- ***How important is fully electrifying private transport to achieving net zero by 2050?***

Electrification of private transport has a key role to play in achieving net zero by 2050, especially if its car sharing. The car sharing sector has been at the forefront of the move to electrification. In London 100% of the car sharing fleet (across all providers) are Ultra Low Emission Zone compliant and 10% are ultra low emission cars'

Car sharing delivers twin benefits of reducing congestion and reducing CO2 emissions through electrification. Firstly the sector has a well established reputation for reducing reliance on the car by enabling its members to drive less, walk and cycle more, and yet still provide affordable access to a car as and when it is needed. Research shows that after joining a car club, members drive less and use public transport, cycle and walk more - 23% of our members cycle regularly as opposed to only 9% of Londoners and 62% of our members are regular users of the tube compared to only 37% of Londoners.

And secondly Zipcar's growing fleet of electric and low emission vehicles help to deliver improvements in air quality and also progress towards net zero. With early indications that there could be a potential surge in car ownership as a result of the pandemic, with many workers avoiding public transport, car sharing provides an effective and affordable interim option, without the negative impact of creating a longer-term growth in the reliance on the car.

Sustainability is at the heart of Zipcar, which is why in 2018 Zipcar introduced 325 electric cars into our Flex fleet, and we have a vision to be fully electric by 2025. In just two years, these vehicles have proved to be the most popular vehicles in our fleet. A total of 3.25 million miles have been driven by 55,500 of our members, delivering 46,911 kg of CO2 savings. This means that over 15% of our members have now driven an electric vehicle with us. And not only that, car sharing is also growing at a rapid rate.

Car sharing offers a more efficient use of a car compared to private car ownership, with on average 150 members per car share vehicle. As of September 2020 there were almost 165,000 registered battery electric vehicles (BEVs) on the road in the UK. If just 10% of these were shared vehicles, it would ensure affordable access to EV's for nearly 2.5 million people.

Car sharing clearly has a key role to play in rapidly mainstreaming access to electric vehicles in the UK, by providing them at affordable prices - EVs at Zipcar cost just 31 per minute to rent, the same as our petrol vehicles - and also making them available to all Londoners. If we want to electrify London and the UK fast, and ensure that our residents are able to affordably respond to and meet the requirements of the extended ULEZ's and deliver the benefits of a shared zero emissions fleet then we will need to see VAT incentives and also other financial packages including those for purchasing vehicles. Zipcar is therefore calling on additional special measures for the car club sector.

- What are the key demand-side constraints to the uptake of BEVs?

The key barriers to the growth in EV's include the current limited access to in-trip charging infrastructure, availability of affordable EV's, and range values.

- ***What are the key supply-side constraints to the uptake of BEVs?***

We have to ask ourselves, will there be sufficient supply of vehicles post-Brexit? If no deal, we understand a 10% tariff will make them less affordable.

- ***What types of policy interventions are required to catalyse the BEV market?***

The two main policy incentives that will help catalyse the BEV market can be categorised based upon pricing and charging which we have set out below:

Incentives for purchasing electric vehicles

If we want to electrify London and the UK fast, and ensure that our residents are able to affordably respond to and meet the requirements of the extended ULEZ's and deliver the benefits of a shared zero emissions fleet then we will need to see VAT incentives and also other financial packages including those for purchasing vehicles. Zipcar is therefore calling on additional special measures for the car club sector.

In a global market where electric vehicles are in short supply, the UK needs to position itself as an attractive destination for OEMS to sell their products. In particular, the scale of the EU market and the potential fines that could be levied through the EU's CAFÉ emissions regulations will give OEMs less reason to market their BEVs in the UK going forward.

There is currently only one incentive in the UK market that works across all forms of BEV purchase - the Plug-in Grant (PiG). The PiGs for cars, vans and HGVs are the cornerstone of maintaining a robust incentive framework in the UK and the Government should commit to maintain them until 2025. Without strong incentives like the PiG the UK risks falling out of step with the aggressive incentive regimes implemented by other European countries with whom it is competing for BEV supply.

While supply is an overarching concern, demand for BEVs cannot be taken for granted and varies considerably across different fleet segments. A favourable Benefit-in-Kind regime is driving high BEV uptake in the company car sector, but without this key incentive, the retail market is lagging behind.

Another fleet market segment that faces significant barriers in establishing a profitable BEV-based business model is the car club sector. The typical fleet cycle of a car club vehicle is 9-18 months, which makes operators even more sensitive to the upfront price premium associated with BEVs.

Without long-term, expanded and targeted support for all participants in the new car and van market, it is unlikely that BEV demand will meet the UK's ambitious decarbonisation deadline.

The BEV market is still nascent and it is too early to say exactly what additional support will be required and where, particularly as the new vehicle market adjusts to the uncertain impacts of a post-Covid recession and the UK’s withdrawal from the EU’s Single Market and Customs Union. To enable a flexible and powerful response to these and other market developments, the Government must set aside sufficient funds to maintain an effective regime of tax incentives and grants capable of delivering its decarbonisation agenda.

There are an array of additional options that should be considered in securing BEV supply and demand. They include the reduction or even removal of VAT on the purchase price of BEVs, the waiving of import tariffs on BEV product produced in countries with which the UK has no free trade agreements and “green scrappage” schemes. The exact nature and timing of these additional measures will need to be reviewed regularly as the Government tracks progress against its target for phasing out the sale of new petrol and diesel cars and vans.

Currently, some valuable benefits to BEV adoption are not available to huge parts of the fleet market. Specifically, if a business buys a BEV outright it can claim a 100% First Year Allowance (FYA). This is not available to rental or leasing companies. Giving fleets equal access to incentives would produce cost savings that would be passed on to customers and reduce the current price gap between ICE and battery electric vehicles, increasing access and broadening demand.

Charging infrastructure

The Government needs to widen its ambitions when it comes to the roll-out of public charging infrastructure. The “project rapid” targets released in May 2020 are an extremely positive first step. However, these targets must be expanded far beyond their current scope of just motorway services stations and their timeframes compressed significantly.

Targets must ensure genuine national coverage of the charging mix needed by the many complex private and fleet plug-in vehicle use cases, particularly in-trip charging, and for the many city dwellers that do not have access to have a private drive-way.

While it is completely understandable that public networks need to charge a reasonable premium to access charging, it is completely unfair that these users are also faced with a higher level of taxation on that electricity. VAT levels on electricity used for charging must be reviewed and equalised.

At Zipcar, we currently charge the electric vehicles for our customers, as currently there just isn't sufficient spread of chargers in London for our customers to be able to feasibly do this. For Zipcar to meet its Vision of a fully electric car sharing fleet by 2025 we will need more rapid chargers across London to meet the needs of our fleet and our customers. Slow or even fast chargers alone won't be sufficient as it will mean that our vehicles are left for long periods of time not being used, which within a fleet with high utilisation rates just won't be cost effective.

We therefore support the BVRLA's calls for £400 million to speed up the roll out of an appropriate charging mix across the UK and £300 million to support fleets with grid-upgrade and installation costs of installing charging infrastructure before 2023. In addition, we would add to this and recommend that this funding is potentially focussed in areas of high levels of pollution and congestion, where the benefits can be most achieved such as London.

- ***What are the policy recommendations that would help mature the BEV market?***

Car sharing has illustrated that it can deliver an accelerated maturing of the BEV market. Therefore one key policy measure would be to place car sharing at the centre of central and city government policy making.

The coronavirus pandemic caused a temporary and massive change in UK travel patterns, with many more people cycling and walking and post-lockdown there has also been an increase in the use of car sharing. The Government has reacted quickly in introducing measures to try to embed these changes and transition UK residents to more active and sustainable methods of travel. However, it needs to give greater consideration to the range of different mobility models that can drive more sustainable transport behaviour such as car sharing. It also needs to accept that some of these involve car use.

There is ongoing work to find Mobility-as-a-Service (MaaS) solutions to these challenges, which involve cross-modal shared systems of transport. What a sustainable, affordable and effective MaaS system looks like is dependent on the very specific local transportation challenges that its users face. There has not yet been enough testing and learning with MaaS to develop the optimal approaches. That is why there is a need for a bold funding vision which invests in trialling and developing new mobility models through trials across varied localities in the UK. Zipcar wants to work with local and national authorities to create MaaS solutions that can place the UK squarely at the forefront of the global mobility revolution.

Transport systems in the UK have often been entirely designed around the use of the private car. Moving away from this paradigm towards sharing will require policy makers to design schemes which encourage people to abandon the concept of private car ownership, and instead switch to car sharing which can act as a bridge to more sustainable use of the car and other modes of transport such as walking and cycling, delivering net zero benefits.. Building and implementing new mobility solutions will not be enough, users will need help to make the shift. This kind of support is exemplified by the West Midlands Combined Authority's Mobility Credits trial. This trial is only possible through the Future Mobility Zone funding that was announced in Budget 2018.

The Government should fund more nationwide mobility credit scrappage schemes and allowing salary sacrifice to be used for tax-free mobility vouchers. These kinds of measures will be critical in encouraging users to move away from private car ownership, but must also recognise that shared car use has a role to play in the long term mobility mix. Innovative mobility schemes can successfully encourage people to use cars in a more efficient, cleaner, cheaper, smarter way, while integrated with higher levels of public transport and active travel.

For example, in London, the Mayor has introduced a car scrappage scheme for those that switch from owning a car to car clubs to enable residents to meet the existing and extended ULEZ scheme. Zipcar has supported this package by match funding the scheme for both low income residents and also small businesses. The Government should consider supporting these schemes for both within London and also across other city centres to enable the positive switch from reliance on the private car to shared ownership.