modes are prioritised in which are at certain times of day. While policymakers may want fewer cars, vans and trucks in cities, that does not mean that these modes can be ignored when it comes to developing strategies and policies for future urban transport.

The Government needs a vision for the future of cars in cities, and this should be a lot more detailed than just “less of them”. The short-term focus should be on reducing car ownership and the number of under-utilised, parked-up cars that pervade urban environments. By providing flexible and affordable access to vehicles when they are required, car clubs and car rental can play a vital role in driving behaviour change.



Government also needs to work with OEMs to ensure adequate supply of ultra-low emission vehicles into the UK market. There are already signs of a short-term lack of supply of electric vehicles over the next 12-24 months.

The Government should require major UK cities to develop a detailed car strategy. Too many cities, including London, believe that de-prioritising or ignoring car use from a policy perspective will make the issues go away. Cars are still used for millions of urban journeys and policymakers need to develop more proactive car-based strategies to produce the behaviour change they are seeking.

Given that transport reforms will impact local business, consideration as part of this strategy must also be made to commercial vehicles, despite the understandable focus being on community and private transport. The role of commercial vehicles must be factored into any future of mobility strategy as this is the lifeblood of local industry.

*10) Which 'missions' in the areas we have identified could be most effective in driving innovation and investment? Please refer to the criteria suggested in paragraph 2.6 – (our view is that missions will be most effective if they: Address strategic public policy aims, as well as opportunities for growth; Have clear and stretching goals, to drive long-term innovation and investment; Are open to multiple solutions, to maximise space for innovation and competition; Have cross-sectoral relevance, to maximise coordination benefits; and Build on available strengths in science, technology, and industry).*

The BVRLA has no comment to add.

*11) How should Government funding be targeted to help UK innovators build and scale transport solutions?*

The BVRLA has no comment to add.

*12) Which laws or regulations not currently being addressed need to be amended or created to help harness the benefits and mitigate any risks associated with new transport technologies or services?*

Feedback from BVRLA members suggest that data protection fears, particularly those associated with GDPR, are stifling innovation and the development of new mobility business models and technologies. The Government or ICO could step in here to provide more guidance and transport-related examples of best practice.

In addition, while not a law or regulation problem, the view from local authorities that they need to procure car clubs as a residential car club service, rather than for business operations, has stymied expansion. With new innovations in the industry, e.g. free-floating, multiple operators can launch and co-exist. Competition will spur more innovation and investment in cities and expand the market.

*13) How could the experience of working with local and/or national regulators be improved for transport innovators?*

The BVRLA believes that greater resource must be devoted to the motoring agencies (DVLA and DVSA) for them to develop digital fleet and driver services. As the two agencies which record and keep driver data, there is huge potential for the DVLA in particular to develop a centralised service for helping to administer penalty/parking charge notices and other fines. This would mean that drivers and mobility service operators were provided with a single, simple means of paying or contesting PCNs, rather than relying on the myriad of different systems and procedures currently in operation, which cause a huge amount of cost and disruption for operators and customers alike.

*14) What further action should Government prioritise for resolving barriers to data sharing and use in the mobility sector while protecting privacy and security?*

The Government needs to urgently address the potential market failure resulting from OEM control and misuse of vehicle and driver data. This is already causing a lack of innovation and competition in the market and could severely damage the independent insurance, garage, breakdown/recovery and mobility services markets.

The Government could also provide more guidance or regulation in the evolving Mobility as a Service market, to give smaller operators the confidence to join such platforms without running the risk of losing their brand awareness or customer base.

*15) Do you have any further suggestions or comments on the subject of this call for evidence?*

The BVRLA has nothing further to add.

## **Closing comments**

The BVRLA welcomes the opportunity to provide its evidence and experience, and that of its members, to the Department for Transport as part of its call for evidence into the Future of Mobility.

Throughout this submission, we have cited evidence supported by various BVRLA members and stakeholders, plus other external stakeholders with an interest in this issue.

The BVRLA appreciates that this issue is a detailed one, and would be happy to provide any additional information or clarification on any point presented as part of this submission, or to present our views in person to any relevant official(s), if requested.