



Written Evidence

Local Transport Networks

Response from:

British Vehicle Rental and Leasing Association

River Lodge

Badminton Court

Amersham

BUCKS HP7 0DD

Contact: Mr Jay Parmar, legal and policy director

Phone: +44 1494 545706

Fax: +44 1494 434499

Email: jay@bvrla.co.uk

Who we are and what we do

- Established in 1967, the British Vehicle Rental and Leasing Association is the UK trade body for companies engaged in the rental and leasing of cars and commercial vehicles. Its members operate a combined fleet of 2.75 million cars, vans and trucks.
- BVRLA members buy nearly half of all new vehicles sold in the UK, and over 80% of UK cars produced and sold, supporting around 184,000 jobs and contributing more than £14bn to the economy each year.
- By consulting with government and maintaining industry standards, the BVRLA helps its members deliver safe, sustainable and affordable road transport to millions of consumers and businesses. For more information, visit www.bvrla.co.uk.

Currently, BVRLA members operate a fleet of 2.48 million leased vehicles. Average CO₂ emission of cars purchased by our members in 2012 was 123 g/km, compared with the average of 151 g/km¹ for all vehicles on the UK's roads. This figure represents a drop of over 20% in CO₂ emissions over the past 5 years.

BVRLA members operate a fleet of around 270,000 rental vehicles, with the total UK market size estimated at 325,000 vehicles. The typical rental life of a car before it is sold is seven to twelve months or 15,000 miles. BVRLA members handle around 10 million rental transactions annually. BVRLA members' fleet is driven around 55 billion vehicle miles per annum.

Key recommendations

The BVRLA is calling for the transport committee to ensure that:

- measures are in place to closely align the priorities of the local transport network with that of the national strategic road network
- suitable investment is secured for the local road network through long-term stable revenue streams and deliver certainty to investors about future investment needs
- encourage smarter travel choices through the development of an integrated ticketing system across all transport methods

¹ Source: Defra/DECC's greenhouse gas conversion factors 2011

General comments

A functional local road network is essential for businesses in the UK – these were some of the key findings from a recent survey by the CBI and KPMG². The survey found that major pinch-points in the UK's transport system remain problematic. Some of the key outcomes from the survey included:

- quality of domestic transport connections makes a real difference to businesses: nearly 62% of firms surveyed said it had an impact on their investment decisions rising to 82% for large multinationals.
- businesses biggest concern is roads, with 73% of respondents seeing deterioration in local roads in the last five years and 46% seeing deterioration in the motorway network
- top priorities identified by business to improve the road network were maintenance work and tackling congestion

We believe the above results help to reinforce the importance of ensuring that the UK local road network is fit for purpose for UK businesses.

Specific questions

Do local bodies (including local authorities, local enterprise partnerships, passenger transport executives, integrated transport authorities and local transport boards) have the capacity to assess, prioritise and deliver local transport schemes? What would the optimum delivery body look like?

We would suggest that there needs to be greater collaboration and coordination of efforts between all local councils to ensure they are able to assess priorities and deliver local transport schemes. Local transport schemes should help with the integration of transport modes and to achieve this it is essential that local bodies work together. We would suggest that central government has a role to play here in setting the strategy for local bodies and encouraging them to work together in achieving the strategy for the local and national network.

One area where joint working between local bodies could deliver real results is smart ticketing which would allow for links between transport modes. This concept should include looking at the role car rental and car clubs can play in being involved with smart ticketing. The Government should investigate the feasibility of using a portal approach for travel planning which looks at all transport modes and how they can link together. It should then allow the person travelling to book all transport modes in one go without the need to use different booking processes.

² Connect More – CBI/KPMG infrastructure survey 2013

We believe that new technology will help to reduce vehicle ownership as people, in particular in cities, will look at a combination of transport solutions such as train, bus and car rental (either by the hour or day) to maximise all transport solutions depending on the purpose of the journey and time of day etc. The working being carried out by the Department for Business Innovation and Skills on smart cities³ could also be explored. This is looking at a Smart Transport System which enables people to take more control through informed choice of how and when they access transport, enabling the transport user to better manage their time, spend less time in traffic or waiting for public transport.

A smart transport system is one which integrates information from different modes of transport, including trains, buses, and car rental, etc. It also facilitates the efficient movement of goods through a city, and ensures logistics do not become a burden on a city. A smart transport system requires control, operation and access to open data; it also requires people with the necessary skills to integrate disparate systems.

It therefore would make sense for the Government to focus on this type of approach of mixed transport solutions for motorists. This could include investment in smart ticketing across all transport methods or looking at how the road network links with other transport solutions such as railways.

What is the best way of dealing with major transport schemes that cross local authority boundaries or have wider regional impact?

We believe the Government should ensure that major transport schemes, especially those which cross local authority boundaries, meet the following user requirements:

Affordability: without motorists on the road, the network has no revenue stream. It is vital that a future roads system is affordable for all types of users. Road-intensive industries, such as freight and logistics, are of particular interest as they distribute goods up and down the country at all hours of the day. The industry runs at extremely tight cost margins, meaning that small increases to the cost of travel can have a significant impact. Any additional charges in the long-term, such as road tolls, or efficiency savings through better road connectivity and surface quality would have to be factored in. Any transport schemes must take a holistic view of taxes and other charges to ensure that the overall package does not have a disproportionate impact on frequent road users.

³ Smart Cities: Opportunities for the UK

Interoperability: schemes must be simple to use, providing ease of access with all road charging mechanisms being fully interoperable with each other. Road users do not want to have to deal with different paying mechanisms and different systems on a day-to-day basis. For example, in France, a badge system has been implemented, whereby road users use various tolls with the same badge and receive only one bill at the end of the month. The French system is also flexible in terms of management. One regional operator may utilise a road toll, while another may operate 'availability contracts', similar to the UK's shadow toll roads, in the same region; however the motorist interacts with the network in a similar way in both regions. This balance of user and investor needs has been very effective, and France is now ranked first in the WEF Global Competitiveness report for the quality of its road infrastructure.

Quality: a road user paying motoring taxes and abiding by the rules of the road expects a good quality, well-functioning network to be provided in return. Any schemes, especially one that charges at the point of use, must therefore have a minimum service level guarantee in place. This would apply to the existing network and any new capacity built.

We understand that the Highways Agency is planning to replace 80% of the strategic road network over the next 5 years. When this take place this puts more pressure on the local road network. It is vital that the Highways Agency co-ordinates with the local transport authorities to ensure works are co-ordinated on both networks to reduce the burden on businesses that road works cause.

A solution to this issue would be for clear alternative routes to be published well in advance of any works which take place on the strategic road network which have been agreed with the local transport authorities.

How can local authorities attract greater investment from the private sector for the delivery and maintenance of local transport infrastructure? What scope is there for the use of alternative funding streams?

The CBI Report "Bold thinking: A model to fund our future roads" has some useful ideas in this area which we would support. Specifically they state:

Investors have their pick of projects across the globe – attracting them to UK roads requires a secure revenue stream and low risk exposure The CBI's recent report, An Offer They Shouldn't Refuse⁴, highlights the attractiveness of infrastructure to private, especially institutional, investors. Infrastructure represents a relatively low-risk asset that can deliver long-term stable returns – the perfect package for pension funds and sovereign wealth funds, for example. Existing roads are particularly appealing: the asset is already built and operational, but what we do not currently have is a mechanism to produce a funding stream for private investors.

⁴ An offer they shouldn't refuse: attracting investment to UK infrastructure, CBI, 2012

In designing a new road funding model, both operational and capital investment, for existing and new capacity respectively, will be needed to sustain the UK road network. To attract investors to deliver this combination, we need a model that does two things: produce long-term stable revenue streams and provide certainty about future investment needs. With these boxes ticked, the risk profile of UK roads would be greatly improved.

Closing comments

We hope our comments add value to the work the Transport Committee is doing on evaluating local decision making on transport expenditure.