

A Car Club Strategy for London

Achieving the growth to unlock mainstream car club use

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1. Executive Summary

Introduction

This Strategy has been jointly developed by members of the Car Club Coalition, which was established in September 2014 and represents car club operators, London Councils, the Greater London Authority (GLA), Transport for London (TfL) and key stakeholders.

London has one of the largest car club markets in Europe. The sector is currently innovating rapidly with new operators entering the field and there is considerable potential for growth. The Strategy sets out a collaborative approach to accelerate the growth of the sector in London and take car clubs from a niche service to a mainstream transport option.

Facilitated by TfL, the Coalition has been involved in an Evidence Review to bring together all the key pieces of research from the UK. The results of this exercise to date form the evidence base for this strategy. The work has also highlighted remaining evidence gaps and need for further research.

N.B. Work on the Evidence Review ongoing and the final version will be included in the final Strategy in March 2015.

What is a car club?

Car clubs provide access to shared vehicles to members on a pay-as-you-drive basis. They provide much of the convenience of owning a car but without the hassle or costs of repairs, depreciation, insurance, servicing or parking. Car clubs tend to be organised on an area basis with cars located in clusters so that if one car is not available, a member will only have a short walk to access another car.

There are three main types of car clubs:

- Round-trip car clubs
- Fixed one-way car sharing
- Floating one-way car sharing

Using car clubs to tackle London's challenges

London is experiencing a sustained period of population growth and the latest GLA projections estimate that by 2031 London's population will rise to over 10 million. Unless significant action is taken, congestion will increase by up to sixty per cent in central London by 2030. Congestion currently costs London approximately £4billion a year in delays and lost productivity; this is only going to increase as the population grows and the pressure on road space increases.

The promotion of car clubs was identified in the Roads Task Force report in 2013 as one of a number of demand management measures which can reduce overall car dependence by making access to cars more flexible, thereby reducing pressure on road space and encouraging sustainable transport.

Car clubs can also bring wider benefits such as:

- **Freeing up parking spaces** – through members selling a car or deferring a planned purchase of a car
- **Environmental benefits** – including improved air quality, reduced CO₂ emissions through use of cleaner vehicles (particularly if electric vehicles are used in the fleet) and greater use of sustainable transport
- **Increased familiarity with electric vehicles** – making them more visible, desirable and accessible to a wider audience
- **Reduced costs of living** – the true costs of owning a car (including upkeep, maintenance and depreciation) are often under-estimated by owners. Car club users can make significant savings when switching from private ownership.
- **Reduced costs of doing business** – car clubs can have financial benefits for businesses through rationalised business travel and reduced commuting by car

The challenges preventing car clubs from becoming mainstream

The car club sector is still at an early stage of development and has yet to become a mainstream mode of sustainable transport. The Coalition has identified a number of challenges to growth.

These challenges fall under the following headings: Policy and governance; Delivery; Awareness and Visibility.

1) Policy and governance

In London, there is no one governing body with overarching responsibility for parking and streets. This responsibility is shared between TfL and London's 32 boroughs and the City of London. This situation poses a number of challenges for operators, including: varying policy approaches across the boroughs; requiring support from multiple stakeholders; the need for supporting policies; and some boroughs continuing with single operator contracts.

There is also an opportunity for greater UK-wide policy direction and national government support for car clubs as some policies, such as vehicle taxation and local authority procurement contracts, are managed at a national level.

2) Delivery

To make a convincing case for potential customers, car clubs need to operate at scale and be a reliable transport option. A wide range of challenges related to delivery impact this, including: the availability of sufficient parking space; the limitation of EV charging infrastructure; motor insurance costs; local authority capacity; and a lack of incentives.

3) Awareness and visibility

Low awareness of car clubs remains a barrier to car club growth. TfL's research in 2014 found that 37 per cent of respondents had not heard of car clubs. Specific challenges include a lack of integration with other travel choices, low levels of awareness, a lack of on-street visibility, and a lack of awareness among businesses.

Action Plan

The Action Plan sets out ten actions which will help grow the car club market. The actions are related to the challenges identified above and responsibility for each action is designated to different parties within the Coalition.

The actions are set out in Chapter 7, and summarised below:

- 1) Building the evidence for the impacts of car clubs
- 2) Lobbying key stakeholders to support car clubs
- 3) Transforming London's public sector fleets
- 4) Building capacity and creating a framework for supportive policy development
- 5) Helping Londoners make the switch from private cars
- 6) **Making parking management smarter and easier** - *to be agreed*
- 7) Driving the uptake of low emission vehicles
- 8) Transforming the profile of car clubs in London
- 9) Driving the uptake of car clubs in London's commercial fleets
- 10) Car club integration

The Action Plan will be reviewed at quarterly Coalition meetings, the first in July 2015, three months after the publication of the Strategy in April 2015.

2. Background

2.1. Introduction

- 2.1.1. Cars are essential for many trips in London but many journeys could be made by other means. Car clubs enable flexible access to cars, where the car is not privately owned but shared between members who use it on an occasional basis. This provides a cost-effective alternative to car ownership for both private and commercial customers.
- 2.1.2. Car clubs can bring benefits such as reduced pressure for car parking, access to cleaner vehicles, improved air quality (particularly if electric vehicles are used in the fleet) and a greater use of sustainable transport options. The promotion of car clubs was identified in the Roads Task Force report in 2013 as one of a number of demand management measures which can reduce overall car dependence by making access to cars more flexible, therefore reducing pressure on road space¹.
- 2.1.3. London has one of the largest car club markets in Europe. The sector is innovating rapidly and there is considerable potential for growth, particularly with respect to one-way car sharing (fixed and floating model – see below for definitions), which has seen rapid growth in cities like Paris and Berlin. This Strategy sets out a collaborative approach between the various commercial and public sector players to accelerate the growth of the sector in London and take car clubs from a niche service to a mainstream transport option.

2.2. What is a Car Club?

- 2.2.1. Car clubs provide vehicles to members on a pay-as-you-drive basis, providing much of the convenience of owning a car but without the hassle or costs of repairs, depreciation, insurance, servicing or parking. Car clubs tend to be organised on an area basis with cars located in clusters so that if one car is not available, a member will only have a short walk to access another car. Most car clubs enable members to reserve cars online or by smartphone app, unlock the vehicle with their membership card or smartphone app and drive off.

Types of car club

- **Round-trip car clubs** involve a car club member booking a specific car, located in a dedicated parking bay, for a period of time and then returning the car to the same dedicated parking bay, before the end of the reserved time.
- **Fixed one-way car sharing** involves a member starting a reservation in an available car at a designated parking bay and driving to another designated parking bay, where the reservation ends.
- **Floating one-way car sharing** involves a member spontaneously identifying an available car nearby (using a smartphone app), reserving that car and driving it to their destination (within a specified geographic operating area), where the reservation ends.

¹ www.tfl.gov.uk/roadstaskforce

- 2.2.2. With operators, Carplus has outlined 5 criteria that help to define a car club:
- 24/7 on-demand access;
 - Self-service access;
 - Cars located conveniently: normally local to home, workplace or transport hub;
 - Ongoing access to the service following some form of sign-up and membership; and
 - The tendency for a sense among users of mutual responsibility for the shared resource, hence the term car “club”.
- 2.2.3. There are a number of variations on how car club schemes operate. In the UK, the main model to date has been the round-trip or ‘back to base’ scheme, where the member rents a vehicle from a designated bay, usually on-street and controlled by the Borough, and returns it to the same location at the end of the rental period. A more recent innovation is the emergence of one-way or ‘free-floating’ schemes, whereby cars are available for one-way rentals and can be dropped off at a location other than the pick-up point.
- 2.2.4. This strategy addresses round-trip, one-way and free-floating operations. For the purposes of this strategy, the term ‘car club’ will be used to cover all these models, unless referring specifically to one particular model.
- 2.2.5. This strategy is one part of a wider plethora of activities in London to manage demand and promote effective and sustainable movement of goods and people. Peer-to-peer car sharing, which involves sharing private vehicles, is out of scope of this strategy. More information on peer-to-peer car sharing can be found on the Carplus website: carplus.org.uk.

3. About the Strategy

3.1. The Car Club Coalition

- 3.1.1. This Car Club Strategy has been jointly developed by members of the Car Club Coalition which represents the industry and key stakeholders. The members of the Coalition are:
- **Car club operators:** car2go, City Car Club, DriveNow, E-Car Club, Europcar, Hertz 24/7, IER Bolloré and Zipcar.
 - **Key stakeholders:** Transport for London (TfL), London Councils, Greater London Authority (GLA), Councillor Feryal Demirci from Hackney, Carplus and the British Vehicle Rental and Leasing Association (BVRLA).
- 3.1.2. The Coalition was formed in September 2014 as an outcome from the Car-Lite event held at City Hall in July 2014 with representation from the Deputy Mayor for Transport, TfL, car clubs and London boroughs. The Car-Lite event sought to unite the industry and raise awareness of the benefits of car clubs with a view to achieving the ambition of growing the car club market in London. Subsequent Coalition meetings, facilitated by TfL and London Councils, were held to discuss the evidence base, the challenges for the sector and the necessary actions to overcome these challenges.
- 3.1.3. This unprecedented demonstration of cooperation, solidarity and positive action underpins the Strategy and marks a change of gear in the car club sector which will help bring car clubs to a mainstream audience.

3.2. Gathering the evidence

- 3.2.1. Facilitated by TfL, the Coalition has been involved in an Evidence Review to bring together all the key pieces of research from the UK and abroad under three key topics:
- Impacts on the transport network
 - Benefits of car clubs
 - Challenges and opportunities
- 3.2.2. The results of this exercise to date form the evidence base for this strategy. The work has also highlighted remaining evidence gaps and need for further research.

N.B. Work on the Evidence Review ongoing and the final version will be included in the final Strategy in March 2015.

3.3. Next steps

- 3.3.1. This draft of the Strategy was prepared for presentation at the London Councils Transport and Environment Committee (TEC) on 11 December. Comments are invited from the London Boroughs at this meeting and until 11 January 2015.
- 3.3.2. Following discussion and comments from TEC on this draft, the Car Club Strategy will be revised by the Coalition before being approved by the Deputy Mayor for

Transport. The final draft will be presented to the Transport and Environment Committee on 12 March 2015 for endorsement by London Councils.

4. Statement of Direction

4.1. The Vision for Car Clubs in London

- 4.1.1. The overarching vision for this Strategy is for car clubs to grow as a sustainable transport solution to help address a number of challenges faced by London in the coming years, namely population growth, congestion and environmental issues.
- 4.1.2. London is experiencing a sustained period of population growth and the latest GLA projections estimate that by 2031 London's population will rise to over 10 million. TfL is also taking action to improve public spaces and reallocate road space to walking and cycling to improve quality of life and to enable efficient movement of people by sustainable modes, which further reduces road space for private and commercial motorised vehicles.
- 4.1.3. However, eighty per cent of all trips made by people and ninety per cent of all goods moved in London every day are on roads. Unless significant action is taken, there will be significant increases in congestion of up to sixty per cent in central London by 2030. Congestion currently costs London approximately £4billion a year in delays and lost productivity; this is only going to increase as the population grows and the pressure on road space increases.
- 4.1.4. At the same time, despite significant improvements in recent years, London's air pollution is still a concern. Particulate Matter (PM) and oxides of nitrogen (NOx) are damaging to human health. Road transport produces 79 per cent of PM in central London and 46 per cent of NOx in Greater London².
- 4.1.5. Innovation in how we use cars, particularly through new technology and the sharing economy, presents a unique opportunity to address these challenges. Shared use of cars through car clubs could play a central role in revolutionising car use in our city. It could help London to meet its mobility needs, while reducing reliance on the private car and addressing environmental problems through more efficient use of cleaner vehicles.
- 4.1.6. Therefore, the car club sector has an integral role to play in London's ongoing development. Whilst London already has one of the largest car club markets in the world, there is significant potential for further growth. To do this, car club providers need to provide a customer-focussed solution that appeals to a wider market than currently. In recognition of this, together the Coalition has agreed the following Statement of Direction:

² Mayor's Air Quality Strategy, 2008 figures

This strategy sets out how the operators, representative bodies and public authorities will work together to grow the car club industry in London and reach a wider market.

The ambition is to reach 1 million users by 2020.

Achieving this ambitious growth will help to reduce the negative impacts of cars. This forms an important component of a broader strategy to overcome the challenges for London's road network.

N.B. The ambition has not been agreed by the Coalition. The ambition for the number of users will be set by March 2015.

5. Using car clubs to tackle London's challenges

5.1. Overview

- 5.1.1. Changing social trends, such as growth of the sharing economy and development of new enabling technology, means that car clubs could be an increasingly attractive option for Londoners and they have the potential to play an important part in London's future transport strategy. This chapter of the Strategy outlines how they could play a role in overcoming some of the key challenges London faces, including congestion, air quality and cost of living, as part of an overall sustainable mobility plan for London.
- 5.1.2. The reported benefits vary between studies depending on the specifics of the operator and city, particularly when looking at the relative benefits of the different car club models. The effect of one-way car sharing on car use and reducing the need to own a car has not yet been determined as it has not been introduced as a large scale operation in London. Once the one-way model operations launch in London, they will be closely monitored to assess their impacts and see how comparable the impacts are to those demonstrated in other countries.

5.2. Reducing the need to own a car

- 5.2.1. Providing access to a car without having to own a car is one of the key benefits of car clubs referenced in the literature [*Evidence Review to follow in final draft*]. Car clubs will play a vital role in reducing the need to have a car because they offer an alternative to conventional car use models and can reduce habitual car use while still enabling access to a car for essential journeys. The 2013/14 Carplus Annual Survey calculated that for each car club vehicle in London, 5.8 cars were removed from the road as a result of car club members selling a car, equating to almost 13,000 vehicles fewer cars in London.³ A further 30 per cent of survey respondents reported deferring the planned purchase of a car.

5.3. Reducing congestion

- 5.3.1. It is estimated that congestion costs London £4 billion per year⁴. As the population of London is predicted to rise to over 10 million by 2031, the number of cars on the road is set to increase, which will increase congestion further.
- 5.3.2. TfL's Roads Modernisation Programme will deliver unprecedented investment in improvements to the road network to tackle congestion and the pressures of a rapidly rising population. In addition to capital investment, Demand Management measures, such as integrated urban mobility, will be an important component in reducing the number of non-essential car journeys made on London's roads in a way that is attractive to Londoners.
- 5.3.3. Owing to the cost of usage, round-trip car club vehicles have traditionally tended not to be used in peak times as they are generally used for one-off leisure or business

³ Carplus (2014), Annual Survey: London, p25. As only round-trip car clubs operated at the time of the survey, these findings apply to round-trip car clubs.

⁴ TfL (2014), Traffic Note 4, TfL Road Network Performance Traffic Analysis Centre

journeys rather than regular commuting. As vehicles are hired on a time-basis, the cost of spending time in congestion is felt by the driver more acutely than in a privately owned vehicle.

- 5.3.4. Congestion is worsened by drivers looking for a free parking space. In Paris, the Autolib' system enables bays to be reserved to reduce time spent on the road just looking for a place to park.
- 5.3.5. The impacts of car clubs on use of other modes (including private cars, public transport, taxis, walking and cycling) are documented in the literature [*Evidence Review to follow in final draft*].

5.4. Freeing up parking spaces

- 5.4.1. Our streets and public spaces are dominated by parked cars. The average city dweller's car is used for only 4.6 hours a week, meaning that their vehicle is parked for 97 per cent of the time⁵. This is an inefficient use of valuable road space and of the vehicle itself.
- 5.4.2. When parking spaces are freed up by car club members selling or deferring the purchase of cars, those spaces could be reallocated to other uses such as cycle parking space, play or amenity areas or electric vehicle charging points to benefit the wider community.

5.5. Environmental benefits

- 5.5.1. Air quality is a significant issue for many parts of the city. Considerable steps have been taken over recent years to improve air quality and reduce air pollutants from transport, particularly in terms of reducing Particulate Matter (PM). However, London is projected to continue to exceed the legal limit for Nitrogen dioxide (NO₂) beyond 2020. London also has an ambitious target to reduce annual emissions of CO₂ by 60 per cent by 2025 on a 1990 base.
- 5.5.2. Environmental benefits accrue as the result of lower vehicle emissions and changed travel behaviour of users. Car club vehicles tend to be newer than the average vehicle and typically produce 33 per cent less CO₂ than the national average car.⁶ The vehicles used by car clubs have lower average oxides of nitrogen (NO_x) and PM emissions than average private cars.⁷ Car clubs also offer the opportunity to control the emissions of the fleet, through requiring emission standards and maximum age limits of vehicles.
- 5.5.3. The introduction of electric vehicles in car clubs will increase the environmental benefits as these vehicles have zero tailpipe emissions. This will also result in reduced noise pollution.

⁵ S Cairns for RAC Foundation (2011) 'Accessing cars – different ownership and use choices'

⁶ Carplus (2014), p7.

⁷ TRL (2012) 'The emission impacts of car clubs in London'; Firnkorn & Müller (2012) 'What will be the environmental effects of new free-floating car-sharing systems? The case of car2go in Ulm'

- 5.5.4. With respect to round-trip car clubs, where members reserve a car in advance, pay by the hour or day, and return the car to its dedicated parking bay, these members tend to exhibit more considered use of the car and only drive when it is necessary.

5.6. Increasing familiarity with electric vehicles

- 5.6.1. Electric vehicles have the potential to make a significant contribution to improving London's air quality and to reducing carbon dioxide emissions from transport. A strong market for electric vehicles in London will help to give the UK automotive industry a leading edge in this technology and encourage inward investment. It could also improve our energy security by reducing our reliance on imported oil.
- 5.6.2. The electric vehicle market is still in the 'early adopter' stage, with owners tending to be represented by those on high incomes and with an interest in the technology. High purchase cost and lack of charging infrastructure are significant barriers to mass market adoption. By including electric vehicles in car club fleets in Greater London, car clubs could help 'normalise' electric vehicles by making them visible, desirable and accessible to a much wider audience, as demonstrated in Paris through the Autolib' scheme.
- 5.6.3. Plug-in hybrid electric vehicles can also facilitate urban journeys, using electric power, as well as allowing longer journeys without range anxiety.
- 5.6.4. Carplus reported positive experiences of EV use in car clubs:
*"Around one in five [survey respondents] had tried either an electric or hybrid car club vehicle. Of those who had experienced these vehicles, over three quarters had a "good" or "very good" experience."*⁸

Autolib' reports that through their members in Paris, over 178,000 people have tried an EV.

5.7. Reduced costs of living

- 5.7.1. Car clubs provide the opportunity for Londoners who cannot afford their own car to have access to a vehicle for journeys where using one is necessary. Purchasing a car is expensive and its value depreciates quickly; by the end of the first year a new car will have lost up to 40 per cent of its value⁹. Private car owners often underestimate the true costs of owning a car, including up-keep, maintenance and depreciation. In contrast, car clubs provide much of the convenience of owning a car without the hassle or costs of repairs, insurance, servicing or parking.
- 5.7.2. The Carplus Cost Saving Calculator estimates that new members could save up to £3,500 a year when switching from private ownership to a car club¹⁰. Currently the calculation of costs saved is based on a number of assumptions, such as the value

⁸ Carplus (2014), p 4.

⁹ The AA (2012) http://www.theaa.com/motoring_advice/car-buyers-guide/cbg_depreciation.html

¹⁰ This is calculated using the RAC Foundation's real annual cost of car ownership, deducting the cost of car club membership and use over a comparable mileage.

of the car being replaced, but also need to take into account potential additional costs, such as train fares and hire car costs for longer journeys.

- 5.7.3. The personal financial benefits of being able to give up owning a car could also be translated into local economic benefits through members having more disposable income.

5.8. Costs of doing business

- 5.8.1. Car clubs offer potential cost savings to commercial and business users, including company car and pool car operators. While there is currently relatively low awareness of car clubs among business users, some successful examples have shown that business use can deliver benefits include reduced commuting and rationalised business travel by car.¹¹

¹¹ Fergusson (2014), Car-Lite London

6. The challenges preventing car clubs from becoming mainstream

6.1. The current situation

- 6.1.1. With over 130,000 members, London has one of the largest car club markets in Europe. The industry is innovating rapidly with new companies seeking to invest substantial amounts into London in the next few years.
- 6.1.2. However, the car club sector is still in an early stage of development and has yet to become a mainstream mode of sustainable transport in London; currently less than 2 per cent of Londoners are members of car clubs and there are low levels of awareness amongst the general public. The Coalition has identified a number of challenges to achieving the goal of entering the mainstream. This section of the Strategy sets out those challenges so that they can be tackled through the Action Plan.

6.2. Policy and governance

- 6.2.1. In London, there is no one governing body with overarching responsibility for parking and streets, with responsibility shared between TfL and London's 32 boroughs and the City of London. Each organisation also has its own planning and environment policies. This situation poses a number of challenges for operators looking to enter the market and to expand:
- 6.2.2. **Varying policy approaches across boroughs** – Different boroughs have different policy approaches, reflecting their socio-demographic profiles, housing densities and environmental priorities. Some are significantly more involved than others in car clubs.
- 6.2.3. **Multiple stakeholders** – Within boroughs, the implementation of car clubs depends on action and support from many parts of the local authority, including Elected Members, Parking Managers and Transport Planners.
- 6.2.4. **Need for supporting policies** – Car clubs are often not included in wider policies in related areas including planning, parking and road space management (for example reallocating road space to car clubs, as well as cycling and public transport).
- 6.2.5. **Single operator boroughs** – Some boroughs have implemented single operator contracts which can have some benefits and can be the best option when schemes are small scale and local awareness is limited. However, as schemes mature and grow and awareness increases, facilitating competition can consolidate networks across London and expand the options for customers and developers looking to install car club vehicles in new developments.
- 6.2.6. There is also an opportunity for greater UK-wide policy direction and national government support for car clubs. Some policies, such as vehicle taxation and local authority procurement frameworks, are managed at a national level and are currently not fully exploited for the promotion of car clubs.

6.3. Delivery

- 6.3.1. To make a convincing case for customers to switch to a car club, car clubs need to be in operation at scale and be a reliable transport option. There is a wide range of challenges with regard to delivery which have significant influence on the rate of growth of car clubs and their benefits for London.
- 6.3.2. A number of the delivery-related challenges are related to the policy and governance challenges discussed above, demonstrating the strong influence of policy on successful delivery on the ground.
- 6.3.3. **Parking** – Parking management, availability and charges are all significant challenges. The following issues were particularly highlighted by the Coalition:
- **Availability of bays** – There is a lack of dedicated and visible bays on-street. Access to parking bays in off-street parking areas and main hubs such as airports and business centres is also a challenge.
 - **Parking management** – Obtaining access to parking in different Boroughs can be challenging for new and existing operators looking to implement large-scale networks of vehicles. This impacts the ability to provide enough cars in the right locations to allow a convenient and reliable service.
 - **Parking bay fees** – permit charges, which vary by borough, can slow down expansion.
 - **Business case** – The business case for reallocating parking space to car club bays needs to be compelling for boroughs.
- 6.3.4. **Limitations of EV charging infrastructure** – The ability to access charging infrastructure is a challenge for car clubs. In addition, when they are available, the reliability of charge points can impact negatively on the customer experience. There are high upfront costs involved in installing charge points and operators have found it difficult to access grants from the Office of Low Emission Vehicles (OLEV). The challenges of installation are compounded by long Traffic Regulation Order (TRO) lead times¹².
- 6.3.5. **Motor insurance costs** – Operators are increasingly experiencing high insurance premiums with uncertainty over the future availability of cover.
- 6.3.6. **Local authority capacity** – local authorities have to allocate staff resource to progress car club programmes and electric vehicle infrastructure programmes. In the context of continued reductions in resources, this can be a challenge.
- 6.3.7. **Lack of incentives** – it can be challenging to encourage drivers to change their behaviour without incentives. If car clubs are to expand into more hard-to-reach areas, such as the outer London boroughs, incentives could kick-start car club services in these new areas.

¹² Long TRO lead times also impact conversion of bay to a standard (non-EV) car club bay

6.4. Awareness and visibility

- 6.4.1. Low awareness of car clubs remains a significant barrier to car club growth in London. TfL's research in 2014 has found that that 37 per cent of survey participants had not heard of car clubs.¹³
- 6.4.2. **Lack of integration with other travel choices** - Car clubs are not yet widely seen as one of many travel options in London, and they are not integrated with public transport. TfL has recently included car clubs on the TfL online map, which allows visitors to the website to see where their nearest vehicle is, click through to the car club website, and book a car.
- 6.4.3. **Low level of awareness** – Despite a heavy marketing spend, there is still a low level of awareness in the market. Potential car club members are either not aware of the service or, if they have heard of car clubs, do not think that car clubs could work for them. This may be in part because at present only round-trip car clubs are available which do not appeal to all potential customers. In lower density suburban areas and lower income areas, the challenge is to develop and present car club models appropriate to these areas and needs. Given London's highly transient population, there is a constant and ongoing need to promote car clubs, their benefits and how they work.
- 6.4.4. **Lack of on-street visibility** – car club bays and vehicles are currently not sufficiently distinctive to be effective in raising awareness.
- 6.4.5. **Lack of awareness in businesses** – There is a general lack of awareness of car clubs and their benefits for commercial fleets, though a number of successful case studies are emerging from businesses ranging from Small and Medium Enterprises (SMEs) to large public sector organisations.

6.5. Challenges specific to the round-trip model

- 6.5.1. The top challenges that relate specifically to the round-trip car club model are felt to hinder the further growth and commercial success of this model. These include:
- 6.5.2. **Unbalanced use of vehicles across the week** – Weekend and evening use of the car club vehicles is high, but the potential for business use during the week has not yet been realised. Balancing the high weekend and evening use with increased off-peak weekday use would result in a more cost-effective service and enable investment in more vehicles to expand the fleet and improve the service for all users.
- 6.5.3. **Cost of doing business in London** – Several factors make London an expensive city in which to operate a car club, e.g. crime, insurance, Congestion Charge. These issues have been raised by the round-trip operators through their experience of operating in London but are expected to also be challenges for future operators.

6.6. Challenges specific to one-way car sharing

¹³ TfL, forthcoming.

- 6.6.1. The top challenges for the one-way model are primarily concerned with barriers to the entry into the market.
- 6.6.2. **Data sharing** – Better data and information from the operators on the benefits would help to make the case for the one-way model in London.
- 6.6.3. **Attractiveness to boroughs** – The ‘newness’ of the one-way model is a challenge to some boroughs and can mean that gaining acceptance takes longer.
- 6.6.4. **Area of operation** – In many cases, users of one-way car sharing will want to drive between boroughs. This means that in order to be successful, one-way operators are likely to need to operate in multiple, contiguous boroughs.

7. Action Plan

7.1. Introduction

- 7.1.1. This Action Plan sets out ten actions which will help deliver the ambition to grow the car club market. The actions are related to the challenges raised in Chapter 6 and responsibility for each action is designated to different parties within the Coalition.
- 7.1.2. The Action Plan will be reviewed at quarterly Coalition meetings, the first in July 2015, three months after the publication of the Strategy in April 2015.

7.2. Policy and Governance

Action 1. *Building the evidence base for the impacts of car clubs*

Challenge: Need for more cohesive and supporting policies (6.2), data sharing (6.6.2)

- 7.2.1. The evidence review for this strategy is a starting point in making the Coalition's case that car clubs are an important mobility solution in London. However, more needs to be done. TfL will work with the car clubs and industry bodies to develop and enhance the monitoring of car clubs to capture their impacts on other modes, in particular in terms of mode shift and benefits in terms of traffic/congestion reduction and air quality. This should include getting a better understanding of the way customers interact with different models of car club, car sharing and car rental, and how the combined use of these models helps reduce overall car use.

Responsibility: TfL, with support from Carplus, BVRLA and operators

Timescale: Development of monitoring and evaluation principles – by March 2015

Monitoring implementation – April 2015 onwards

Action 2. *Lobbying key stakeholders to support car clubs*

Challenge: Need for more cohesive policy and supporting policies (6.2)

- 7.2.2. The creation of the Coalition presents a unique opportunity to lobby central government, London boroughs, and key stakeholders, in a joined-up fashion. A unified voice from the Coalition could help overcome some of the key challenges to taking the industry mainstream.
- 7.2.3. TfL, GLA and London Councils will develop a lobbying strategy to manage engagement with key stakeholders.

Responsibility: TfL (leading development of lobbying strategy), all members of Coalition to be involved in lobbying as appropriate.

Timescale: Commence development of lobbying strategy in April 2015, finalise June 2015.

Action 3. *Transforming London's public sector fleets*

Challenge: Need for cohesive policy (6.2) and opportunity to lead by example (6.4.3)

- 7.2.4. There are many examples where public procurement has been successful in supporting change, for example in promoting cycle safety as part of the Construction Logistics and Cycle Safety (CLOCS) scheme. TfL will encourage local authorities to introduce policies which support the use of car clubs. This would allow the public sector to lead by example, for example through procuring car clubs rather than fleet vehicles or using grey fleet¹⁴ vehicles.
- 7.2.5. At a national level, the GLA and TfL will lobby Government, presenting the benefits of national policies to help build on the work being done at the local level. For example, TfL will encourage Government to include car clubs in its procurement frameworks.
- 7.2.6. This would set an example to businesses and private users that car clubs are a viable alternative to private cars, and increase the visibility of car clubs.
- 7.2.7. TfL will investigate opportunities among boroughs to develop car club schemes to replace or augment grey fleet use. This will include information collected through the public sector grey fleet audit project, which has been funded by DfT.

Responsibility: GLA/TfL (lobbying of government) and local authorities (procurement of car clubs for business travel)

Timescale: Lobbying: has started already through BIS shared economy work. Will continue through this forum

Council grey fleet: commence December 2014, complete list of opportunity boroughs by April 2015.

Action 4. *Building capacity and creating a framework for supportive policy development*

Challenge: Varying policy approaches (6.2.2) and local authority capacity (6.3.6)

- 7.2.8. TfL provides funding for boroughs through the Local Implementation Plans (LIP) and requires boroughs to report on the number of new car club bays delivered using LIP support. TfL will review the guidance surrounding this funding and investigate possibilities to further support the uptake of car clubs and encourage the implementation of the Strategy at a sub-regional level through collaboration between neighbouring boroughs.
- 7.2.9. TfL will encourage the promotion of car clubs in planning policies, for example through recommending the allocation of further space and priority to car clubs as part of new developments in future revisions of the London Plan.

¹⁴ Where business use of a private vehicle is expensed

- 7.2.10. Best practice guidance on car clubs for local authorities exists already, however in a rapidly developing market is important that local authorities have the most up to date guidance and access to the skills needed to understand and respond to the demand for car club vehicles. London Councils and TfL will work to identify where further guidance is needed from a borough perspective. Carplus will build on the existing suite of guidance and training, aimed at the various stakeholders within boroughs, to ensure that opportunities for further market development are maximised.

Responsibility: TfL (LIPs), in cooperation with London Councils and GLA, with advice from Carplus

London Councils & TfL (identifying areas where guidance is needed), Carplus (development of guidance)

Timescale: LIPs: Commence January 2015

Best practice: Commence April 2015 by identifying existing best practice and opportunities to augment this. Develop suite of best practice documents and training programme by October 2015. Training programme launches October 2015.

7.3. Delivery

Action 5. *Helping Londoners make the switch from private cars*

Challenge: Lack of incentives (6.3.7), low uptake in certain areas (6.4.3).

- 7.3.1. There is an opportunity to use incentives to encourage private car users to make the switch to car club membership. These could be delivered via a number of channels, via targeted campaigns at areas identified with high car ownership, as well as in new developments.
- 7.3.2. London Councils will work with the Coalition to develop a set of potential policy measures that could be selected by boroughs to encourage uptake. Example measures could include:
- Incentives linked to public transport use
 - Graduated parking permit charges for multiple vehicles in a household
 - Scrappage schemes
 - Resident parking permit surrender incentives (e.g. free/discounted car club membership, free mileage)
- 7.3.3. There is also a potential opportunity to access untapped demand for car clubs in London. The Coalition will investigate options to:
- Support the entry of car clubs into markets which are otherwise harder to reach, e.g. outer London boroughs, and incentivise their uptake
 - Set out best practice on the timing, criteria, and selection of single-operator or multi-operator contracts in boroughs

Responsibility:	Developing policy measures: London Councils and TfL Parking: London Councils
Timescale:	Options development: Start April 2015, finalise shortlist July 2015, commence lobbying and discussions with government and local authorities August 2015. Delivery date of incentives will depend on measure.

Action 6. *Making parking management smarter and easier*

Challenge: Parking availability and policy variation across the boroughs (6.3.3)

- 7.3.4. In order to operate successfully, all car clubs need space to park their vehicles where they are visible and members can access them conveniently. London Councils will establish a working group between the Coalition and boroughs to discuss the challenges around parking for car clubs and develop a way forward.
- 7.3.5. The industry will provide information on how much parking space is needed to support a healthy car club industry.
- 7.3.6. TfL will work with London Councils and London Boroughs to discuss options to facilitate car club parking including:
- More consistency across the boroughs with regards to parking permit policy (regional or whole of London)
 - Provision of more parking in the right locations
 - Provision of parking in key hubs, e.g. at rail stations, airports, other transport hubs and business centres
 - Reducing the cost of parking for car club vehicles
 - Offering electronic parking permits
 - Streamlining the parking permit application process
 - Developing associated policies and service level agreements in relation to situations such as unauthorised cars in bays, bay suspension etc.
- 7.3.7. London Councils will work with the boroughs to consider whether it is an option to provide more provision for car club than at present when introducing new CPZs in full for the first time.
- 7.3.8. If parking spaces are freed up as members sell cars and reduce/end car ownership, the benefits of this could be locked in by the borough parking teams, or in other borough teams that can accrue other benefits to local communities such as introduced public amenities or cycle parking. London Councils will work with TfL to build a case for the benefits of the conversion of parking spaces for the benefit of all. This will include setting out the options for the reallocating of these spaces, for example to cycle parking space or electric vehicle charging points.

Responsibility:	London Councils will set up a working group to establish roles and responsibilities. All members of the Coalition and boroughs will be invited to attend.
Timescale:	Commence options development and lobbying in April 2015. Options development complete by March 2016. Implementation of options agreed as feasible to commence in April 2016.

N.B. This action has not been agreed by the Coalition. Further work will be undertaken to agree this action by March 2015.

Action 7. Driving the uptake of Low Emission Vehicles

Challenge: Limitations of EV charging infrastructure (6.3.4)

- 7.3.9. Car clubs provide a major opportunity to boost the uptake of Low Emission Vehicles in London. This has been demonstrated in Scotland and in Paris.
- 7.3.10. The availability of charging infrastructure will be key to achieving this growth. In order to meet this aspiration, London Councils will encourage the boroughs to install points, access funding from the Office of Low Emission Vehicles (OLEV) and grant car clubs access to charging infrastructure.
- 7.3.11. The GLA, TfL and London Councils will continue to lobby OLEV to provide funding for the provision of charging infrastructure for car clubs.

Responsibility: GLA, TfL and London Councils

Timescale: Borough engagement: commence January 2015

7.4. Awareness and visibility

Action 8. Transforming the profile of car clubs in London

Challenge: Low level of awareness (6.4.3, 6.4.4)

- 7.4.1. Although membership of car clubs is growing in London, this can be accelerated through raising awareness of car clubs and their benefits. In order to achieve this, the Coalition will investigate a range of options including:
 - Improving the visibility of bays / vehicles
 - Developing dedicated signage for car club bays
 - Promoting car clubs via the TfL website, including investigating options to show the locations of one-way vehicles on the map
 - Promoting car clubs via car rental branches in London

Responsibility: Signage/visibility: Operators; Boroughs

TfL website: TfL

Promotion in car rental branches: BVRLA.

Timescale: Commence options development in April 2015. Agree options in December 2015. Implementation January 2016 – September 2016

Action 9. *Driving the uptake of car clubs in London's commercial fleets*

Challenge: Lack of awareness among businesses (6.4.5)

- 7.4.2. There is an opportunity to promote the uptake of car clubs in commercial and business fleets, including company cars and pool cars. This would allow businesses to take advantage of having access to vehicles which fit their business needs without the ongoing running costs of owning or leasing a vehicle.
- 7.4.3. Operators will investigate options to promote car clubs to commercial and business fleets. Leasing and fleet management providers already offer vehicle rental as a 'white label' product (i.e. a product that can be rebranded by the customer) to their larger customers and car clubs could work in a similar way.
- 7.4.4. Operators will explore incentivised programmes for parking permit surrender and workplace parking capacity reduction.

Responsibility: Operators, BVRLA and Carplus

Timescale: Promotion to businesses campaign to start June 2015

Action 10. *Car club integration*

Challenges: Lack of integration with other travel choices and low awareness (6.4.2, 6.4.5)

- 7.4.5. The car clubs will explore together how to integrate their offerings so that members can easily access all car club vehicles.
- 7.4.6. There is an opportunity for car clubs which are currently operated by a single organisation (e.g. corporate car clubs or those operated by a local authority) to explore how they can join forces so that members can share use and improve the business case for these services.

Responsibility: Operators, BVRLA and Carplus

Car club offerings: Commence June 2015. Determine options and timescales for integration by December 2015.

8. Achieving 1 million car club users

8.1. Overview

- 8.1.1. This strategy sets out a bold ambition to grow the car club market and an action plan to put us on track to achieve this. This aspiration is motivated by the global benefits that we could expect to see if we achieve this ambition. These fall into three main categories:
- Vehicle trips removed
 - Environmental benefits
 - People with access to cars

8.2. Vehicle trips removed

- 8.2.1. Every car club vehicle on the road is estimated to remove 5.8 privately owned vehicles. The car club industry is currently working to estimate how many vehicles would be needed to meet the demands of 1 million users. Further work will be undertaken to understand how 1 million car club users would affect overall car trips in London.

8.3. Environmental benefits

- 8.3.1. The environmental benefits from car clubs will come from two sources:
- Cleaner vehicles
 - Changes in travel behaviour
- 8.3.2. The total benefits will be determined by assessing the changes to travel behaviour as calculated in 8.2.1, and factoring in the effects of cleaner vehicles.

8.4. People with access to cars

- 8.4.1. As mentioned above, the car club industry is currently working to estimate how many vehicles would be needed to meet the demands of 1 million users. The more vehicles available, the greater number of people will have access to cars.
- 8.4.2. The number of people who did not have previously have access to a car but will have this option as a result of a car club will also be a key social benefit of achieving this aspiration.

N.B. This section is subject to agreement with the Coalition. It will be completed by March 2015.