



## Urban Mobility Partnership

### Introduction to Mobility Credits

#### Background

Despite the national resurgence of debates around climate change and air quality, it remains the case that many consumers in the UK consider this to be an academic debate that is separate to their transport decisions. Many are currently unwilling or unable to give up their primary form of transport; a private car. This is despite the fact that privately owned vehicles in our cities are parked 97% of the time. It is also important to recognise that many of those with the highest polluting vehicles, particularly old diesel cars, have the least amount of disposable income, and the lowest financial ability to elect to swap those vehicles for newer, more environmentally friendly alternatives.

However, the contribution of diesel vehicles to NOx emissions in urban areas has come under scrutiny by policy makers and local authorities have been set mandated targets to tackle roadside NOx concentrations. It is essential that national and local government ensure that consumers, and particularly those from lower socio-economic groups, have an option that is viable and supports them as they transition away from high polluting diesel vehicles.

Basic scrappage schemes have been suggested as a way to combat this issue in the past; but whilst these proposals promoted a switch to less polluting cars, they also promoted private car ownership and did not ease congestion in our cities.

#### What are Mobility Credits?

The proposed Mobility Credits Scheme would ask participants to scrap their older diesel cars (Euro 1 to 5) to access 'credits' over a set period to spend on appropriate shared transportation options. As an incentive to consumers, the credits offered would exceed the market value of the car and could be used on a range of sustainable and efficient modes of transport to suit their lives. Depending on the local area, the credits would include bus, active travel initiatives such as bike share or hire, car club and daily rental, rail and tram. The scheme could be delivered by means of a pre-paid card system, or alongside digital MaaS applications, with additional rules introduced concerning length of vehicle ownership and vehicle type.

#### Addressing five key challenges

Mobility Credits provide a flexible solution that addresses five key challenges.

1. **Health and environment** – vehicle safety (through new safer vehicles on the road); reduced congestion leading to fewer road accidents; and the reduced impact of NOx emissions on public health.
2. **Targeting** – mobility credits can be tailored to apply to groups, areas or demographics to ensure maximum benefit and to reduce the impact of punitive measures on those who can least afford it. The scheme could also be extended to commercial vehicles for small businesses.
3. **Behavioural change** – not only would consumers be moved away from the most polluting vehicles, but would also be encouraged to use shared transport. This could ensure a permanent switch



## Urban Mobility Partnership

away from private car ownership and could reduce the urgent need for large, road infrastructure upgrades.

4. **Economic** – the scheme would benefit local businesses through people engaging more with less congested city centres, providing increased revenues to public transport modes and productivity gains through a healthier populace.
5. **Digital** – mobility credits is capable of delivery through MaaS digital platforms to ensure its longevity and ability to be extended to a wide range of consumers.

### Funding mobility credits

- **Clean Air Fund.** In March 2018, the government announced a Clean Air Fund worth more than £260 million that will be made available to local authorities to tackle roadside NOx concentrations. Local authorities have the opportunity of the Clean Air Fund to create innovative solutions to improving air quality in their area.
- **Future Mobility Zones.** Mobility credits has been included in the guidance for the Future Mobility Zones applications, as an option for local authorities to mitigate the effects of air quality controls on disadvantaged groups.
- **Transforming Cities Fund.** The £1.7 billion Transforming Cities Fund is aimed at the UK's largest city regions (outside of London), to improve transport links and promote local growth. Encouraging an increase in journeys made by low carbon, sustainable modes is a key objective of the Fund. Tranche 2 requires business cases to be made by local authorities.



## Urban Mobility Partnership

### West Midlands Combined Authority example

**Table 6.1** Mobility Credits and Shared Transport Equivalent Cost

Journey	Trip Classification	Likely Travel Mode	Price per Annum	£4,000 Mobility Credit Lifespan (years)	£2,000 Mobility Credit Lifespan (years)
Within WMCA	Employment/Non Employment	Bus	£775	5	2.5
Within WMCA	Employment/Non Employment	Train	£850	5	2.5
Unrestricted	Non-Employment	Car Club and Daily Rental	£1,600	2.5	1.3

The West Midlands (WMCA) has a huge opportunity to incentivise positive behaviour change in favour of other modes of transport over private car ownership to reduce emissions. The reliance on private cars across the WMCA region is a leading contributor to air pollution, including harmful NOx emissions.

Office for National Statistics data estimates that there are approximately 2,736,137 cars, of which 1,094,455 are estimated to be diesel vehicles. In addition, census 2011 Journey to Work data has identified that approximately 80% of residents within the WMCA commute within the WMCA area. In comparison, shared ownership schemes (daily rental/car clubs) are likely to be more attractive for non-employment trips.

Using this data and based on analysis conducted by Transport Planning Associates, for a typical commuter in the WMCA region, a mobility credits scheme could provide the participant with up to five years of free travel for a £4,000 mobility credit scheme. However, the true benefit of the mobility credit scheme is the flexibility it provides to the user, allowing them to choose a mode of travel that is appropriate for the occasion. It will also enable users to spend the vouchers on commuting and personal travel. Further analysis by TPA illustrates that a mobility credits scheme in the WMCA would decrease car usage amongst participants by 70%, with increases of 12% in bus uses and smaller increases in car club, active travel and train usage.

The NOx emission savings are also stark; analysis shows that an uptake of 70-100% in a mobility credits scheme would allow WMCA to reach within 15% of the EU Emissions limit. This of course does not include other steps that could be taken to reduce other non-vehicle related emissions sources. Therefore, the Mobility Credits scheme could act as a game changing catalyst to improve air quality.