Written evidence submitted by Enterprise Holdings (STO0056)

Introduction

Enterprise Holdings welcomes this inquiry into the Government's Strategic Transport Objectives. As the world's largest shared mobility provider and one of the world's largest purchasers of vehicles, we welcome the opportunity to input into ensuring the Governments strategic transport objectives are viable and cognizant of the UK's transport needs.

Enterprise operates in more than 90 countries with a fleet of nearly 2 million vehicles and employs more than 100,000 people worldwide. Enterprise Holdings is committed to optimizing vehicle usage and through car club and car rental, we operate the cleanest vehicle fleet in the UK. We have been active in the UK for nearly 30 years and own and operate more than 100,000 vehicles, employing over 5,000 people across 450 locations– over 94% of the UK's population is within 10 miles of an Enterprise location. We provide a comprehensive suite of mobility options through our business lines of Enterprise Rent-a-Car, Enterprise Car Club and Flex-e-Rent to people and businesses across urban, suburban, and rural areas.

Defining Objectives

Enterprise Holdings recognises a key transport objective of the Government is to reduce surface transport emissions – repeatedly stated in the Net Zero Strategy, Transport Decarbonisation Plan, and the Carbon Budget Reduction Plan. While we support this overarching objective, an overreliance on just transitioning the UKs car parc to zero emission vehicles to achieve this misses' opportunities for innovation or an ambition to reimagine the UK's transport system.

Surface transport emissions from road vehicles are recognised by the government as the largest contributor to emissions, the government has confirmed their focus to address this is through transitioning to electric vehicles. This was reiterated in the Department for Transports evidence session in response to the Climate Change Committees Progress Report 2023, and backed up by the prioritisation of the Zero Emission Vehicle (ZEV mandate) and vehicle charging infrastructure rollout.

While this plays a significant role in vehicle carbon emission reduction - and Enterprise Holdings welcomes the recognition that investment in charging infrastructure is needed to achieve this – it does not capture the extent to which modal shift contributes to emission reduction.

Modal shift refers to a reduction in privately owned car use and an increase in other more sustainable transport. While there is a government objective to increase active travel that encourages walking and travelling which we support, there is an opportunity to integrate modal shift into policies for a joint up approach which includes greater attention to shared mobility and multi-modal travel.

As such, modal shift should be an objective, which would allow a joined-up approach that recognises the range of levers available for reducing surface transport emissions.

The Climate Change Committee (CCC) June 2023 report, Progress in Reducing Emissions, noted that the Carbon Budget Delivery Plan Four (CBDP4) does not quantify emission savings from reducing car-kilometres travelled. The CCC argued that in not doing so, not only does the CBDP appear off track to meet its climate targets, but it also overlooks opportunities for modal shift policies and signals a lack of commitment to modal shift.

Not quantifying emissions from the range of modal shift policies resulted in only 2 MtCO2e emissions reduction recorded in the CBDP, whereas in the Net Zero Pathway, which quantified more modal shift policies there was 6 MtCO2e of savings recorded. This inconsistency is a concerning indication that modal shift is moving further way from a defined government objective.

Furthermore, modal shift is vital for transitioning to an inclusive whole transport system that works for everyone. It recognises the use of cars is in some cases, and for some passengers, it is needed and allows for the private sector to work with the government to implement modal shift policies that bring a range of transport options together.

In doing so, it expands beyond the objective of reducing carbon emissions and brings wider benefits including improving the UK populations health by encouraging a range of transport modes, and reduces congestion, air pollution and road accidents.

Using Objectives to Guide Investment

The Governments objective to decarbonise surface transport is one which at an early stage incentivises investment. However, beyond this, a greater degree of understanding into the government's plan for delivery - and in particular the role modal shift will play –will provide the long-term stability needed for private sector investment. As such having modal shift as a standalone objective with a detailed delivery plan would be very welcomed.

For example, Enterprise supports the objective of modal shift, but we also recognise this means that the role of the car will continue to play a role given the complexity of individuals and businesses needs. As such, Enterprise work collaboratively with a range of other sustainable transport providers through the Urban Mobility Partnership to promote integrated modal shift to the public. The government can provide stability and assist in guiding the long-term investment of this innovation by publishing a clear modal shift delivery plan.

A delivery plan has also been called for in the Centre for London's Financial Incentives for Sustainable Transport report. It states detailed policy packages with delivery guidelines are more effective than standalone policies to encourage modal shift investment as they improve public acceptability and fairness, which is a more viable investment for the private sector.

Furthermore, consistency in the application of these objectives, for example by including modal shift in the CBDP, produces the certainty needed to make investment into solutions and technologies which modal shift achievable.

Additionally, the Governments objectives should drive investment through incentivising the behavioural change needed for sustainable travel demand.

The Department for Transport can guide this demand through consistency with local government guidance where much of the responsibility for transport system delivery is. For example, the Local Authority Toolkit guidance is currently under review and reference to modal shift could be clearer. Similarly, the Department for Transport is currently renewing guidance for Local Transport Plans and the role in these plans in delivering modal shift should be made explicitly and some of the interventions and policies required to make modal shift for businesses and consumers a possibility.

This presents an opportune time to ensure that the Department for Transports objectives are consistent through to the local level and would allow modal shift policy thinking to be present across local and combined authority's objectives. This creates the context needed for coordination across different modes of transport at a local level, considering varying transport needs.

Improving Coordination and Alignment

Modal shift requires the physical and digital integration across transport providers to ensure journeys using multiple modes are as simplistic and accessible as possible to the public. However, this integration of modes needs to be reflected in coordinated and aligned policy.

There should be a clear objective to increase multi-modal journeys and government at all levels should be looking to develop policy initiatives which can deliver this.

Physical integration

In this way, mobility hubs provide the physical integration of multiple modes of sustainable transport. By transforming public stations and other important and busy locations into effective networks of multiple modes of transport, different parts of a city, town or region can be better connected by existing and new modes of transport. They also present the opportunity to integrate business and leisure travel to streamline services more effectively. Enterprise has case studies of creating mobility hubs alongside Imperial College London which we would be happy to discuss in more detail.

Digital Integration

A further avenue to support the coordination and alignment of services digitally is through Mobility as a Service (Maas), which allows the public to obtain real-time information across a range of transport providers including shared transport with streamlined payment mechanisms. As a result, MaaS is well positioned to respond to flexibly to user needs, which will be vital as modal shift continues to develop.

Both digital and physical integration required coordination by operators, infrastructure and technology providers who are already to looking to develop initiatives and concepts such as mobility hubs and MaaS. However, the obstacles they face can be reduced by increased coordination in policy making.

Cross-departmental alignment

As the Centre for London report states, financial incentives act as a useful policy lever for modal shift. The objective of modal shift and review of the financial levers for encouragement across the Department for Business and the Treasury for example, could promote the use of Mobility Hubs and MaaS to embed modal shift into everyday lives.

Similarly, Enterprise has been at the forefront of the development and implementation of the concept of mobility credits. This concept replaces a traditional scrappage scheme, where people are given money to scrap their old petrol or diesel vehicle to upgrade to a newer cleaner vehicle, to give credits which can use on all locally available shared, active and public transport. This concept has the dual benefit of reducing the number of high polluting and transitioning people away from private car use to sustainable transport modes. It demonstrates the use of collaboration and coordination to meet the overall objective; to increase modal shift and requires cross departmental collaboration in government. Enterprise and others have been a strong advocate for mobility credits as a policy to support the delivery of clean air zones and ultra-low emission zones – for which responsibility sits within the Department for Environment, Food and Rural Affairs.

The use of mobility credits can be adapted to remove the scrappage element of it and for employers to be able to give their access to tax free 'mobility credits' for their commute and for business travel. Again, this sort of policy intervention requires support and direction from HM Treasury.

Finally, when we are talking about physical interventions such as those required in the development of mobility hubs clearly there is an importance on placemaking and in the role the Department for Levelling Up, Housing, and Communities and local authority planning teams.

Planning policy will play an integral part in delivering integrating mobility options and delivering innovative new projects like mobility hubs. These sorts of interventions need land allocation in urban centres and around public transport stations but should also be a key part of new commercial and residential developments. This requires coordination between planning officers, developers, infrastructure providers and transport operators. Strategic objectives must therefore clearly outline this requirement for collaboration between national regional and local government and sub national transport bodies.

These examples demonstrate the importance of having a clear overarching objective for modal shift and the importance of making this objective to policy makers and stakeholders as clear as possible. The benefit of a clear modal shift will have broader socio-economic benefits as well as helping to achieve decarbonisation objectives by; reducing congestion, increasing economic productivity and improving health by reducing air pollution and increasing the use of sustainable modes of transport.

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