



HM Government

Independent review of the sharing economy Government response

March 2015

Department for Business, Innovation and Skills
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Foreword



Sharing is nothing new. We've been sharing our food and homes with others for centuries, but digital platforms have given this a new lease of life. The sharing economy is transforming the way we live our lives and we can now share our homes, our time and even our power tools with people from across the globe. From transport to tutoring to holiday hunting, businesses like JustPark, TaskRabbit and Airbnb are revolutionising the way we interact with the world as well as how we use our own assets.

These platforms have seen the emergence of the everyday entrepreneurs. They are the challengers, the innovators and the agitators – constantly seeking to shake up the market by solving other people's problems. We back them and we want to help them make our lives easier. We are removing barriers that stop people sharing their assets, and will empower people to make more from their assets and skills. The sharing economy is maturing, moving from early adopters to the mainstream, and we in government are committed to ensuring the UK is the best environment in the world for these entrepreneurs to flourish.

Debbie Woskrow produced a thorough, insightful and truly cutting edge review of the sharing economy. We want Britain to lead the way on the sharing economy. This government response formally lays down the first steps to making the UK the sharing economy's natural home.

A handwritten signature in blue ink, appearing to read 'Matthew Hancock', with a long, horizontal flourish extending to the right.

Rt Hon Matthew Hancock MP

Minister of State for Business, Enterprise and Energy

Chapter 1

General recommendations

Fostering innovation

Recommendations:

- An Innovation Lab for the sharing economy should be created as an incubator and research centre. This should be led by private sector investment and supported by Nesta and Innovate UK.
- The government should pilot a UK ‘sharing city’ – where transport, shared office space, accommodation and skills networks are joined together and residents are encouraged to share as part of their daily lives.

1.1 The government agrees that the sharing economy can help cities address social and economic challenges in innovative new ways and drive local growth. To demonstrate the benefits of the sharing economy, the government will launch two pilots in Leeds City Region and Greater Manchester in 2015-16 to trial local sharing initiatives in the areas of shared transport, shared public space and health and social care. In addition, Innovate UK will deliver an Innovation Contest to support new digital technologies focussed on the sharing economy, and will announce more details later this year.

1.2 The sharing city pilots will include: exploring options for replacing local council car fleets with car club membership; opening up more parking bays to car club parking; considering new street parking for car clubs; and exploring new approaches to public assets and services. The government will work with the cities, in collaboration with Nesta, on the development of specific proposals and an evaluation of the pilots.

Leeds City Region

1.3 Leeds City Region will demonstrate new approaches to local transport. These will be underpinned by new smartphone applications that provide a concrete step towards the vision for a fully integrated transport system based on mobility accounts – allowing passengers seamless use of bus, train, car club, taxi and bike services. The city region will also explore options for replacing local council car fleets with car

club membership and opening up more parking bays to car club parking, in particular around areas such as train stations.

1.4 In parallel, Leeds City Region and the West Yorkshire Combined Authority will look to build on the work of Kirklees Council that has been supported by Bloomberg Philanthropies. Kirklees are exploring new approaches to public assets and public services, making use of untapped local resources, ranging from unused spaces and equipment such as lawnmowers or trucks through to residents' skills and expertise. These will be made available through an online sharing platform to be borrowed, bartered or time-banked, and Leeds City Region will look to scale-up the approaches with the greatest impact.

Greater Manchester

1.5 Greater Manchester is driving a holistic transformation programme of health and social care as part of its wider devolution agreement. A central element of delivering Greater Manchester's ambition will be achieved through developing community assets and supporting service users to connect more easily with these resources. To achieve this, the city region needs to build community capacity in a way that responds to local needs through volunteering and the creation of community hubs.

1.6 The sharing city pilot will enable Greater Manchester to generate deeper insight into and understanding of what is important to individuals and communities, map community assets and their utilisation, develop community hubs and micro enterprises, increase the use of new technologies and value exchange and support a step change in volunteering. As a result Greater Manchester will achieve a significant shift from dependence on traditional health and social care services to enabling independence, self-reliance and strengthening community resilience, whilst tackling root causes of anxiety and social isolation for individuals.

Recommendation:

The Innovation Lab and Office for National Statistics (ONS) should work together to measure the size and economic impact of the sharing economy in the UK.

1.7 The sharing economy is a new and fast-changing area of the economy, and robustly measuring its size and impact will be challenging. The ONS will assess the feasibility of developing statistics on the sharing economy in the UK, and if possible develop proposals for producing them. This will include working with national statistics institutes in other countries to understand if, and how, they have attempted to measure this sector.

1.8 The ONS will publish this feasibility study, and any proposals for producing statistics on the sharing economy (including timeframes), by summer 2015.

Trust and identity

Recommendation:

Helping to build consumers' trust in online transactions in the sharing economy is critical for its future development. The government already has in place an identity verification system, GOV.UK Verify. I recommend that this is opened up to private sector services, including sharing economy businesses, in 2015.

1.9 This recommendation is closely aligned with the government's commitment to re-use GOV.UK Verify wherever services need a secure way to know who users are online.

1.10 The government's immediate focus is the use of GOV.UK Verify for central government services. In the year ahead, millions of people will use it across a range of central government services. This will introduce large numbers of people in the UK to the concept of digitally enabled identity assurance and allow the government to demonstrate the viability of GOV.UK Verify at scale to other public bodies such as the NHS and local authorities as well as key private industry sectors.

1.11 The Cabinet Office is already working closely with representative bodies from the banking/payments sector, retailers and mobile network operators to explore private sector re-use. Together with the Open Identity Exchange UK (OIX UK), the government is already talking to some sharing economy companies with a view to setting up a project looking at how GOV.UK Verify might have a role in that sector.

1.12 These organisations are all keen to deliver services digitally and meet their regulatory responsibilities at the lowest possible cost. There is also a widespread desire to eliminate costly fraud that occurs due to poor identity authentication.

1.13 Any controlled expansion of GOV.UK Verify beyond the public sector will be designed around user needs and it will be developed in consultation with the GOV.UK Verify privacy and consumer advisory group.

Recommendation:

In the same vein, the Disclosure and Barring Service should fully digitise criminal records checks, so they can be done quickly, more cheaply, and be integrated into third party services such as sharing economy platforms.

1.14 The Disclosure and Barring Service is committed to making its services as accessible as possible, particularly through online channels.

1.15 The government will further improve and speed-up the process of applying for criminal record checks by ensuring that the application process is digital by default and can be conducted online. The government will ensure that the process can be integrated into third party services including, as appropriate, sharing economy platforms, through an Application Programming Interface (API).

Government procurement

Recommendations:

- The government should update its procurement frameworks, so that sharing economy platforms are an option when travelling, alongside the more traditional services. This should include ride-sharing and carpooling as alternatives to trains and taxis, and accommodation sharing as an alternative to hotels and short-term lets.
- All public bodies that maintain car fleets should investigate whether they can save money by sharing their vehicles with the public when not otherwise in use, or by replacing their fleets with membership of an existing car club scheme.

1.16 The government will lead by example by enabling government employees to use sharing economy solutions to book accommodation and transport when travelling on official business where this represents value for money. The future Travel and Vehicle Hire contracts due to be awarded by the Crown Commercial Service by autumn 2015 will provide both car sharing and accommodation sharing choices.

1.17 The government is also working to enable increased reuse of its own assets. HM Revenue and Customs is leading a pilot project on the reuse of stationery, office supplies, furniture and IT equipment, also involving Defra, DWP, the Home Office, DECC and the Cabinet Office. The pilot, which is expected to launch by spring 2015, will use a digital platform to allow items to be shared across the participating departments.

Insuring the risks

I welcome the British Insurance Brokers' Association's new guide to insurance and the sharing economy¹, which is published alongside this report, as well as their recommended list of insurance brokers keen to work with the industry². This is a valuable output from this review process and a global first for the sharing economy sector.

Recommendation:

Sharing economy companies need to pool their resources to jointly negotiate insurance coverage - collectively they represent a large and quickly growing market - this can be best done by the creation of a trade body to represent the sharing economy sector.

1.18 The government welcomes the insurance sector's support for the sharing economy in the UK. The British Insurance Brokers' Association (BIBA) has committed³ to continue to work with the sharing economy businesses to help them access insurance.

¹ <http://content.yudu.com/Library/A36b3t/BIBASupplement2014Au/resources/index.htm>

² [http://www.biba.org.uk/PDFfiles/Contents/3759sharing%20society%20\(2\).pdf](http://www.biba.org.uk/PDFfiles/Contents/3759sharing%20society%20(2).pdf)

³ <https://view.publitas.com/biba/biba-manifesto-2015/#page/14-15>

Digital inclusion

Recommendation:

The government should continue to help the digitally excluded get online, so that they can access the opportunities offered by the sharing economy. Older people have much to gain from the sharing economy – through sharing assets that they own and participating in services like ride sharing. The government could help to make them aware of the potential benefits through offline communications, for instance through their mobile phone or landline providers, including the partners of the Go ON UK digital inclusion initiative.

1.19 The government published the digital inclusion strategy last year and is now working with 70 partners from the public, private and voluntary sector to reduce the level of digital exclusion in the UK by 25% by 2016 and a further 25% every two years thereafter.

1.20 Through the strategy we are committed to ensuring that everyone in the UK has the digital capability to take full advantage of being online (currently 20% of the population lack basic digital skills), whether to stay in touch with friends and family, reduce the cost of household bills or find employment. This means tackling the barriers that prevent people from doing so – namely a lack of skills, access, motivation and trust.

1.21 All government departments are committed to delivering the actions outlined in the strategy. For example, we are working to identify opportunities where improving people's digital capability has the potential to improve existing policy outcomes.

1.22 A digital inclusion charter was published alongside the strategy, which commits the 70 charter signatories to work together to join up their efforts where relevant, to implement and scale up good ideas and to devise new and innovative solutions to address the issue of digital exclusion.

1.23 We will ask charter signatories, including Go ON UK, to promote the potential benefits of the sharing economy to their stakeholders through their communications channels.

Tax: making it easier

Recommendation:

HM Revenue and Customs (HMRC) and HM Treasury should create a guide to tax in the sharing economy, and an online tax calculator to help users of sharing economy services to easily work out how much tax they are liable to pay.

1.24 HMRC is committed to making it easier for people participating in the sharing economy to understand their tax obligations and report their income to HMRC. This includes plans to produce targeted bespoke guidance for the sharing economy. The intention is that the new guidance will be published on GOV.UK in an easily accessible location and provide links to guidance on relevant aspects of the tax

system, smoothing the process for people using sharing economy services as much as possible.

1.25 HMRC will also consult with sharing economy platforms to explore the potential to develop interactive tools, such as an online calculator and mobile app to help sharing economy users work out, in a fast and simple way, the amount they need to report to HMRC (taking account of allowable expenses). The aim would be for any calculator to be able to factor in a variety of circumstances to reflect the diverse nature of the sharing economy and people using it.

1.26 HMRC plans to use social media channels to help communicate and link to new guidance and tools. This could include creating YouTube videos and webinars to help demonstrate how the guidance applies, as well as using HMRC's Twitter account to share links and answer questions from users.

Sharing government assets

Recommendations:

- The government should simplify the registration process for Space for Growth to remove the requirement for security vetting in buildings where this is not necessary. The online booking system should also be improved – making it as easy as possible to book government space.
- Local authorities should follow the example set by central government and share their spare spaces with local residents, communities and businesses. This could either be through the existing Space for Growth website, or through their own online presence.

1.27 The government has taken a lead in sharing underused office space through the Space for Growth programme. This allows start-ups, small and medium-sized enterprises, charities and social enterprises to temporarily use suitable empty government-owned space for free. The Government Estates Strategy is clear that the first priority for surplus government space is to simply get rid of it. While we do this, the Space for Growth programme can make the most of what would otherwise have been wasted space, at the same time as helping businesses and social enterprises cut costs and grow. To date, the scheme has helped others create and develop a wide range of initiatives, supporting growth opportunities across the country, with additional sites set to open for business in 2015.

1.28 The government agrees that there are opportunities for adopting this model more widely, and will explore with the Local Government Association and its partner organisations in Scotland, Wales and Northern Ireland, the extension of the platform to include advertising spare space owned by local government on a voluntary basis and where appropriate. As part of this, the government will also explore options for delivering an accessible and user-friendly registration process.

1.29 This work aligns with wider initiatives including on 'meanwhile use', where the government has set up a working group comprising local government, businesses and charities, with the aim of reducing barriers to sharing spaces and raising awareness of its benefits among property owners and local authorities.

Sharing economy industry representation

Recommendations:

- Sharing economy businesses should join together to create a trade body, representative across all sectors.
- The sharing economy trade body should establish a kitemark for responsible sharing platforms.

1.30 A new trade body, Sharing Economy UK (SEUK), was launched in March 2015 to represent the sector, with 20 founder member organisations. SEUK members have signed up to a code of conduct, which sets out the values and principles they will adhere to. SEUK has committed to developing a kitemark for responsible sharing platforms. The government welcomes this initiative.

Chapter 2

Sector recommendations

Shared space and accommodation

Recommendation:

Regulations for those providing accommodation should be proportionate to the scale of operation – someone renting out a spare room a few nights a year should not be subject to the same level of regulation as a business renting out 100 rooms year-round. Regulations should apply in the same way to businesses that see themselves as part of the sharing economy and to traditional hospitality providers.

2.1 The government agrees that regulations should be proportionate. Regulations already apply in a proportionate way, in that resident landlords are not subject to the same regulations as non-resident commercial landlords of privately rented property, or houses in multiple occupation. The government supports homeowners renting to lodgers, and offers tax breaks. The Rent a Room Scheme allows householders to earn an additional £4,250 a year tax free.

2.2 The Fire Safety Order aims to ensure that all those responsible for workplaces and places where the public stay or visit have suitable fire precautions and that, in the event of fire, anyone staying or working there is able to escape quickly and easily. The Fire Safety Order is based on the principle of proportionality, rather than prescription. It requires a responsible person (usually the employer or owner) to assess the risk from fire in their particular premises and use this assessment to determine what fire precautions are sufficient to reduce the risk to life to as low as reasonably practicable. There is no 'one size fits all' to fire safety. Instead, the responsible person will need to use their judgement to decide what fire precautions are appropriate in the light of their particular circumstances and those of their guests.

Recommendation:

The government should set clear minimum standards for health and safety, including fire safety, for all providers of accommodation. For example, there should be a working smoke alarm on every floor, and guests must be made aware of the escape plan. Platforms should make these rules clear upfront to their hosts.

2.3 Local authorities already have powers under the Housing Act 2004 to assess the risks and hazards in all residential properties using the Housing Health and Safety Rating System. If a property is found to contain serious hazards, the local authority has a duty to take the most appropriate action. This could range from trying to deal with the problems informally at first, to prohibiting the use of the whole or part of the dwelling, depending on the severity of the hazard. Local authorities also have powers to carry out emergency remedial works if necessary.

2.4 On the issue of working smoke alarms, the Department for Communities and Local Government (DCLG) issued a discussion paper in 2014 on improving Property Conditions in the Private Rented Sector. Ministers are considering the representations submitted.

2.5 The government has worked previously with the hospitality and fire sectors to produce guidance for small scale accommodation providers. The booklet 'Do you have paying guests?'¹ explains the Fire Safety Order and provides advice on how compliance may be achieved in premises which are also family homes, or are similar to one in terms of in size and layout. This includes ensuring a suitable fire detection and alarm system is in place and that guests know what to do in the event of a fire. Fire and rescue authorities are responsible for auditing, and where necessary enforcing, compliance with the Order's provisions, and fire safety officers will use their professional judgement to determine whether the fire safety measures in place are adequate.

Recommendation:

Egregious breaches of regulation – for example, letting out a large number of rooms through sharing economy platforms, but not complying with tax and regulatory requirements – must be dealt with firmly. The government, local authorities and sharing economy platforms should work together to ensure that all legal requirements are met.

2.6 When a property is overcrowded, a local authority can enter and inspect the property and decide the number of persons allowed to live there. Where a landlord has failed to comply with this direction, the local authority can prosecute the landlord. DCLG plans to provide guidance on the effective prosecution of criminal landlords and how they can be removed from the sector in due course.

2.7 Local fire and rescue authorities have responsibility for enforcing the Fire Safety Order in their areas, and do so on the basis of locally determined risk based audit programme. Enforcement action is last resort: fire safety officers are expected to help responsible persons understand how, if necessary, they can improve fire precautions easily and cost-effectively to comply with the regulations.

¹ <https://www.gov.uk/government/publications/do-you-have-paying-guests>

2.8 Where a property has changed its use, for example where a house is being used as a hotel or hostel, this would require planning permission. If a change of use occurs without planning permission, the local planning authority can consider taking enforcement action. The National Planning Policy Framework clarifies that effective planning enforcement is important as a means of maintaining public confidence in the planning system. Enforcement action is discretionary, and local planning authorities should act proportionately in responding to suspected breaches of planning control. Local planning authorities should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development, and take action where it is appropriate to do so.

Recommendation:

The standard tenancy agreement template should be updated to remove the current explicit ban on subletting – tenants should be able to ask their landlords to sublet parts of their property for a period of time.

2.9 The government will amend its model agreement for an assured shorthold tenancy by summer 2015, to provide that tenants in private rented accommodation can request their landlord's permission to sub-let or otherwise share space, on a short-term basis.

2.10 As set out in Budget 2015, the government will also go further. The government will also look to clarify and strengthen private residential landlords' statutory responsibilities when considering requests from tenants to sub-let, and will look to extend these responsibilities to requests from tenants on the sharing of space more generally.

2.11 The government also intends to legislate on prohibiting the use of clauses in private fixed-term residential tenancy agreements that expressly rule out sub-letting or otherwise sharing space on a short-term basis, and will consider extending this to statutory periodic tenancies. This will ensure that landlords always have to consider tenants' requests reasonably.

Recommendation:

The government should issue guidance to local authorities to allow non-residential properties to rent out their existing parking spaces without requiring explicit planning permission.

2.12 The government will amend its planning guidance to local authorities in March 2015 to clarify that it should be possible for non-residential properties to rent out their existing parking spaces without requiring planning permission, provided there are no substantive planning concerns.

Recommendation:

It should be possible for landlords to sub-let unused business space on a temporary basis without automatically giving tenants security of tenure. This will help to incentivise landlords to make better use of their property without tying it up indefinitely.

2.13 This is already possible under current legislation. The Landlord and Tenant Act 1954 was amended in 1969 to make provision for this. Under S43(3) the security of tenure provisions for business premises do not apply to fixed term tenancies not exceeding 6 months provided that the tenancy doesn't have any provision for renewing or extending the term beyond 6 months and that the tenant's total period of occupation doesn't exceed 12 months. For example, a business tenant could be granted two fixed term tenancies of not more than 6 months without acquiring security of tenure.

Business rate relief

2.14 As set out in Budget 2015, the government will encourage local authorities to use their business rates discretionary relief powers to support the sharing economy, including shared workspaces and makerspaces.

Sharing tasks, time and skills

Recommendation:

Skill sharing platforms should agree to ensure workers are paid at least the living wage. This should form part of the kitemark for sharing economy platforms.

2.15 The government supports businesses that pay the Living Wage, but this is a decision for individual businesses.

Recommendation:

Government departments should embrace time banks as a way of giving their staff the opportunity to volunteer with local charities and services, and to access new training and development opportunities for civil servants

2.16 As set out in the Civil Service Reform Plan, civil servants are encouraged to invest time in community activity and spend at least one day on this as part of their jobs, and this could be through time banks. Time banking can also provide valuable learning and development opportunities. Departments are encouraged to see if time banking could form part of their offer to staff for volunteering, learning and development.

Recommendation:

Jobcentre staff should be given clear guidance on how to promote both time banking and task-sharing platforms. They should actively point job-seekers towards these platforms as a way to build up their experience and earn money.

2.17 The government recognises the benefits of both time banking and task-sharing for some job-seekers. DWP will update its guidance to Jobcentre Plus staff by autumn 2015, to ask them to signpost job-seekers to time bank and task-sharing opportunities where appropriate, working with trade bodies such as Sharing Economy UK, to help boost their skills, experience and income.

Time banking:

2.18 DWP already has generous rules in place for volunteering and it is recognised that there are many positive benefits from being engaged in such activities. Jobcentre Plus work coaches will sign-post claimants to time banking opportunities where appropriate. When considering whether a particular time banking opportunity is appropriate, Jobcentre Plus work coaches will need to check that the requirements of the opportunity will not prevent a job-seeker from meeting key labour market conditionality requirements.

Task-sharing:

2.19 The majority of Jobcentre Plus claimants will continue to be supported into full-time sustainable jobs. However, it is recognised that some people want to work part-time due to family circumstances or caring responsibilities. Jobcentre Plus work

coaches will be able to sign-post claimants looking for flexible part-time opportunities to task-sharing platforms where appropriate.

Recommendation:

Government schemes to encourage entrepreneurship, such as Start-up Loans, and the New Enterprise Allowance for people on benefits, should actively promote the use of task-sharing sites for starting a business.

2.20 Task-sharing can help start-ups access resources that would otherwise be beyond their reach. The government will engage with the Start Up Loans Company about actively promoting the use of task-sharing sites to assist in starting a business. The government will also engage with the New Enterprise Allowance programme so that work coaches will, where appropriate, signpost claimants to task-sharing options, working with trade bodies such as Sharing Economy UK, if they are setting up a business or want to develop an existing business.

Recommendation:

The government should clarify the employment status of people who use online platforms to find freelance work.

2.21 The framework for determining an individual's employment status has developed over many decades. The development of new models such as those provided by sharing economy platforms is making it more complicated to determine whether an individual is a 'worker', an 'employee', or genuinely self-employed.

2.22 In October 2014, the government announced a review into the complexity surrounding employment status and the options for simplification to give businesses and individuals more certainty. The review will present findings to ministers shortly.

Recommendation:

The government should make clear the legal status and responsibilities of task-sharing platforms. In particular, it should be detailed that platforms which play a passive role in matching users (where there is no human intervention by the platform) are neither employment businesses nor employment agencies, but instead are a new form of service with lighter regulatory needs.

2.23 The government has considered amending the current definition of 'employment agency' to remove online job boards from the scope of the Conduct Regulations² if they simply provide a 'platform' for hirers advertising vacancies or individuals advertising themselves as available for work.

2.24 The government has decided not to remove job boards from the scope of the legislation, because the majority of services rely on some form of search function to

² The Employment Agencies Act 1973 and the Conduct of Employment Agencies and Employment Businesses Regulations 2003

allow a work-seeker to narrow their criteria when looking for a job. These search functions could be classed as 'work-finding' under current legislation.

2.25 It would be difficult to define in legislation what types of search engines are in scope of the Conduct Regulations and which are not. An inadequate definition could result in recruiters who operate online being subject to less regulation than agencies with a physical presence, and who carry out the same functions. It could also create unnecessary confusion for businesses and individuals, and may make consistent enforcement difficult.

Shared approaches to transport

Recommendation:

Drivers that have undergone appropriate safeguarding checks should be allowed to make a profit from ridesharing. This should only apply for journeys where taking paying passengers is not the primary reason for the journey.

2.26 Whilst we welcome initiatives on car sharing, we consider that activities which involve making a profit and potentially transporting strangers fall within the scope of taxi and private hire vehicle legislation and should be licensed as such. The licensing regime ensures that the public are transported in safety and that anyone in a position of trust has the appropriate safeguarding checks carried out.

Recommendation:

The Greater London Authority should be given powers to coordinate car club parking bays across London, to ensure there is a consistent approach that allows one-way trips.

2.27 The overall responsibility for traffic management on local roads, including the management of parking rests with the relevant London borough. They are best placed to consider how local needs can be effectively met. It is wholly a matter for them to decide on what provision should be made for cars belonging to car clubs.

2.28 In response to rising demand for car club bays, the Department for Transport (DfT) prescribed new signs and markings for these in the Traffic Signs (Amendment) (No 2) Regulations and General Directions 2011. These changes removed the need for local authorities to seek DfT approval for these signs, making it easier for them to provide dedicated car club parking bays.

Recommendation:

The government and regional transport authorities should work with car clubs to integrate them into public sector transport systems. For instance, in London, car clubs should be integrated into the Oyster ticketing system.

2.29 The government announced support for four car club demonstration projects in November 2014:

- Norfolk County Council and Norwich City Council: £100,000 funding to grow the successful Norfolk Car Club in Norwich and across the Greater Norwich area.
- Derby City Council: £75,000 funding for a new car club starting with 10 city centre car club vehicles available to businesses and residents.
- Nottingham City Council: £37,500 funding to create 5 new hubs at key transport interchanges including the train station and Park n' Ride sites offering access to shared cars. The Nottingham Citycard, an integrated smart

ticket which currently offers train, tram and bus travel will also become the 'key' to these vehicles.

- West Yorkshire Combined Authority: £37,500 funding to add 20 cars across the authority from York in the north to Halifax in the west, with seamless bus, train and car club travel possible through the MCard.

2.30 The sharing city pilots in Leeds City Region and Greater Manchester will also explore new approaches to shared transport, including support for car clubs.

Recommendation:

The government should promote the adoption of more High Occupancy Vehicle (HOV) lanes in high congestion areas, e.g. across major northern areas such as South and West Yorkshire and Lancashire.

2.31 Decisions on what type of traffic management measures to install are for local traffic authorities.

Recommendation:

The government should run a competition to find a technological solution to the enforcement of HOV lanes, through the Small Business Research Initiative and Innovate UK.

2.32 The government has no plans to provide funding for the development of HOV enforcement systems.

Recommendation:

The Driver and Vehicle Licensing Agency (DVLA) should open up access to driver and vehicle licensing data to car and ride sharing platforms through an Application Programming Interface (API) in 2015. The cost of accessing this data should be kept to a minimum.

2.33 The DVLA is currently developing new digital enquiry services to support the Red Tape Challenge commitment to abolish the counterpart to the photocard driving licence. These new services include an API solution to share driving licence data. The service is currently in development with a small number of existing DVLA data customers and is expected to be live by summer 2015. The government is committed to making this service available to the car and ride sharing sector, subject to prospective users meeting DVLA's data sharing criteria. DVLA should be in a position to consider the provision of an API service for this sector in quarter 2 of 2015-16.

Verticals of the future

Recommendation:

BIS and Department for Environment Food and Rural Affairs (Defra) should closely monitor the development of innovative and developing sharing business models, both to ensure regulations keep pace with new ways of doing things, and to ensure that the UK is at the forefront of the development of new, more sustainable business models

2.34 As set out in Budget 2015, the government will engage with business to determine where regulations inhibit innovation, including disruptive technologies, and develop a programme for addressing this in the next Parliament

2.35 The government recognises that the sharing economy could play a role in increasing resource efficiency, supporting the development of more sustainable products and business models, and moving towards a more circular economy. We are already investigating and supporting the development of innovative business models through activities such as Defra's action-based research pilots and the Innovation in Waste Prevention Fund. The government also supports WRAP's work on sustainable products. This includes investigating the use of more resource efficient business models as part of the Electrical and Electronic Equipment Sustainability Action Plan (esap) and WRAP's resource-efficient business model (REBus) programme, which is funded through LIFE+.

2.36 Going forward the government will continue to take account of the contribution that the sharing economy can make in increasing resource efficiency, helping prevent waste and better value our resources.

The Innovation in Waste Prevention fund

2.37 As part of the Waste Prevention Programme, Defra announced a £800,000 Innovation in Waste Prevention (IWP) Fund³ to support communities to take forward innovative waste prevention, re-use and repair activities in their local areas, working in partnership with local businesses, councils, charities and voluntary groups. The scheme is administered by WRAP.

2.38 A number of the projects receiving funding under Phase 1 of the Fund plan to include skills or equipment sharing as part of their work (e.g. sharing equipment to mend items at community repair events). In addition the Restart Project plans to develop a 'fixometer' app to measure the impacts of community electrical repair workshops and provide people with a visible and meaningful result of their actions (kg waste prevented, carbon, energy and water saved). A further round of IWP funding, seeking 'new to the world' ideas for preventing waste, closed in February 2015. We expect details of the successful projects to be announced in early summer 2015.

Action-based research pilots

2.39 Defra's programme of action-based research projects has supported the development of a number of new business models that take forward sharing economy principles. Two projects currently in progress provide an opportunity to analyse models linked to the sharing economy. One is exploring the potential

³ <http://www.wrap.org.uk/content/innovation-waste-prevention-fund-england>

sustainability benefits that could be derived by applying a use oriented product service system model to the manufacture and sale of baby equipment (principally, car seats and pushchairs). A separate pilot is researching and evaluating the effectiveness of using a shared resource efficiency manager in small and medium sized manufacturing businesses.