

Improving lives by transforming travel

UMP

Transforming Corporate Travel and Commuting

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Urban Mobility Partnership
An Innovative Approach



Executive Summary

The last 2 years have seen society experience unprecedented challenges and changes, the effects of which will inevitably last for a long time. However, some of the challenges we faced pre-pandemic are now coming back into focus. Across towns and cities, congestion and poor air quality remain significant issues and these are just part of wider societal challenges of addressing climate change and decarbonisation.

Transport is the largest source of carbon emissions in the UK and decarbonising transport poses an incredible challenge. Whilst the government has set significant long-term ambitions, for example phasing out the sale of new internal combustion engine vehicles by 2035, the Urban Mobility Partnership was founded to develop short term solutions which can help address the aforementioned issues and make a real difference.

Through ours and our members work, we have identified corporate travel and commuting as two areas where behavioural and policy changes can have a significant impact on reducing congestion and improving air quality. Even during the height of the pandemic in 2020, around 20% of all journeys made in the UK were made for either business travel or commuting¹ with many of these journeys being completed as single occupancy private car trips. These vehicles are on average 8.5 years old and some of the most polluting vehicles on the road. Yet many organisations both in the public and private sector use this as one of their most common forms of conducting corporate travel, reimbursing their employees 45p/mile to drive these vehicles (grey fleet) and do little to encourage their employees to change their commuting habits to more sustainable forms of travel. The potential immediate benefits of changing business and organisational practices away from utilising grey fleet and in turn encouraging more sustainable commuting practices would quickly reduce the number of single occupancy private cars on UK roads every day.

There are a variety of issues with continuing to make use of grey fleet for corporate travel including environmental issues, the cost inefficiency, as well as outlining how people can change the way they commute to and from their place of work and this paper outlines the steps organisations can take to address this. There is also a significant role for central government in changing policies which could help to alter the current mindset around corporate travel and commuting.

This paper provides both practical implementation advice, with supporting case studies of organisations who have successfully changed their and their employees' habits, and policy proposals outlining what is required from national and local government in order to support organisations and businesses deliver on their ambitions.



¹ Transport Statistics Great Britain 2020 – Department for Transport - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945829/tsgb-2020.pdf

Introduction

All organisations have a vital role to play in supporting the decarbonisation agenda by transforming the way their employees travel both in terms of commuting and their corporate travel. Organisations of all sizes, in both the public and private sector are looking at ways to reduce their impact on the environment and as transport remains the most significant emitter across the UK, this should be a key area of focus for organisations to reduce their carbon impact.

There should be a concerted effort to move away from the old-fashioned approach of mileage reimbursement that pays people to drive old polluting cars towards embracing technology, public, active and shared mobility. One of the most significant issues in both public and private sector corporate travel is 'grey fleet'. The term grey fleet describes any car or van, that is owned and driven by an employee for business travel. This might include a vehicle purchased via an employee ownership scheme or a vehicle privately owned by an employee. Grey fleet is traditionally utilised by public sector bodies but is also commonly applied as part of wider corporate travel.

It is often the case, particularly in the public sector, that grey fleet has become so ingrained within employee behaviour that it does not warrant much attention. Managing grey fleet is notoriously difficult and costly but it is importantly, counterintuitive to the policy aims of reducing emissions and reacting to the pressures of climate change.

Local authorities up and down the UK are looking for ways to improve air quality and many are turning to solutions such as clean air zones or low/ultra-low emission zones. While these can play a role, we must ensure that there is a suite of interventions from all stakeholders which can alter people's travel habits and patterns. There is no one size fits all model and a CAZ and or LEZ may not suit the purpose of every local area, this paper therefore seeks to propose some alternatives to using private cars for business and corporate travel, as well as commuting.

The daily commute alone contributes almost 18bn kg of CO₂ annually² and taking steps to address both this and the use of grey fleet for business travel can support local authorities in improving air quality. The commute and corporate travel are also intrinsically linked. If an employee is required the use of their private car for their business travel during their work day then they are required to use the private car for their commute to and from work.

As we emerge from the Covid-19 pandemic and begin to return to normality, there is a risk that business practices become entrenched and the use of grey fleet and returning to commuting via the private car becomes part of the 'new normal'.

Covid-19 has resulted in an increase in private car use for both commuting and business travel due to the government's messaging around public and shared transport throughout the pandemic. Given that all Covid-19 restrictions have been removed and with the hope that we do not see the return of Covid-19 restrictions, it is vital that all levels of government and organisations across the public and private sector work to ensure that this rise in private car use does not become entrenched.

This paper examines the way the public and private sectors can work together to ensure that steps can be taken to reverse this trend and they can help deliver on ambitious policy objectives.



² Revolutionising the commute is key to reducing UK carbon emissions, new research reveals - <https://pressat.co.uk/releases/revolutionising-the-commute-is-key-to-reducing-uk-carbon-emissions-new-research-from-mobilityways-reveals-da85f9d9f474054043ae488b43720af7/>

Issues with grey fleet – the current mode for corporate travel

Environmental

The use of grey fleet presents a significant environmental concern. Grey fleet use is inefficient and significantly contributes to the air quality and congestion issues that most local authorities and national government are grappling with.

The average grey fleet vehicle is 8.5 years old, making these vehicles some of the most polluting on the road. In comparison, daily rental or car club fleet is turned over every 8-12 months. According to a 2016 report, a UK-wide reduction in public sector grey fleet mileage could result in a total saving of 157,000 tonnes of CO₂ per annum³. The same research found that public sector vehicles produce 447,000 tonnes of CO₂, 1,118 tonnes of NO_x and 40,000kg of Particle Matter (PM) each year. However, a modernisation in grey fleet vehicles, for example Ultra Low Emission or Zero Emission vehicles, would not solve problems of congestion or particulate matter pollution from tyres and road wear. Furthermore, the high emission vehicles which are replaced by Ultra Low Emission or Zero Emission vehicles may end up being transported and used in a developing country. This doesn't solve the problem, but merely displaces these vehicles to a different country, in which the population will purchase the cheaper, high emission cars, in turn increasing car dependency. There are therefore significant externalities with this model of displacement and replacing, which does not reach the heart of the issue.

At a time when government is committed to addressing these issues and encouraging moves away from private car journeys, particularly those in petrol and diesel cars, it is illogical for public sector bodies to be paying for their employees to use some of the most polluting vehicles on UK roads. Private corporations are also under increasing scrutiny and trying to improve their corporate social responsibility (CSR) policies regarding reducing emissions and overall contributions to climate change.

Publicly quoted and the largest private companies in the UK are already subject to Environment Social Governance (ESG) reporting and the UK government has set out a clear pathway for enhancing these requirements as part of annual financial reports. Under the current Streamlined Energy and Carbon Reporting (SECR) scheme some businesses are required to disclose emissions for business travel in employee owned vehicles where they are responsible for purchasing the fuel. This is separate to other Scope 3 emissions which are voluntary under SECR.⁴

As of April 2022, there have been further requirements on businesses through Mandatory Climate related Financial Disclosures. This has been based on the recommendations produced by the Task Force on Climate-related Financial Disclosures (TCFD) which again will require reporting of Scope 3 emissions which business travel falls under.

Later in 2022, the UK will also present a new extended framework for environmental reporting requirements which will integrate TCFD reporting and will require businesses to disclose their risks and opportunities from operations and their impact on the environment. These new Sustainability Disclosure Requirements will also seek to develop a global standard to make it easier for multi-national businesses to standardise their reports.

The purpose in highlighting these reporting requirements is to demonstrate the increased focus on organisations' and businesses' impact on the environment, in particular what they are doing to address emissions from business and what effect this may have on their reputations.

Therefore, as part of this, now is an opportune moment for businesses to be looking to address their corporate travel policies and reduce the use of high polluting older vehicles for business travel.

² BVRLA and Energy Savings Trust, July 2016, "Getting to Grips with Grey Fleet"

³ As per the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain.

The incentivisation of the use of private vehicles also contradicts the policy aim to overhaul the vehicles which are on the road, to cleaner and more efficient vehicles - the UK government is looking for consumers to move to electric vehicles and is imposing a ban on the sale of all petrol, diesel, and hybrid vehicles by 2035. By incentivising people to hold onto their current vehicles through grey fleet policies, the overall road fleet will become cleaner at a slower rate.

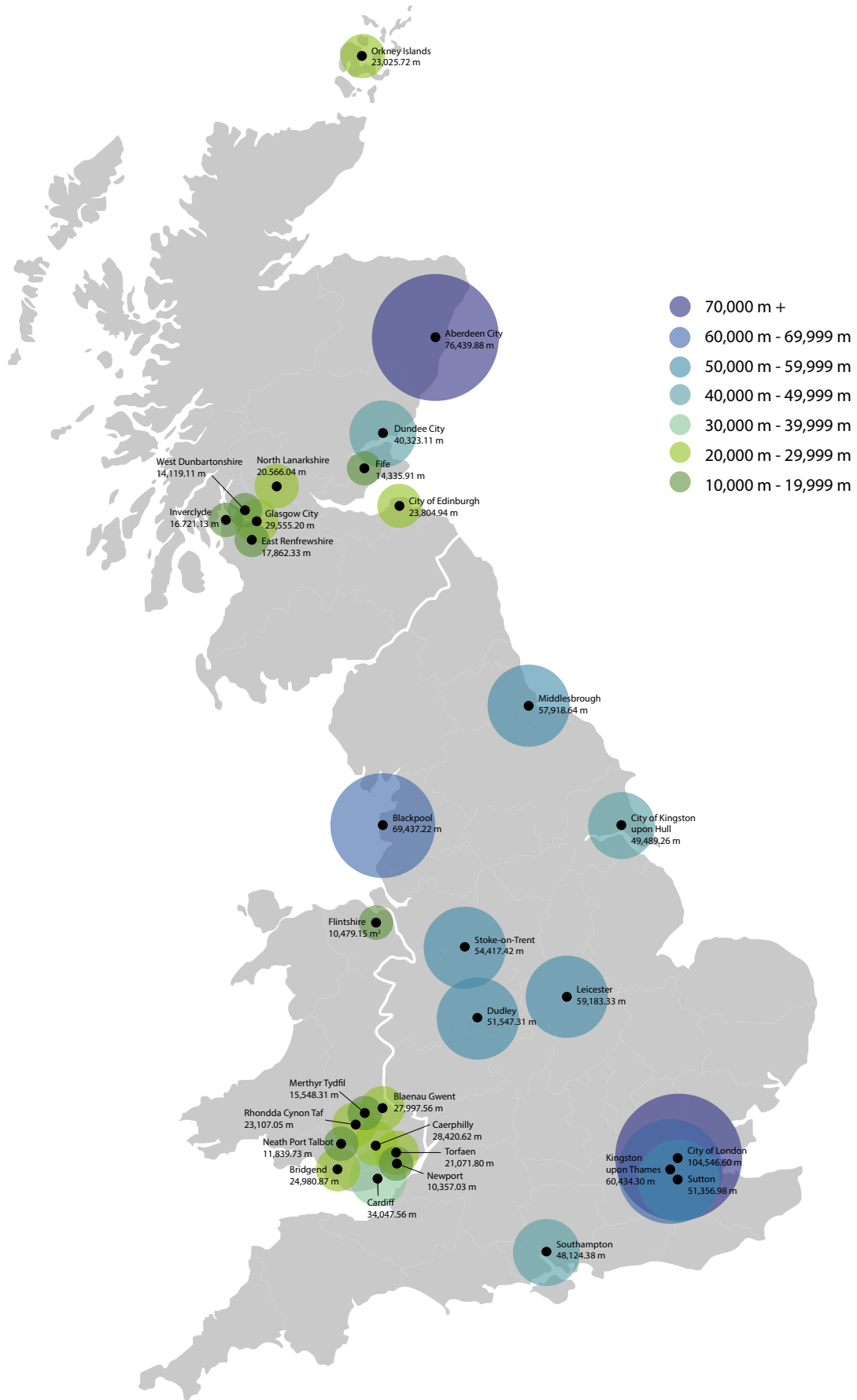
The UK government committed, through the Transport Decarbonisation Strategy to develop policies that encourage consumers to not just transition to newer cleaner private vehicles but to reduce the reliance on private vehicles and switch to utilising public and shared mobility options. Changing the culture and policies around using private vehicles for business travel is one measure they can take to help achieve this.

The below maps outline the environmental impact of local authorities use of grey fleet. This data has been collated using the average Co2 emissions per mile of the average 8.5 years old x by the number of miles driven by local authorities employees using grey fleet vehicles. Whilst this data alone gives a good indication of the CO2 emissions the use of grey fleet within a local authority is emitting, it doesn't take into account the size and geography differences across different local authorities.

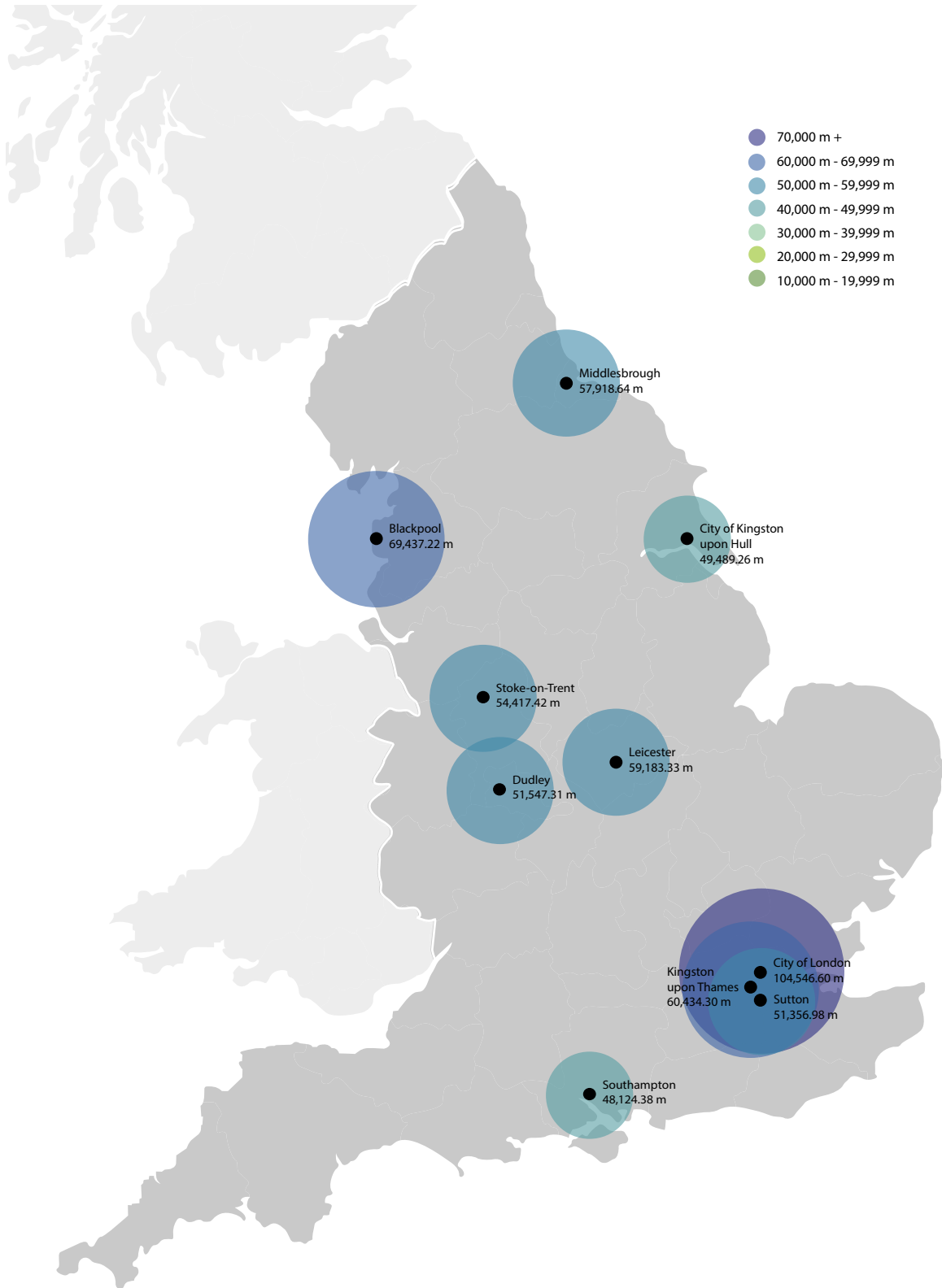
We therefore have utilised ONS data to make the emissions proportional to the local authorities geographical size. The below maps outlines the top 10 highest emitters from grey fleet proportional to their size as broken down by UK, England, Scotland and Wales. Further breakdown by regions can be found in the appendix.

This data gives a good indication of how in even urban and suburban areas where alternatives to the private car are more readily available, local authorities and their employees are still utilising private car use for business travel. This is even more stark when compared to more rural areas which despite having greater challenges to overcome in terms of access to alternative solutions and the inaccessibility of many journeys to be conducted by active travel proportionally have done fewer miles using grey fleet.

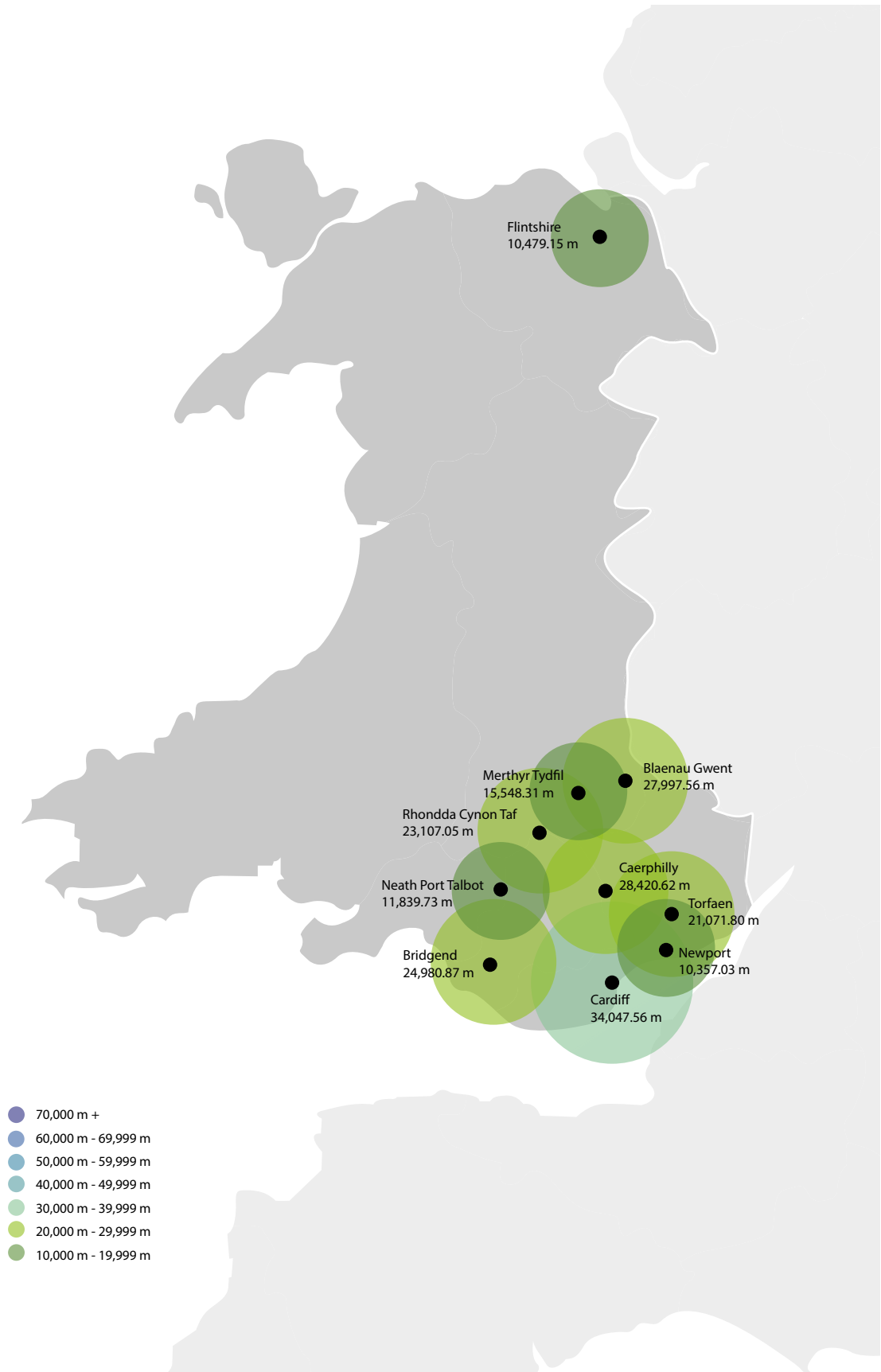




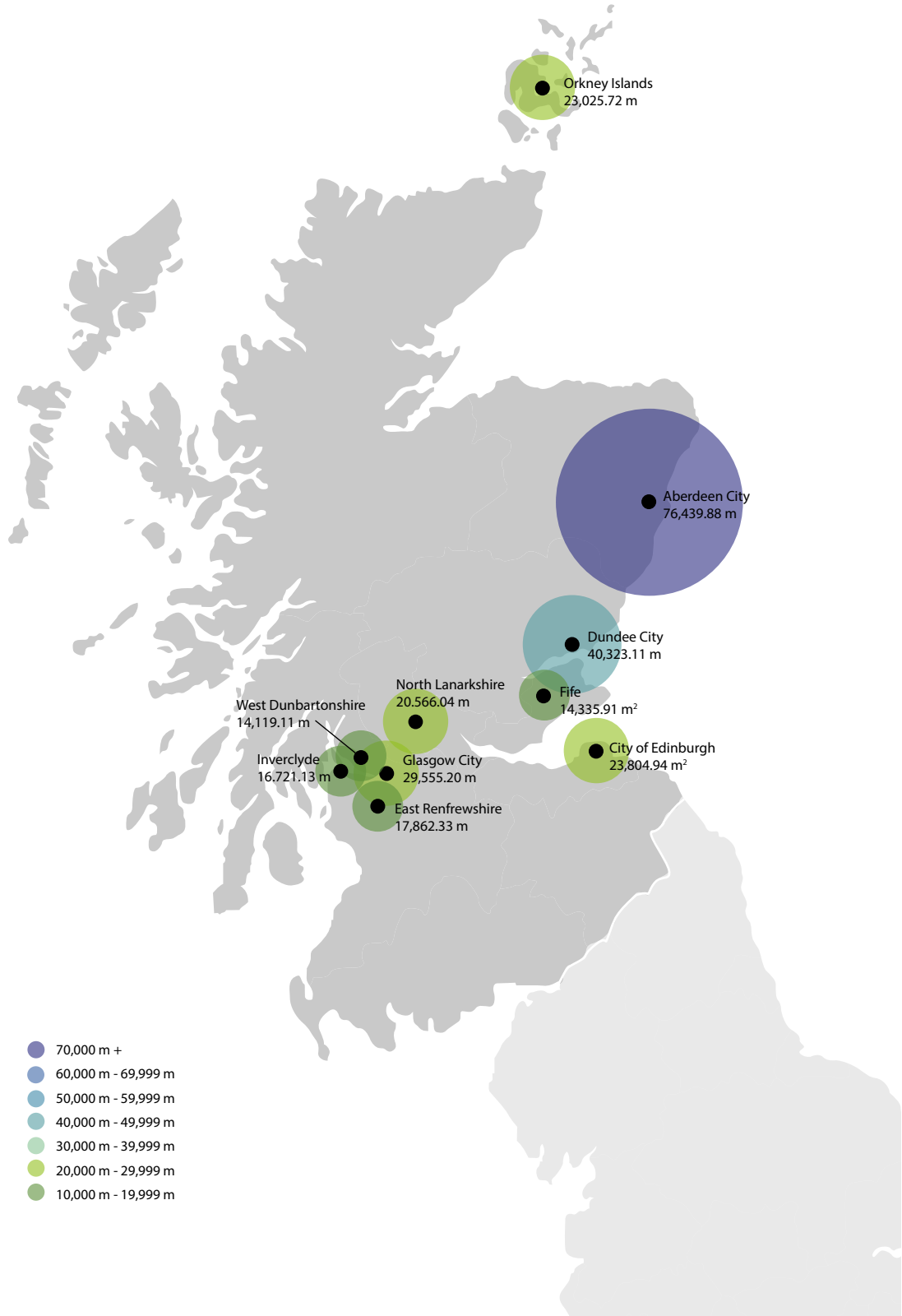
Map of UK showing areas with the highest grey fleet mileage per square metre



Map of England showing areas with the highest grey fleet mileage per square metre



Map of Wales showing areas with the highest grey fleet mileage per square metre



Map of Scotland showing areas with the highest grey fleet mileage per square metre

Fundamentally, the use of grey fleet and corporate policies which incentivise the use of the most polluting vehicles on the road (the average privately owned car is on average 8.5 years old), do not align with Environmental, Social, and Governance (ESG) reporting obligations, corporate social responsibility or governments' policy priorities. Organisations that require their employees to travel frequently as part of their work need to consider their corporate social responsibility obligations when it comes to reducing emissions and combatting climate change. While many organisations are considering measures such as reducing plastic waste, emissions created by business travel, deemed essential, are less often considered. In understanding how travel can be changed it is important to consider factors such as private parking provision in the workplace, the use of company cars, what that company car fleet looks like, the extent to which the use of public transport is incentivised and contractual requirements for employees to have access to private vehicles. In this regard, companies have a large role to play in guiding employee behaviour and supporting a wider societal shift towards more sustainable travel.



National government has extensive policy ambitions related to climate change and has and is continuing to develop policies to help address emissions and congestion. However, whilst we appreciate the complexity of these issues, grey fleet, commuting and corporate travel are areas that are often overlooked, but could provide fertile ground for immediate results. Therefore, this paper concludes by offering some policy proposals which national government can implement to help move away from grey fleet usage and transform business travel. These proposals are not just about technological transition to electric vehicles (EVs) which much of the discussion around improving air quality is around. To not only improve air quality but also reduce congestion, in turn improving the UK's economic productivity we require modal shifts towards public, active and shared transport.

UMP Case Study

Enterprise Car Club in partnership with Highland Council

The Highlands of Scotland is a uniquely challenging environment to change travel behaviours. However, the uniqueness of this area means that it is vital to protect its environment. Highlands Council, however, was not aware of how it could reduce its own environmental footprint in an area so geographically large that using a car for business travel was vital to its operations.

The council conducted a series of engagements, via either in person discussions or surveys, with its staff and other stakeholders to understand how its staff deliver services and what challenges they faced. Grey fleet as a practice was entrenched throughout the organisation and the council decided to explore ways to reduce this environmentally inefficient practice.

In 2019, Enterprise was able to partner with the council and provide an emissions and cost reducing solution. After reviewing the data provided by the Highland Council and understanding the staff's perspective, Enterprise provided a sophisticated car club solution based on analysis of employee mileage and staff survey data to identify why, how, when and where trips were taking place.

In order to support this, Enterprise also introduced an employee communications programme which provides clear information on how to make better travel choices, encouraging staff to avoid journeys if they can and make essential journeys in the most sustainable way. This often meant there were many opportunities to share journeys with colleagues doing the same, or similar, trips on a user-friendly online app.

The new car club model helped to significantly reduce the staggeringly high emissions which were estimated to exceed 2,000 tonnes of carbon dioxide every year (the council was unable to provide data on the type of vehicles that it was using, meaning the true emissions could have been much higher). The fleet that Enterprise provided for the scheme are all low emission or electric vehicles that contribute to carbon reduction objectives and minimise pollution. The use of cleaner, newer vehicles means that not only has the business mileage gone down by more than 825,000 miles on an annual basis, but the council's carbon footprint from staff travel has reduced by approximately 377 tonnes of carbon dioxide. This represents an annual reduction of the council's environmental impact by 19%. This also represents cost savings in excess of £400,000 in the first 12 months since introducing Enterprise Car Club, and a 15% reduction in overall business travel costs. This initiative has not only health and environmental benefits, but also leads to overall cost reductions.

Highlands Council, in partnership with HITRANs and UMP members, have also embraced Mobility as a Service (MaaS) technology to further transform transport across the region by launching Europe's largest MaaS trial, GOHI and are utilising this MaaS solution for corporate travel within the council.



Cost

The Approved Mileage Allowance Payments (AMAP) system currently states that individuals who use their own car for the purpose of business travel can be paid up to 45p per mile for the first 10,000 miles they travel in a year (25p thereafter). Often organisations, particularly in the public sector, have been found to pay even more than the 45p suggested rate - there is almost no reason for this as it further incentivises unnecessary, unsustainable, and expensive travel. For example, the NHS pays employees 65p per mile for the first 3,500 business miles driven. For public sector bodies, local authorities as well as private companies, the cost of grey fleet is therefore a significant one.

Research conducted by the Urban Mobility Partnership found that the combined cost of grey fleet for over 400 councils across Great Britain is more than £170 million. Figure 1.1 shows that each of the top 10 councils across Great Britain spent over £2.5 million on grey fleet reimbursement and the top spending council, Hampshire County Council, spent over £4.5 million. Some of the largest city councils such as Leeds, Glasgow, Edinburgh, and Cardiff spent around £1 million each on grey fleet. Grey fleet clearly represents a huge cost to local authorities.

At a time when local authorities are under significant financial pressure, it is counterintuitive to be providing financial incentives to employees to use their own vehicles. However, herein lies one of the major obstacles to tackling the issue of grey fleet both in public sector bodies and private organisations: the implementation of grey fleet is effectively used as a salary bump or employment 'perk'. This can make both senior management and staff reluctant to move to more sustainable and cost-effective modes of travel.

Similarly, standard practice for many businesses and employees is to 'round up' their mileage. A rounding up of 8 miles to 10 miles for the purposes of reimbursement ends up increasing the cost of the journey by 25%. It is important to note here that the cost associated with wear and tear on the vehicles used for business travel is already built into the mileage rates. By way of example, if 50 drivers averaging 2,000 miles a year inflate their mileage claims by 25%, it would cost an organisation more than £11,000 (44ppm).

Figure 1

Council	Grey Fleet Miles Travelled	Cost
1. Hampshire County Council	12,380,077	£4,613,290.00
2. Swansea Council	682,178.6	£4,311,854.15
3. North Yorkshire County Council	9,485,268	£3,886,512.00
4. Lancashire County Council	8,857,221	£3,874,000.00
5. Norfolk County Council	8,001,978	£3,586,356.00
6. Surrey County Council	5,900,883	£3,161,356.05
7. Cambridgeshire County Council	7,035,547	£3,150,526.22
8. Lincolnshire County Council	6,251,555	£2,836,880.17
9. Aberdeenshire Council	6,068,739	£2,697,821.72
10. East Riding of Yorkshire Council	6,234,148	£2,683,623.00

The above data highlights the use of grey fleet across local authorities, however this is not a policy exclusive to local authorities. It is widespread both in other parts of the public sector and in the private sector. For example, the Drivers and Vehicle Standards Agency (DVLA) conducted over 720,000 miles using grey fleet vehicles, HM Prison and Probation Service conducted over 1 million miles, and across government agencies over 22 million miles were driven using grey fleet vehicles.

UMP Case Study Local Authority

One local authority, which provided their data, highlighted the misuse of grey fleet as part of their business travel. Whilst having a relatively small total number of journeys (3,065) and miles (95,573 miles) using grey fleet, this council's data demonstrated how pervasive the use of grey fleet is as part of their business practice.

Of the 3065 journeys made by council employees using grey fleet vehicles, 2 of those journeys were less than 1 mile, 131 journeys were less than 2.5 miles and 413 journeys were less than 5 miles.

All these journeys could have been conducted by more sustainable modes of transport and many of those journeys under 2.5 miles could have been made using active travel, in line with national and local government's priorities.

Whilst this particular council had a relatively low use of grey fleet in comparison to many other local authorities (see figure 1.), it is indicative to which the use of grey fleet is ingrained within cultures, and demonstrates the number of journeys that can be made through more sustainable modes of transport. In turn, this shift would reduce local congestion and free up road space for public, shared and active travel.

Duty of Care

According to the HSE Driving at Work Guidelines, more than a quarter of all road traffic incidents may involve somebody who is driving as part of their work at the time. The same Guidelines set out that employers have duties under health and safety law for on-the-road work activities undertaken by employees. This means there are very specific rules around the use and maintenance of a private vehicle that is used for business travel and, crucially, a duty on employers to check that these rules are correctly applied.

There are significant issues and concerns regarding the duty of care legislation that organisations must go through when they use grey fleet. This is costly and time consuming for fleet managers. In many organisations there are no restrictions on the vehicles being used for business travel despite all organisations having an obligation to show they are fit for purpose and road worthy. Once an employee chooses to use his or her own vehicle for business travel, it is the organisation's responsibility to ensure the driver conducts regular maintenance and safety checks, as well as to ensure the employee has the correct insurance, which covers business travel. Those privately-owned vehicles used by employees while 'at work' are difficult to manage in terms of meeting any organisation's basic duty of care responsibilities, and often add another layer of administrative costs and processes when properly implemented.



Policy Guidance for Public Sector Bodies

Public sector bodies can almost immediately change their policies to disincentivise the use of private vehicles for business travel and be leaders in this area. Public sector bodies reducing their grey fleet usage is a signifier, both to other organisations and more broadly, that they are committed to addressing the issues around emissions and climate change.

Public authorities and government agencies have the ability to change policies on employee car usage and encourage employees to use a variety of sustainable transport options for their business travel. This is already happening in some organisations, but it needs to become the new normal for business travel.

By doing this, not only do they save money and reduce emissions, but they encourage modal shifts to a variety of cleaner and more efficient mobility solutions. This modal shift will then also translate to employees commuting to work, as some drive to work just because they will be using the car for business purposes. This modal shift may then translate not only for commuting purposes, but then into people's personal lives, in turn reducing congestion and improving air quality further.

We propose the following policy changes:

1. Grey fleet reduction should be a key part of all local authorities and combined authorities' clean air and transport plans and aligned with air quality targets as per the Transport Decarbonisation Plan.
2. Public sector organisations be required to assess the extent grey fleet is being used within their organisation and communicate to key stakeholders that travel policies will be changing, explaining the reasons why.
3. The requirement for employees to have access to a private vehicle should be removed from all employee contracts.
4. Bodies should assess the variety of alternatives to grey fleet and work with local public transport providers, daily rental, car club, and active travel providers to make accessibility to alternative modes as simple as possible.
5. Public sector corporate travel guidance should be revised to prioritise the use of public, active and shared transport. Employees should be strongly encouraged to use these methods for travelling to and from work.
6. Bodies should ensure that there is immediate access to outsourced pool cars or a car club scheme and to bike hire and bike sharing facilities. Ideally this should also be on the grounds this can include membership or corporate access to off-site vehicle hire, car club or bike share, which requires a certain scale to be operationally feasible.
7. Pool vehicles should be encouraged to be used for journeys where it is not practical to use public or active travel. When a pool vehicle is used for business travel this approach ensures that cleaner, well-maintained, and properly insured vehicles are used for these journeys.
8. Local authorities should work with industry to use technology to manage business travel and to make it easier and more efficient for employees to use a variety of transport modes for both business travel and commuting purposes.

UMP Case Study Stagecoach and Derbyshire County Council

Derbyshire County Council, in partnership with Stagecoach, introduced a Smarter Travel initiative designed to reduce the environmental and financial impact of employee business travel. The strategy targeted the use of technology and other alternatives to travel where possible to reduce grey fleet mileage and increase the use of buses, bikes, car sharing and pool cars.

Stagecoach offered reduced corporate bus travel for council employees based at the head office in Matlock and in the numerous other offices and locations around the county including libraries and community-based facilities.

The initiative gives employees discounts on the standard prices for day, weekly and 28-day bus tickets, helping the council to meet its objectives on more sustainable business travel. As part of this partnership, Stagecoach also invested in new greener buses for its services which linked main council offices and the other local authority sites.



Guidance for wider Corporate Travel

Staff members who oversee developing corporate travel guidance need to be cognisant of a number of key factors before implementing any changes and should take the following steps in developing new guidance to reduce emissions:

1. Who are the key stakeholders which any changes will affect – these should be mapped out and then be consulted with in order to assess what they think of current travel policies.
2. As part of stakeholder mapping, travel managers should consult with human resources to establish the number of employees who currently have the requirement of access to a private vehicle in their contract. The requirement for employees to have access to a private vehicle should be removed from all new employees joining the business contracts and where possible existing employees, to whom this applies, should be incentivised to also use alternative modes.
3. Assess the types of journeys currently being made – including the time, origin and destination locations, frequency and mileage driven of trips. Understanding the types of journeys employees take is crucial in developing policies, for example, business travel in city centre-based organisations will look very different to those based in more rural areas.
4. How much is business travel currently costing your organisation – this should be broken down by the various modes your organisation uses and how it reimburses employees.
5. Where possible, how much carbon is being emitted from the use of grey fleet vehicles.
6. A full assessment of your current business travel policy – this can vary from ad-hoc reimbursement for journeys to full guidance on what modes employees should use and how they can claim for travel expenses.
7. Organisations should then develop a metric, defining which modes of transport should be used for different types of journeys and a framework which uses grey fleet as the final option. A model for this can be seen below:
 - Is video conferencing possible?
 - Active travel options – walk, bike, or bike hire/share for short journeys.
 - Public transport – locally available bus, tram, or rail.
 - Outsourced pool vehicles or corporate car club.
 - Use of low emission grey fleet – when there are no other viable alternatives.
8. Organisations should develop relationships with transport providers such as car club, bike hire and bike share to establish corporate relationships to maximise access for employees to a variety of transport modes.
9. Organisations should look at workplace car parking policies, review car parking subsidies and the extent to which these are necessary in line with new travel policy.
10. Organisations should also look to implement a car club/bike hire or bike share and/or a cycle to work scheme in place of car parking spaces.
11. Organisations should invest in electric vehicle infrastructure for shared vehicles which employees can use.
12. Organisations should provide data and information to employees as to why they should use certain modes of transport for journeys – this will enhance employees' willingness to move away from existing policies and understanding of the impact of their decision making.

UMP Case Study

Chesterfield Royal Hospital

Chesterfield Royal Hospital is North Derbyshire's only acute district general hospital, with around 4,000 staff providing care and treatment to more than 400,000 people in the community.

As the largest employer in Chesterfield, the hospital's travel strategy is designed to promote sustainable travel and reduce single occupancy car journeys.

The hospital has limited parking available and no free parking for staff. Several initiatives are in place to promote the use of public transport, walking, cycling, and car sharing. For example, frequent bus services operate to and from the hospital, which also benefits from cross town connections and links to other services and since 2019, Stagecoach has worked closely with the hospital to ensure that employees are aware of the services and are encouraged to utilise them. A Stagecoach corporate travel scheme offers employees discounts on the standard prices for day, weekly and 28-day bus tickets.

The discount is promoted to hospital staff through an employee app and intranet, as well as by Stagecoach at hospital employee events focused on sustainable travel choices. Bus service information is provided via departure screens in the hospital lobby and investment has also been made in improved bus stop infrastructure.

National Policy Support

National Government has ambitious policy aims to reduce emissions and secure a shift in consumer behaviour to sustainable modes of transport, specifically around its Road to Zero strategy, Transport Decarbonisation Strategy, ending the sale of new petrol and diesel cars in 2030 and its Future of Mobility Strategy.

As set out earlier within this paper, grey fleet and corporate travel are areas public sector bodies and private businesses either remain reluctant to address or are just not cognisant of the issues. If the government's ambitions for half of all vehicles to be low emission by 2030 and the sale of all new petrol, diesel, and hybrid vehicles to be banned by 2035 are to be met, it will require significant 'buy-in' from the public and large organisations. This will not be as simple as encouraging people to buy electric vehicles.

We propose the following national policy interventions:

1. Use the tax system to incentivise a move away from single occupancy private vehicle use for business travel – as part of this the Government should look at examples from European countries such as the LOM Act in France, which has provided businesses with the opportunity to provide tax free mobility credits to be used on sustainable modes of travel.
2. Similarly, rules around Benefit in Kind Tax require updating to allow flexibility for sustainable travel innovations. For example, if businesses make car club or carpool vehicles available, not only for business purposes but also for commuting to and from places of employment, the tax system must not penalise these options. Such tax flexibility not only works as an incentive to change business travel habits but may also subsequently have an impact on the way in which employees travel to and from work, further reducing congestion and emissions.
3. The Department for Health and Social Care and the Department for Levelling Up, Housing & Communities should work on providing guidance to large public sector bodies such as NHS Trusts as well as local authorities to develop leadership on grey fleet and suggest how organisations such as these can use alternative transport policies to cut costs and reduce their environmental impact.

Commuting

As previously mentioned, commuting and corporate travel are intrinsically linked, as if employees are required to have their private car for business travel or in some cases even contractually required, they will inevitably use their vehicle for the commute to and from their place of work.

Businesses and the public sector therefore also need to be cognisant of their responsibilities regarding how their employees get to and from work. Whilst traditionally employers have thought little about how their employees get to and from their place of work as long as they are there by the start of the working day, this should no longer be the case.

Firstly, as already discussed during this paper, the Covid-19 pandemic has fundamentally altered many peoples working habits and for many organisations there will be increased flexibility around when their employees will need to be at their “traditional place of work”. People will undoubtedly be working from home or social spaces significantly more than pre-pandemic and this will have an impact on the choices people make when they do have to commute to their place of work. This also presents an opportunity for businesses to encourage behavioural change in line with these changes in working patterns. For example, with more flexible approaches to working patterns, employers can adjust or allow flexibility with start and finish times to avoid employees commuting during peak hours. This would quickly reduce congestion on the roads during peak hours but could also encourage more people to make use of public transport at times when the services are less busy. Similarly, with reduced congestion bus routes will become quicker and more appealing to consumers even during “rush hours”.

However, as a result of the pandemic, many people have understandably cancelled public transport season tickets. With the changes to work patterns, employees may conclude that season tickets are no longer necessary and that money would be more wisely spent on a car, which they then can use for commuting, replacing journeys previously made by public transport.

Secondly, as discussed earlier in this paper there is going to be increased scrutiny on businesses environmental impact as reporting requirements continue to increase. Classed as Scope 3 emissions, employee commutes are included as indirect emissions that occur in an organisation’s value chain. Having been historically been overlooked in organisations’ CSR efforts, given much of the onus on how people get to and from their place of employment has been placed on the individual, with additional scrutiny on businesses and the public sector and having set ambitious net zero targets, changing commuting habits should become an area of importance. Failure to do so will affect reputations and consequentially lead them to be unsuccessful in efforts to reach net zero.



Ultimately, any business or organisation which has a net zero strategy should be incorporating commuting into their strategy and setting out tangible steps to help their employees make more sustainable journeys to and from work.

It is important to note that, as with business travel, there will be the need to tailor approaches to decarbonise different journeys. All businesses and organisations will have employees with very different commutes. Different lengths of time, different current modes of transport and a different range of modes available to them based on where they live, and what they can afford.

However, businesses and organisations can control a number of factors which can influence the way their employees get to and from work. At the most basic level, businesses and organisations can reduce the number of parking spaces for private vehicles at their premises. They can replace this space with bike sharing or hire facilities and remaining car parking spaces can be reserved for car club vehicles and fleet vehicles which employees can have access to.

There is evidence that, if mobilised effectively and in proximity to workplaces, commuters are using active travel to get to work at an increased rate. For example, nextbike has several bike rental stations positioned at hospitals, or in near proximity to hospitals, in Glasgow. Rental data from these bike rental stations show that, unsurprisingly, employees of the hospitals are much more likely to use the bicycles during the summer months. For example, at the Scottish Event Campus bike station, positioned close to the NHS Louisa Jordan Hospital, there was a 74% increase in bike rental and return in June 2021. Furthermore, and of more interest, there were also increases in use during the first winter months of 2021. This indicates that despite the colder weather, hospital employees favoured bike rental due to Covid-19 and the national messaging which discouraged the use of public transport. For example, the usage of bike rentals stationed at the Glasgow Cathedral Royal Infirmary increased by 57% in February 2021, and a further 80% in March. This increase indicates that bike rental represents a successful and popular transport method for commuters no matter the weather. In order to maintain these successes, it is crucial that active and micromobility transport options are positioned either at, or in very close proximity, to major workplaces such as hospitals and business parks. The integration of bike sharing facilities with public transport and other forms of shared mobility such as e-scooters and car clubs can further facilitate their usage.

Workplace Parking Levies

As part of efforts to improve congestion and air quality, a number of areas across the UK have either implemented or are considering introducing workplace parking levies (WPL). Workplace parking levies allow a local authority to place a charge on employers on parking spaces provided to employees. In the same way CAZs or LEZs do, WPLs will ultimately limit the options available to people, however they are different in that they seek to drive behavioural changes away from private vehicle use to other forms of transport. Whereas CAZs or LEZs still allow consumers to drive their own vehicles providing they are compliant with the emissions standards of the zone. This means they do not necessarily help the overarching policy aims of both national and local governments of increasing the number of journeys made by active and public transport.

Similarly, WPLs revenues are hypothecated for local transport projects and it is vitally important that this revenue is used to make shared, public and active travel more accessible and convenient for local people but in particular to support consumers commutes. Otherwise WPLs risk becoming a punitive measure on businesses and their employees, restricting their ability to conveniently and cost effectively get to and from work.

Providing the requisite physical infrastructure to ensure that people have options for every type of journey and every person will be essential to ensuring the success of WPLs for any local authority. This should include an exemption for car club and pool/fleet vehicles, as public transport or active travel may not be suitable for every employee at a company for a variety of factors including journey distances.

As previously mentioned, many organisations will be reassessing their work from home policies and this may in turn affect what they do with their office premises. In many cases this may lead to businesses downsizing and/or moving premises in order to cost save and adapt to new ways of working. Organisations which decide to go through this process should consider offices which are located within active travel distance of public transport stations or explore options for smaller hub offices in local areas to open up further alternative travel options outside of the private car.

Businesses should also encourage employees to make more use of existing salary sacrifice schemes which support the use of sustainable transport for commuting such as the cycle to work scheme. Employers can also go further by using vouchers or coupons to reward employees for taking more sustainable transport options to and from work.

Finally, organisations should work with mobility providers that provide solutions to getting to and from work. This can include physical operators, like bike hire schemes, public transport operators and other shared mobility providers. This should also include the use of applications which can support journey planning, contain integrated ticketing and can provide accessible and convenient journey solutions. Many of these applications can provide bespoke services for businesses for their employees (as well as for business travel).

About UMP

The Urban Mobility Partnership (UMP) is a coalition committed to providing long-term leadership and near-term solutions to improve future urban mobility. Our innovative partnership represents the breadth of the urban mobility landscape. We were founded to ensure that effective policy at a national, regional, and local level, combined with new technology, supports better mobility and helps tackle the major challenges of congestion, air quality and climate change.

Our membership comprises of Stagecoach, Enterprise Holdings, nextbike, Brompton Bike Hire, Trainline, Dott and Foot Anstey.

Founding Members

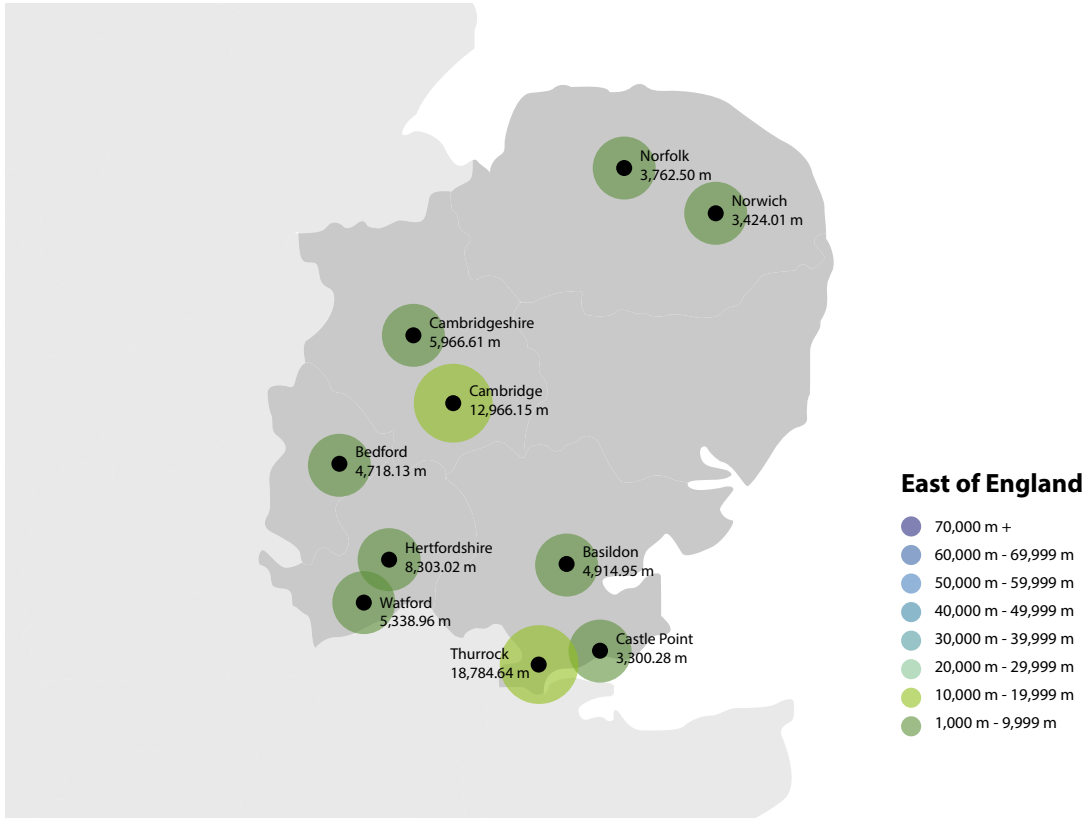


Partners

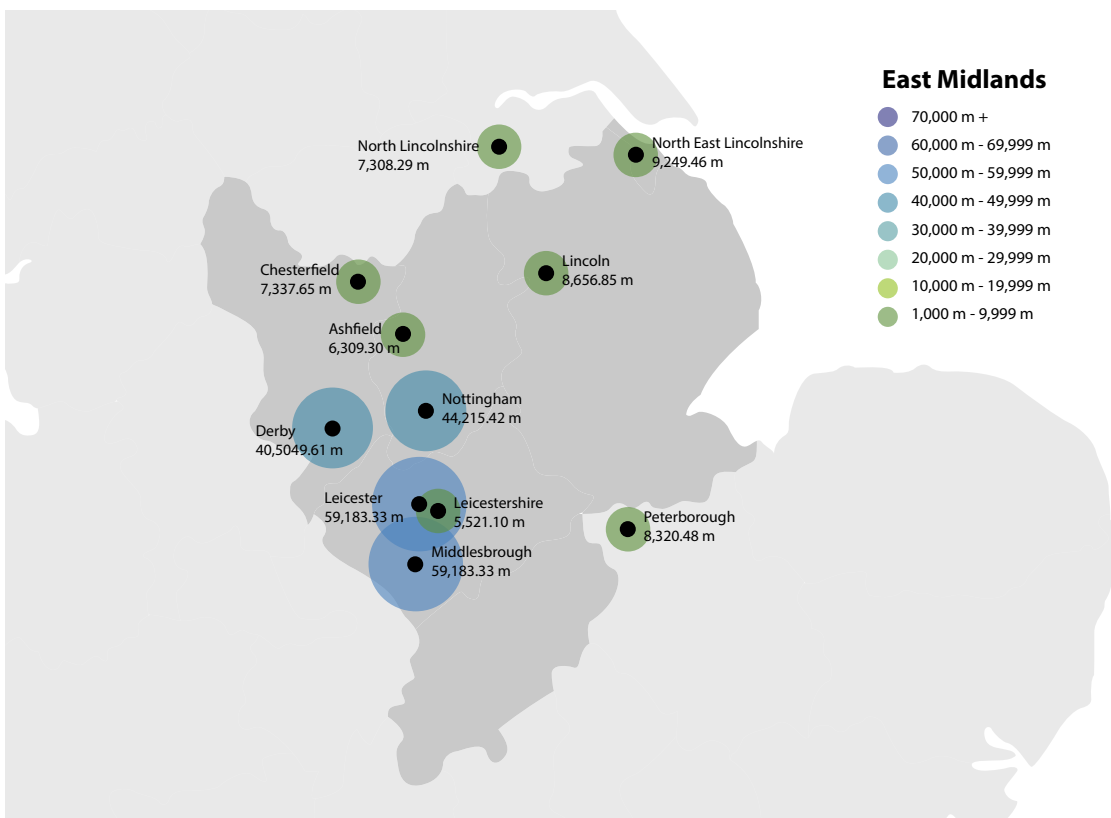


Appendices

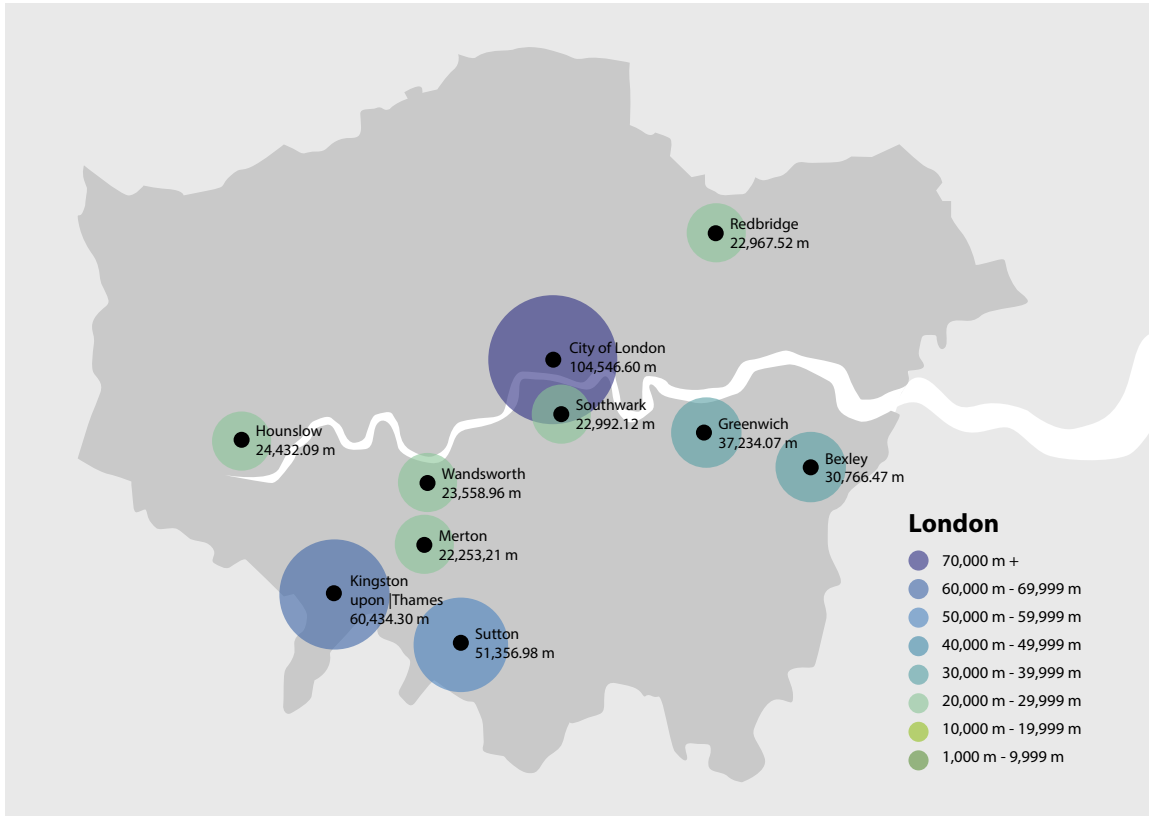
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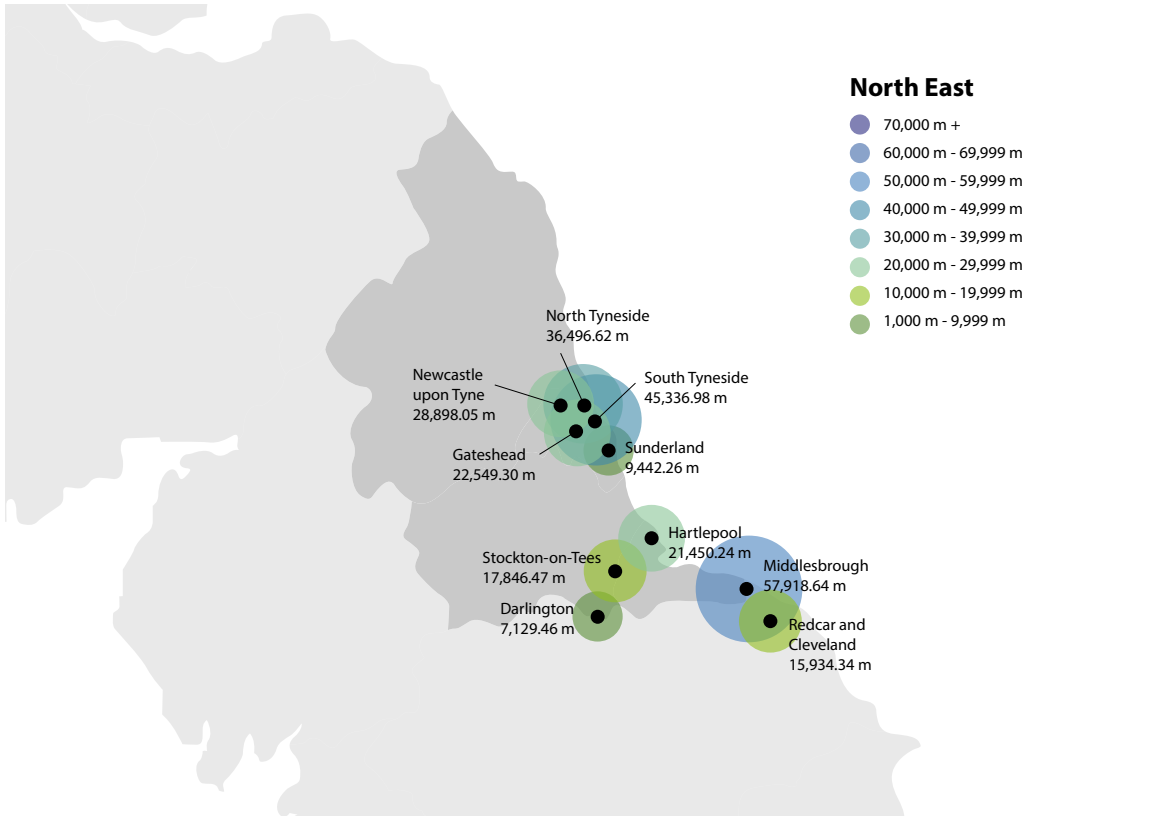
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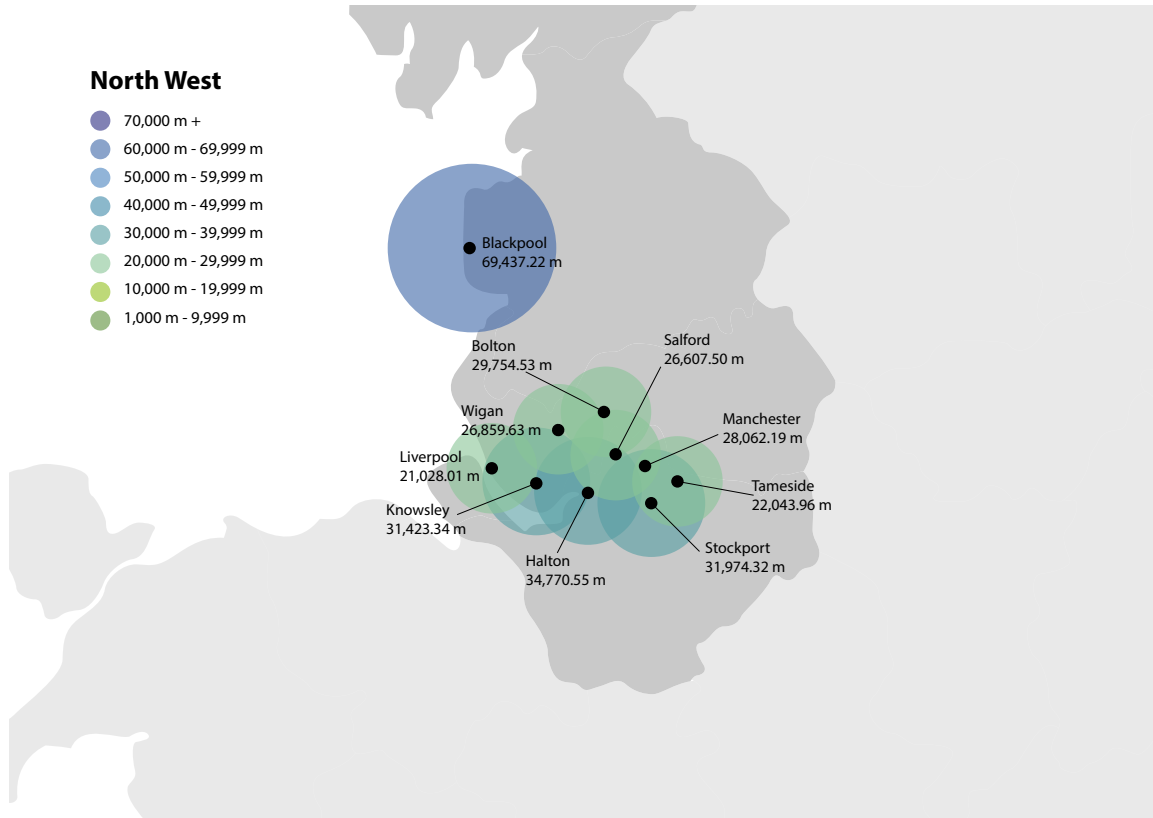
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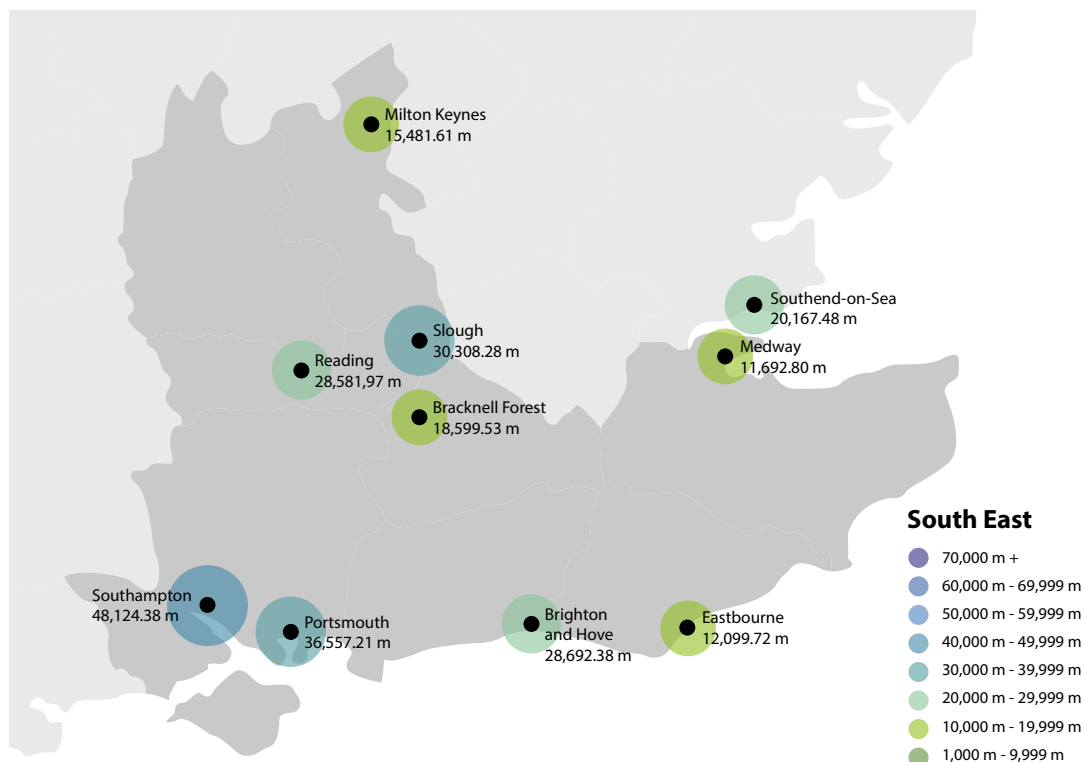
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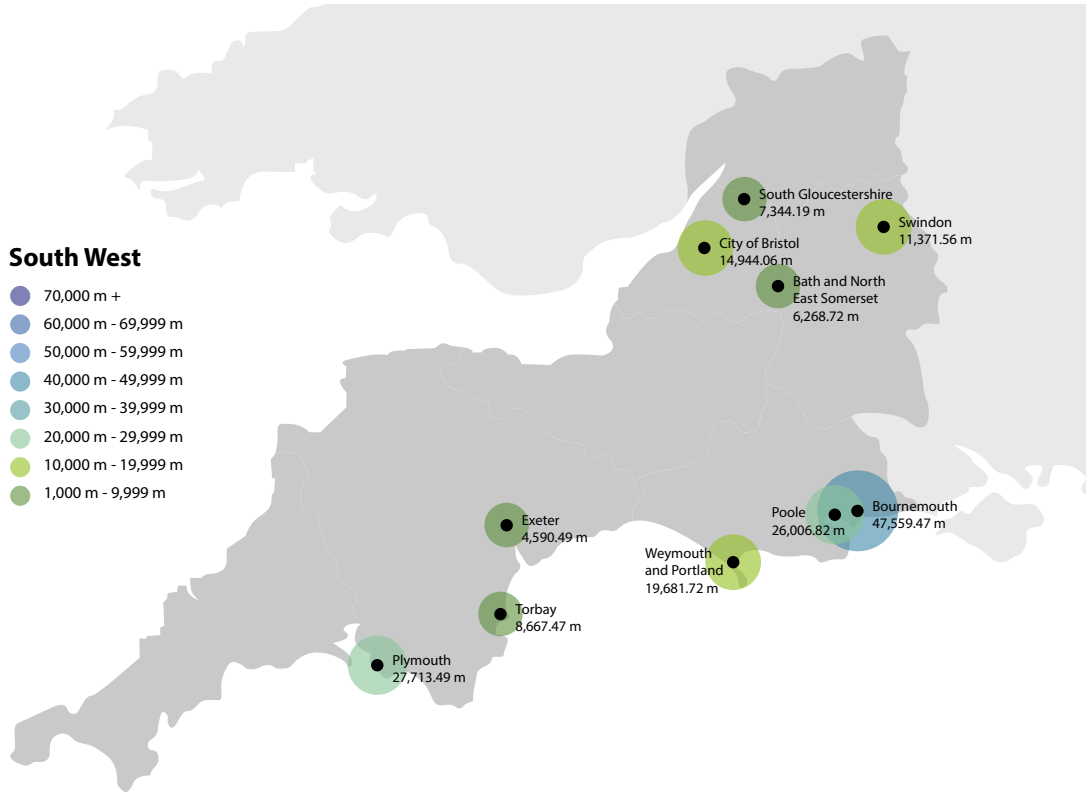
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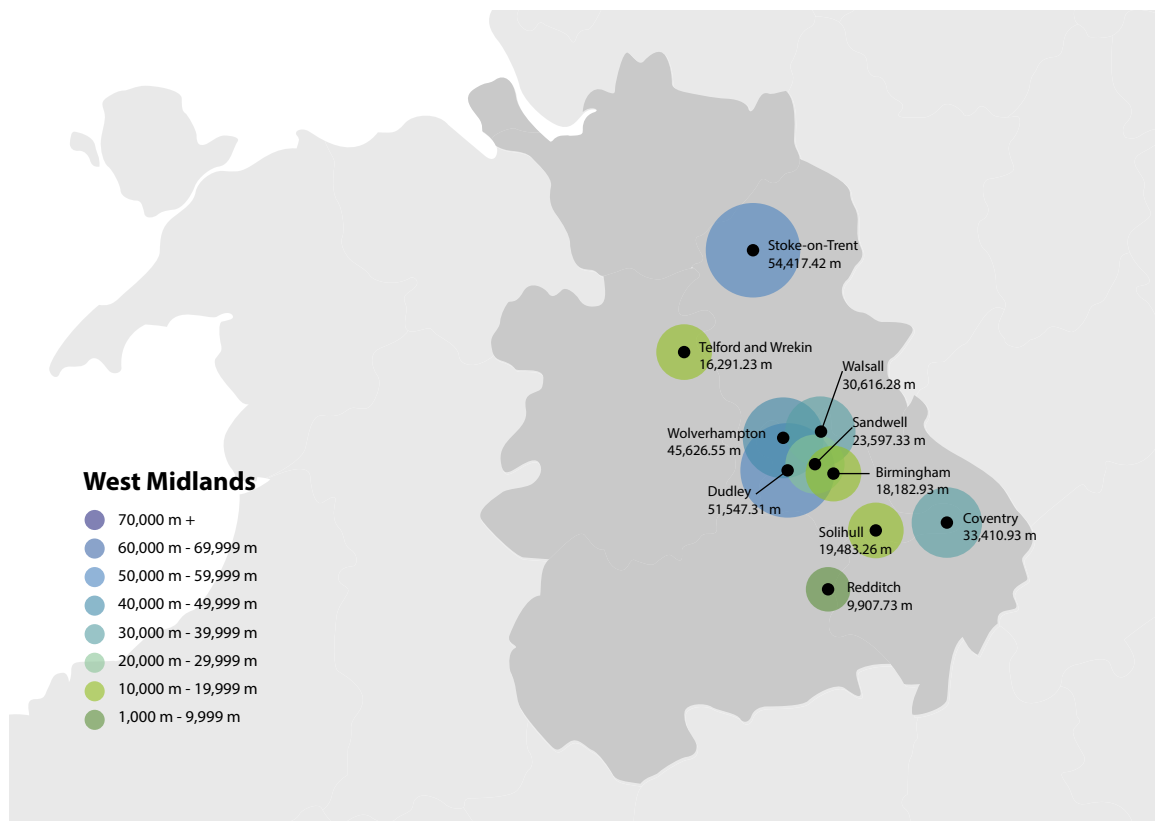
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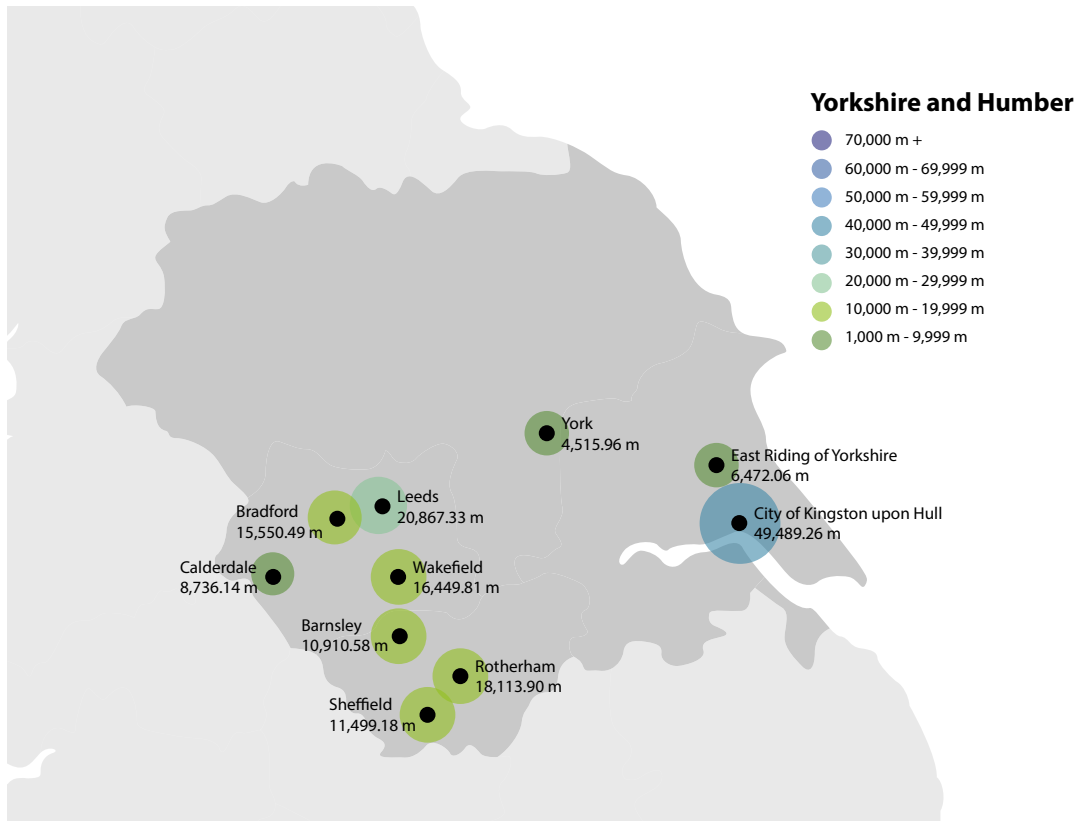
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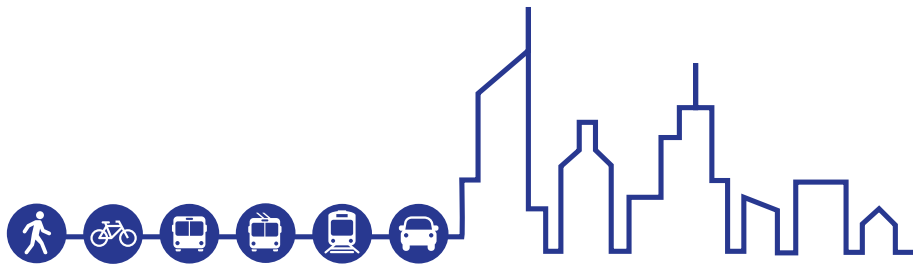


Appendix 8



Appendix 9





Improving lives by transforming travel

UMP