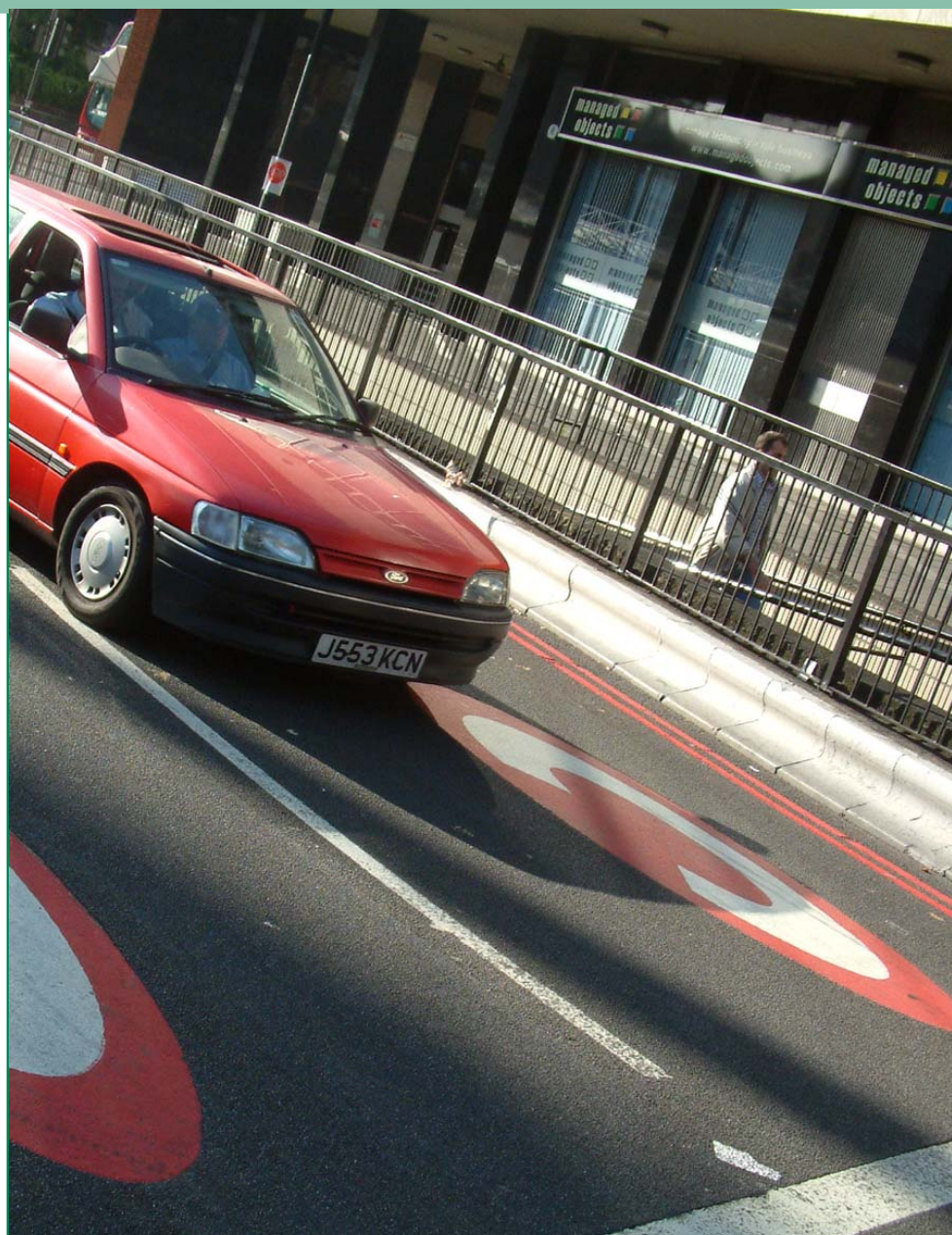
TAKING CHARGE

Will Edinburgh follow London's success in implementing road user charging?



TRANSform Scotland
the campaign for sustainable transport

Taking Charge:
Will Edinburgh follow London's success in implementing congestion charging?

Published by TRANS*form* Scotland, October 2004

Lamb's House, Burgess Street,
Edinburgh,
EH6 6RD, Scotland
Tel: +44 (0)131 467 7714
Fax: +44 (0)131 554 8656
info@transformscotland.org.uk
http://www.transformscotland.org.uk

Author: Colin Howden.

Colin Howden is the Campaign Manager of TRANS*form* Scotland.

Design: Colin Howden

Front cover image: Transport 2000

Taking Charge

Will Edinburgh follow London's success in implementing congestion charging?

Contents

I. Introduction

1. Edinburgh's existing levels of road traffic are a major problem for the environment, for public health, and for the economy. Road traffic, through air and noise pollution, is a major factor in adversely affecting public health. Traffic levels also have a major damaging impact on the global environment, and in particular as a causal factor in climate change. More locally, road traffic levels adversely affect the economy through the imposition of congestion costs. The forecasts for traffic growth facing the city must not, for the environmental and economic health of the city, be allowed to come to fruition.

2. Experience from around the world demonstrates that successful city transport strategies need improvements in public transport to be accompanied by road traffic demand management measures, such as congestion charging, parking controls and access restrictions, in order to "lock in" the benefits. TRANS*form* Scotland takes the view that public transport investment alone cannot tackle the problem of too much road traffic. Edinburgh's congestion charging proposals can play an important role here. These aim not at getting rid of all road traffic, but at reducing traffic levels and the resultant congestion and pollution impacts.

3. TRANS*form* Scotland believes that the City of Edinburgh Council's congestion charging proposals will be an efficient way to tackle these problems. While not the main reason for implementing a road user charging scheme, the Edinburgh congestion charging proposal will also allow the implementation of measures to improve the sustainable transport infrastructure. Such investment will help facilitate reductions in road traffic levels, environmental improvements and shifts to sustainable transport modes.

4. A mix of policy measures can and should be used to achieve sustainable transport policy objectives. The European Federation for Transport and Environment set out the following five general headings for delivering a sustainable transport policy:[1]

   - information and persuasion
   - regulations
   - technical improvements
   - infrastructure
   - economic instruments

5. In broad terms, TRANS*form* Scotland welcomes the mix of investment in sustainable transport infrastructure and road traffic demand management measures that comprises the City of Edinburgh Council's Integrated Transport Initiative. We believe that these measures will deliver upon sustainable transport policy objectives because:

   - the economy is set to benefit from reduced congestion
   - the environment and public health are set to benefit from reduced pollution
   - congestion charging appears an socially-just measure: the 42% of Edinburgh's households who have no access to a car can only benefit from reduced pollution & increased investment in public transport, walking & cycling.

6. An important policy aim for the City of Edinburgh Council (CEC) is the improvement of conditions for public users, cyclists and pedestrians – the sustainable transport modes of transport. If Edinburgh's congestion charge is successful in reducing road traffic levels, reducing levels of congestion and reducing air pollution then public transport users, cyclists and pedestrians will benefit. The congestion charge is also beneficial to public transport users, cyclists and pedestrians on the basis that the Council must (under the provisions of the Transport Act 2001) invest any revenues raised in transport. The Council's proposals prioritise investment in measures that would be of major benefit to public transport users, cyclists and pedestrians. As such, they are supported by TRANS*form* Scotland and its member organisations:

[1] European Federation for Transport and Environment (2003) *Getting the Prices Right +10: Towards Target Oriented Prices*, p. 18.

see for example, the South East Scotland Transport Activists Roundtable briefing *Transforming Edinburgh*.[2]

[2] South East Scotland Transport Activists Roundtable (2003) *Transforming Edinburgh*

II. Policy Background

7. The City of Edinburgh Council's proposals for implementing a congestion charge are founded upon a whole series of supporting governmental policies.

8. Firstly, the congestion charging proposal appears to be consistent with the encouragement given by the Scottish Executive to local authorities in their preparation of Local Transport Strategies (LTSs) that should aim to tackle long-standing unsustainable trends in transport:

"The focus of a Local Transport Strategy is on a local authority's plans for the next three years. But reversing the unsustainable transport policies of recent years is a long-term task. Strategies should therefore set out their vision for integrated transport looking 10 and 20 year ahead, and the key practical steps required to deliver that vision."[3]

9. Secondly, the Transport (Scotland) Act 2001 provisions for road user charging were specifically introduced to provide local authorities with a tool to tackle transport problems. The Scottish Executive, when introducing the legislative proposals, said:

"Congestion reduces the efficiency of road transport and imposes considerable direct costs on road users through longer journey times, journey time unreliability, and frustration and discomfort for vehicle drivers and passengers. At the same time, congestion imposes considerable external costs on society, particularly through vehicle emissions, noise and nuisance, which have a detrimental effect on the quality of life. Congestion can also damage the viability and vitality of city centres by discouraging visitors and encouraging relocation to out-of-town areas. It also makes it more difficult for bus operators to provide an efficient and reliable service, and makes the roads unpleasant places for cyclists and pedestrians."[4]

10. Thirdly, the proposed congestion charge fits well as a measure to deliver upon commitments made under the Road Traffic Reduction Acts 1997 and 1998. Forecasts produced for the Scottish Executive have suggested that traffic volumes in Edinburgh will rise 12% by 2006 and 30% by 2021 unless action is taken.[5] In its initial Local Transport Strategy, the City of Edinburgh Council set itself, under the provisions of the Road Traffic Reduction Act 1997, the target of reducing traffic levels in the City Centre and stabilising traffic levels across the whole City.[6] The Scottish Executive forecasts that if policies to meet these traffic reduction targets are put in place (i.e. such as congestion charging) then traffic levels would fall by 6% by 2006 and 13% by 2021.[7]

11. Fourthly, the Scottish Executive in 2002 set itself the national target of stabilising road traffic levels at 2001 levels by 2021. This contrasts with the 27% growth in traffic levels the Scottish Executive forecasts will occur by 2021 if no action is taken. In order for this ambitious target to be achieved, Scottish local authorities will have to take steps to control traffic growth. The City of Edinburgh Council's congestion charge is the sort of road traffic demand management measure that will need to have widespread implementation if this target is to be met. It is unfortunate that other local authorities in the south-east of Scotland are failing to take appropriate steps to take Scottish Executive guidance to tackle traffic growth seriously - with the likes of Fife Council and Midlothian Council being more concerned with traffic-generating road-building projects than sustainable transport.

---

[3] Scottish Executive (2000) *Guidance on Local Transport Strategies and Road Traffic Reduction Reports*, Paragraph 1.4.
[4] Scottish Executive (1999) *Tackling Congestion*
[5] Scottish Executive (2002) *Scotland's Transport: Delivering Improvements*, p.7.
[6] The targets set were for city-wide stabilisation of traffic levels at 1996 levels by 2005 and a 10% reduction by 2010 (and for the City Centre, a reduction of 10% by 2005 and 30% by 2010).
[7] *Ibid.*

III. Tackling the impacts of traffic

12. Rising car ownership and the falling real price of motoring have encouraged levels of car reliance that are reflected not only in increasingly sedentary lifestyles but also in widespread urban traffic congestion. Many journeys that are now made by car would once have been undertaken by bike or on foot or not contemplated at all. This has resulted in a range of transport problems: here I will address two pressing environmental problems (climate change and air pollution) and will make some comments on likely social impacts (social exclusion).[8]

Climate change

13. The UK Government and the Scottish Executive have set out a range of commitments towards meeting greenhouse gas emissions reduction targets. The table below summarises the UK's international and domestic commitments on reducing emissions of the gases which cause climate change:

Source	UK Target
UN Earth Summit 1992	Cut CO_2 levels to below 1990 levels by 2000
Labour Party 1997	20% cut in CO_2 by 2010 on 1990 levels
UN Kyoto Protocol 1997	12.5% cut in all 6 greenhouse gases by average of 2008-2012 on 1990 levels
Tony Blair February 2003	Adopting the Royal Commission on Environmental Pollution 60% cut by 2050.

14. The UK Government published *Climate Change: The UK Programme* in November 2000.[9] One section was also separately published as the *Scottish Climate Change Programme* (with the addition of a Ministerial Foreword). This Programme presents the Government's plan to reduce climate change emissions from the different sectors of activity within the UK in order to meet our commitment under the 1997 UN Kyoto Protocol and the Labour Party General Election Manifesto pledge of 1997. The Programme deals with emissions from the following sectors: energy supply, business, transport, domestic, agriculture, forestry and land use, and the public sector. A recent analysis by the UK Sustainable Development Commission concluded that further radical measures where required if the UK is to meet the 20% target.[10]

15. Chapter 9 of Section 2, "Bringing it all together," states that, in addition to the effect of the fuel duty escalator, action in the transport sector should produce 5.6MtC (32%) of the predicted 17.75MtC reduction expected by 2010. It also states that further (unspecified) actions by devolved administrations are expected to lead to additional reductions in total emissions. These additional reductions are needed to meet the 20% CO_2 reduction target for the UK. Scottish Ministers have stated that Scotland will make an equitable contribution to meeting the UK Kyoto commitment.[11]

16. The Scottish section of the Programme states that *"One of the main tools in recent years for cutting emissions from the transport sector has been the fuel duty escalator."* This measure has now been abandoned.

17. It also states that *"the likely level of emission reductions from the measures outlined depends, among other things, on the extent to which local authorities take action at the local level, including the extent to which they utilise the proposed new powers on charging."* Of Scotland's urban local authorities, only the City of Edinburgh Council is pursuing congestion charging and their scheme is unlikely to be running before 2006.

---

8 For a more detailed listings of "transport problems" see European Federation for Transport and Environment (2003) *Getting the prices right +10: Towards target oriented pricing*, pp.11-14.

9 DETR (2000) *Climate Change: The UK Programme*

10 http://www.sd-commission.gov.uk/pubs/ccp/sdc/index.htm

11 For instance, Written Answer by Rhona Brankin, 14th November 2001.

18. The latest Government figures show that greenhouse gas emissions from the road transport sector in Scotland fell from 2.2MtC in 1990 to 1.9MtC in 2000[12] (although the figures for 2000 appear to show a much sharper drop than expected from the other years for which data is available: 1995, 1998 and 1999). There has thus been a reduction of 14% in CO_2 emissions from road transport between 1990 and 2000, due almost entirely to increasing vehicle fuel efficiency. These figures represent 14.5% and 13.1% of Scotland's total net emissions of CO_2, the main greenhouse gas. Over this same period total Scottish emissions of CO_2 have declined by 5%.

19. There is therefore a need for transport policy to produce further reductions in emissions, so that Scotland can make an 'equitable' contribution to meeting the UK's targets on climate change emissions. Providing that the congestion charge is successful in reducing traffic levels, the congestion charge will make an important contribution towards Government climate change strategy.

Air pollution

20. The Scottish Environment Protection Agency (SEPA) describes motor vehicle emissions as *"posing the principal threat to air quality in urban areas."*[13] Toxic emissions from road traffic represent the principal threat to air quality in urban areas. Motor vehicles are responsible for: 63.7% of benzene emissions, 71% of carbon monoxide emissions, 65.9% of lead emissions and 49.6% of nitrogen dioxide emissions.[14]

21. Air pollution is a major risk factor for human health. The UK Department of Health has estimated that up to 24,000 vulnerable individuals are killed off every year in the UK by air pollution and another up to 24,000 are sent to hospital.[15] Friends of the Earth Scotland have estimated that these figures translate to 2000 Scottish deaths and 2000 hospital admissions each year. A study conducted at St. Andrews University has suggested that air pollution from cars kills 240 people in Edinburgh every year.[16]

22. Under the National Air Quality Strategy (NAQS), local authorities face national statutory targets to tackle traffic-related air pollution problems in their areas. Figures suggest that each of Scotland's four principal cites will have difficulty in meeting the new air quality standards that will come into force in 2005.

23. CEC's own nitrogen dioxide monitoring data and the 2005 and 2010 projection figures within the Air Quality Management Area (AQMA) highlight the need for more drastic action to be taken if Edinburgh is to ensure that it does not breach guideline levels. Of the 14 AQMA sites in Edinburgh, 10 locations are expected to breach the 40 ug/m^3 target at 2005 and 7 are expected to breach the target level at 2010.[17]

24. As for the relative emission shares of cars, lorries and buses, official emissions inventories show that, for most pollutants in most urban areas, the car is the main source, although in areas where there is still heavy industry this can also be a major factor.[18]

25. The essential fact of air pollution issues in urban areas is that in order to achieve real improvements in air quality that reductions in traffic volumes are necessary. Improvements to petrol and diesel engines cannot in themselves provide all the solutions to Scotland's air pollution problems. Edinburgh's congestion charge will assist in ensuring that future air quality targets are met and hence ensure protection of public health.

Social exclusion

26. Edinburgh's congestion charge will only be paid by those who drive private motor vehicles. The charge will not, by definition, be paid by the 42% of Edinburgh's

---

[12] http://www.airquality.co.uk/archive/reports/cat07/aeat-r-env-1182-appendices.pdf
[13] Scottish Environment Protection Agency (2000) *State of the Environment: Air Quality Report,* p. 22.
[14] SEPA (2000) *op cit*, pp. 49-50.
[15] Department of Health Committee on the Medical Effects of Air Pollution (1998) *Quantification of the Effects of Air Pollution on Health in the United Kingdom*
[16] Study quoted in Sunday Herald, 21/01/01 & Edinburgh Evening News, 22/01/01.
[17] City of Edinburgh Council (2003) *Updating And Screening Assessment Local Air Quality Management Phase 2*, July 2003, p.26.
[18] London Research Centre (1998) *Atmospheric Emissions Inventories: Glasgow, Middlesborough and West Yorkshire*

households who have no access to a car: these households will predominantly be the City's lower income households. These households will not have to pay the congestion charge yet can only benefit from the implementation of road user charging through the public transport and environmental improvements promised as a result of investment of the net revenues from the charge. There are well-established correlations between higher income and car ownership and use and as such the impact of the charge is very likely to fall largely upon higher-income groups.

27. The Swedish National Road Administration report *Road pricing in urban areas* reviews the evidence on this topic and concludes that "the difference between income groups is quite small."[19] It goes on to say that "it is more important how the revenues are used." We would submit that as the vast majority of revenues raised are due to be spent on improving public transport that the impact is very likely to be socially progressive.

[19] Swedish National Road Administration (2002) *Road pricing in urban areas, pp.26-27*

IV. The application of the 'polluter pays principle' in transport

28. The pressing environmental problems of climate change and urban air pollution are to a large extent caused by over-dependence on the private car. This situation has come about for a number of reasons, the most obvious of which is the failure of motoring to reflect the costs it imposes on the environment.

Transport prices

29. Contrary to the frequent statements by motoring organisations and their allies of the "hard-pressed motorist", the simple fact is that over recent decades there the real price of motoring has not increased. Motoring organisations often assert that car drivers pay more taxes than they receive back in government expenditure on roads and other facilities. This view however fails to consider the wider costs associated with motor vehicle use. As Professor David Begg said as long ago as 1991:

"This is an extremely superficial and myopic argument which fails to take any cognizance of the enormous environmental cost imposed by road transport on society in terms of air pollution, visual intrusion and noise. Moreover, it does not take into account the still unacceptably high accident rate on our roads and the resulting loss in economic output as well as human suffering."[20]

30. It is an established fact that the real costs of motoring have been static for decades whilst public transport costs have risen sharply. In the twenty-five years from 1974, the price of public transport increased by 60-80% in real terms, higher than the increase in average disposable income. Meanwhile, the overall cost of motoring (all costs including purchase, insurance, maintenance and road tax as well as fuel and oil) remained constant in real terms. [21] Motoring costs have been falling in real terms since 1999/2000, when the fuel duty escalator was scrapped[22] making public transport increasingly expensive compared to car use.

31. Over this same period, the real cost of fuel and oil only - the perceived "marginal" cost for an individual journey once someone owns and runs a car - fell by 8%. The (then) Department of the Environment concluded that:

"This demonstrates that the real cost of motoring, particularly the marginal cost of petrol, is very much more affordable, in relation to the real increase in personal disposable income, than it was 20 years ago."[23]

32. It has also often also asserted that British/Scottish car users are "the most heavily taxed in Europe." The Colin Buchanan and Partners report *European Motoring Taxation Costs*[24] concluded that *"In terms of total taxation … the United Kingdom (together with the sub-areas of Scotland and the Scottish highlands and Islands) is ranked just below the middle of the countries included in the study."* A more complete comparison of motor transport costs across Europe would have also to take into account the differing national levels of personal taxation.

The true costs of transport

33. Despite the narrow financial calculations of the motor lobby, it is clear that motorists do not meet the full cost of their motoring. Instead, motoring imposes a range of 'social costs' (or 'externalities'). Some of these costs are carried by the economy, for example the impact of congestion costs on economic efficiency; some on public expenditure, for example the costs of maintenance of infrastructure; some on society, for example air pollution, noise pollution and road accidents; and some on the global environment, for example climate change.

---

[20] Begg, David (1991) *Moving Scotland into the 21st century*, John Wheatley Centre: Broxburn, p.32.
[21] UK Department for Environment, Transport and the Regions (2000) *Transport 2010: The Ten Year Plan*, Chart 3c. See also: UK Department of the Environment (1996), *Indicators of Sustainable Development for the UK*, indicator b3.
[22] Confederation of Passenger Transport (2003) *The Bus and Coach Industry in Scotland*, p.11.
[23] Ibid.
[24] page 11.

34. At a European level, the UIC/CER report *The Way to Sustainable Mobility* concluded that *"Total external costs [of transport] (excluding congestion) for 1995 amounted to €530 billion, or 7.8% of the GDP of all European countries covered by the study."*[25] Road transport accounted for 92% of this total. When congestion was included in the calculations, the total external cost of transport was said to account for "almost 10% of European GDP".[26]

35. Maddison et al. (1996), some of the UK's foremost environmental economists, suggested that the marginal external costs of transport in the UK "outweigh the taxes paid by road transport by a factor of three."[27] They estimated that, at 1993 prices, road taxes covered only 31-36% of marginal external cost. They calculated the aggregate marginal external costs of UK road transport as between £45.9 and £52.9 billion, made up of congestion costs £19.1 billion, air pollution £19.7 billion, noise pollution £2.6-3.1 billion, road damage £1.5 billion, accidents £2.9-9.4 billion and climate change £0.1 billion. While UK road taxes have certainly increased since 1993, it is fair to assume that over the same period that the marginal external costs will also have risen considerably.

36. Maddison et al. concluded by describing the conundrum posed by the failure to tackle the true costs of transport as follows:

"In the absence of a correct price signal for using the roads and the atmosphere, car drivers need not pay either for the congestion costs which they inflict upon other road users or the pollution which their journeys create. ... Any policy to tackle these problems must involve confronting motorists with the true costs of their journeys. Higher taxes would close the gap between private costs and social costs and curtail these socially wasteful journeys. ... If motorists had always paid the full cost of their journeys, urban geography and commuting patterns might be very different to those observed today."[28]

37. The University of Leeds' Institute for Transport Studies report, commissioned by the UK Department for Transport, *Surface Transport Costs & Charges*,[29] in what was probably the most comprehensive report of its kind in the UK, reported that:

"For the British road sector as a whole, taxes and charges in 1998 covered between one third to a half of their relevant marginal social and environmental costs, depending on the range of the cost estimates examined. Congestion costs, making up some two-thirds of overall costs, are the most important cost category, followed by environmental costs, accident costs and infrastructure maintenance."

The authors were subsequently quoted as saying that *"far from being over-taxed, motorists pay only a third to a half of the costs they impose on society... [The report] claims the cost of congestion, pollution, infrastructure maintenance and accidents far outweighs the £32 billion fuel and car taxes collected each year"*.[30]

38. The position of the UK Government has for at least the past decade been that the marginal external costs of transport should be covered by road users. The UK Sustainable Development Strategy of January 1994 clearly indicated that a sustainable transport policy should "ensure transport costs reflect the wider costs of transport decisions for the economy and the environment which are not currently priced, and so make transport decisions more efficient."[31]

39. This position was confirmed by the UK and Scottish Transport White Papers launched in July 1998, and underpins the Scottish Executive's proposals on road user charging:

---

25 Union International des Chemins de Fer / Community of European Railways (2000*) The Way to Sustainable Mobility: Cutting the External Costs of Transport*, p.8
26 ibid, p.12.
27 David Maddison et al. (1996) *Blueprint 5: The True Costs of Road Transport*, Earthscan: London, p.140.
28 ibid, p.150.
29 University of Leeds Institute of Transport Studies (2001): *Surface Transport Costs and Charges: Great Britain 1998*
30 Quoted in Financial Times, 07/08/01.
31 HMSO (1994) *Sustainable Development: The UK Strategy*, HMSO: London, p.15, section 84.

"It has been known for some time that, for some journeys, particularly peak hour in urban areas, the current costs of road transport do not reflect the true economic and environmental costs of motor vehicle use."[32]

40. It is not however just in the UK that there is a growing understanding that the external costs of transport must be reflected in the price paid by road users. The principle of "internalising external costs" has been accepted by a range of governments, inter-governmental organisations and industry groups as well as environment and public health bodies.[33] But this should not be surprising as the "internalisation debate" is merely the application of the internationally-accepted 'polluter pays principle' in the field of transport. What is more, the principle of internalisation of external costs was accepted by the European Commission in its 1998 White Paper *Fair Payment for Infrastructure Use*[34] - even if action at EU level has subsequently proven laggardly.

Paying for transport "at point of use"

41. Organisations such as ourselves have for long argued that motorists are more likely to change their travel behaviour towards more environmentally-friendly modes of transport (e.g. public transport) if they face more of the costs of their journeys at point of use rather than 'up front.' Public transport is often perceived to be more expensive because all of the costs of travel are paid when the ticket for the journey is purchased. With motoring, however, many of the costs involved are 'sunk' with the purchase of the vehicle, annual payments of vehicle excise duty, maintenance costs, etc.

42. Proposals for road user charging provide an opportunity for such principles to be brought about in practice in the context of road use, by presenting motorists with more of their costs at point of use, according to whether or not they are using scarce road space.

Road user charging

43. Road user charging is a traffic management strategy that applies the 'polluter pays principle' in transport – that those who create pollution (and congestion) will be charged for the damage they inflict on others. Road user charging is an economic instrument that seeks to 'internalise' the external impacts of traffic (e. g. harmful emissions, congestion, road casualties and noise) into the price mechanism.

44. Road user charging will typically seek to discourage unnecessary trips at times when road space is scarce (i.e. city centres at peak times) and thereby enable those who need or prefer to use their car under high demand conditions to reach their destinations within shorter and more predictable periods that when no such regime is in force. Road user charging treats road space as a resource that should be paid for according to the ebb and flow of demand. This principle is familiar from products and services such as electricity, telecommunications and cinema tickets. It is also already in existence within the transport sector: rail and air tickets tend to be more expensive at peak hours.

45. The case for road user charging (or "road pricing") has drawn such broad support because the opportunities for environmental protection, but also economic efficiency, are clear-cut. Indeed, it has often seemed apparent that the European Commission's promotion of road user charging is more closely associated with encouraging efficient use of transport infrastructure than with encouraging protection of the environment.

46. Expert academic advice appears to be solidly behind the need for the need for road traffic demand management measures, such as congestion charging, to be implemented. In July 2002, 28 professors signed up to an open letter ("The

---

[32] Scottish Executive (1999) op cit, p. 3, section 2.4.

[33] See, for example, European Federation for Transport and the Environment (1999), *Response to the European Commission White Paper on Fair Payment for Infrastructure Use*, p. 5-6. Organisations that embrace the principle of internalisation of costs in transport pricing include the European Conference of Ministers of Transport (ECMT), the Organisation of Economic Co-operation and Development (OECD), the United Nations Economic Commission for Europe (UN-ECE) and the World Health Organisation (WHO).

[34] European Commission (1998) White Paper *Fair Payment for Infrastructure Use*

Professors' Letter") to UK Secretary of State for Transport Alistair Darling to restate the case for traffic restraint measures.[35] Perhaps the key paragraph from the letter is:

"Many politicians would like to be advised that a programme of selective road building, together with promised improvements to alternative methods of transport, will be sufficient to improve travel conditions, without the need for traffic restraint. The evidence is that if traffic growth continues at the rates of recent decades, such a package will not in practice achieve its intended effects."

47. In February 2002, the UK Department for Transport's Commission for Integrated Transport (CfIT) published its report *Paying for Road Use*.[36] The report made the case for a national road user charging scheme using satellites and on-vehicle smartcards. It proposed a charging scheme that would be levied on congested roads at congested times, on the basis of 'marginal social cost pricing' (i.e. charges would be based on the costs road users impose on each other and their surrounding environment). The UK Department for Transport has subsequently set up the 'Road Pricing Feasibility Study' in order to design a national charging scheme. Work on this is ongoing.

48. As well as academic, professional and governmental support, road user charging has also drawn support from a range of business groups and motoring organisations:

"Reducing the multi-billion pound cost of road congestion is a top business priority. Making the way we all pay for road use fairer has to be part of the solution...Government should therefore promote an early and coherent debate on paying for road use to ensure the issues are properly considered."

Digby Jones, Director General, CBI[37]

"We cannot go on running our road network like the old Soviet economy, with rationing by queueing. The IoD does not believe the Government can achieve its targets for reducing congestion without widespread road-pricing."

Graeme Leach, chief economist, Institute of Directors[38]

"The RAC Foundation believes that in the future motorists will accept a road pricing system if they perceive it brings benefits such as extra investment in roads and public transport and a reduction in other motoring taxes and congestion. We need to start planning for the future now as changes in transport policy and planning take so long to come to fruition."

Edmund King, Director, RAC Foundation[39]

A 2002 survey of attitudes conducted by the RAC Foundation went on to say that 65% of Scots were supportive of the concept of tolls being introduced as part of a package of better roads, public transport and traffic management.[40]

49. Given expert advice and business groups' support, it is perplexing why political parties such as the Conservatives and the Liberal Democrats have set themselves against the application of congestion charging in Edinburgh. The opposition of political parties such as the Conservatives to road user charging is particularly bizarre and perverse given that they are opposing the application of market principles for use of an asset currently rationed by queuing (that is, the use of road space). It is remarkable that a party that has often styled itself as a "party of the market" should be so opposed to a market-based economic instrument. Attacks on the CEC administration's plans for congestion charging have been, in the view of TRANS*form* Scotland, one of the few issues in the field of transport that the Liberal Democrats, in the period between 1999 and 2003, had any discernible impact -

---

35 See http://environment.uwe.ac.uk/tps/library/professors_letter.pdf
36 Commission for Integrated Transport (2002) *Paying for Road Use* - available at http://www.cfit.gov.uk/reports/pfru/index.htm
37 Quoted in CfIT (2002), op cit.
38 Quoted in Financial Times, 20/08/01.
39 Quoted in CfIT (2002), op cit.
40 RAC Foundation press release 'Motoring towards 2050', 17/05/02.

despite this being against the party's own policies.[41] It is unfortunate that these political parties and other roads lobby opponents of road user charging have been unable to offer any credible alternatives for controlling traffic growth.

Road user charging in practice

50. The success of the congestion charge implemented by the Greater London Authority in February 2003 demonstrates the practical application of such congestion charging. The effectiveness of the London congestion charge in delivering reductions in traffic congestion has been widely reported and is addressed in the precognitions of CEC's witnesses.

51. The Swedish National Road Administration report *Road pricing in urban areas*[42] describes in some detail the various schemes of road user charging already in operation around the world. It is perhaps in Switzerland where most progress has been made in implementing a system based on cost internalisation. The Swiss Heavy Vehicle Fee system introduced on all Swiss roads on 01/01/01 for heavy goods vehicles is the first road user charge in Europe specifically designed to cover the main external costs caused by heavy goods vehicles.[43] The popular Swiss vote for the 'km charge' shows that charges are capable of winning majority support across a population in order that the environmental and economic impacts of excessive road use be addressed.

52. It is very likely that if car drivers were to pay transport prices that reflected the external costs produced - toxic air pollution, noise pollution, climate change impacts, congestion costs, road fatalities and injuries, etc. - then it is very likely that a "full cost" charge for driving in Edinburgh would be considerably higher than the £2 a day envisaged by this proposal. Nevertheless, it is welcome that private car users will begin to pay a price that better reflects the costs that they inflict on others.

53. TRANS*form* Scotland regards it as fair that those non-Edinburgh residents who drive into Edinburgh are charged for the pollution and congestion that Edinburgh's residents incur as a result. Non-Edinburgh residents who drive into the city make no contribution through Council Tax to Edinburgh's existing transport infrastructure and as such it is fair that those driving into Edinburgh start paying for the damage they cause.

54. Indeed, the proposed £2.00 congestion charge is significantly less than rail travellers already pay for similar trip: for example, a peak-hour return rail fare from Dalmeny to Haymarket/Waverley costs £5.10 (£2.90 single). Even the £3 off-peak return fare is 50% more than the proposed congestion charge level. It would be helpful if discussions on Edinburgh's proposed congestion charge level was more often put into this sort of context.

---

41 TRANS*form* Scotland (2003) *In Reverse*

42 pp.10-13

43 See, for example, European Federation for Transport and the Environment (1999), *Electronic Kilometre Charging for Heavy Goods Vehicles in Europe*

V. Conclusions

55. There has been a long debate in Edinburgh about congestion charging - around ten years - and it is time that concerted action is taken to reduce levels of pollution and congestion in the city. It is imperative that action is taken to reduce existing traffic levels, and head off the threat of increased traffic growth, worsened congestion levels and damaging impacts to the environment and public health.

56. It is therefore very welcome that the City of Edinburgh Council is taking steps through its congestion charging proposal to tackle these problems. The City of Edinburgh Council is to be congratulated for having the courage to pursue its forward-thinking traffic management plans. No city transport strategy can succeed without the implementation of traffic restraint measures such as congestion charging. It would be entirely irresponsible for the City of Edinburgh Council not to take action: failure to implement any form of road traffic demand management in Edinburgh will undoubtedly result in increased traffic levels, worsened pollution and congestion.

57. Edinburgh's citizens have twice supported congestion charging and increased investment in public transport and facilities for walking and cycling, in city-wide consultations, first in 1999 and again in 2002. The City Council - who have been talking about implementing congestion charging for a decade - must now move on and take action. Failing to press ahead with these sustainable transport policies would simply worsen Edinburgh's environment and its economic prospects.

58. It would be naive to suggest that public transport investment alone can tackle the transport problems that Edinburgh has. Any successful strategy will need to include the implementation of some form of road traffic demand management, such as road user charging. A "do nothing" option would simply result in more pollution, more road congestion and worsened transport services. The prospect would be for continued low, and perhaps further reduced, investment in public transport services in Edinburgh.

59. Experience from around the world demonstrates that successful city transport strategies need improvements in public transport to be accompanied by road traffic demand management measures, such as congestion charging, in order to "lock in" the benefits. Edinburgh's transport proposals do just this: major investment in new sustainable transport (including three modern tram lines) accompanied by a congestion charge scheme aimed at reducing traffic levels. CEC's congestion charging proposals have been buttressed by Scottish Executive up-front investment in the public transport infrastructure - in new tram lines and other measures.

60. TRANS*form* Scotland believes that congestion charging is an efficient way to tackle these problems. The evidence from London's congestion charging scheme introduced in February 2003 points to the success of such a measure in tackling congestion.

61. While not the principal reason for implementing a road user charging scheme, the Edinburgh congestion charging proposal will also allow the implementation of measures to improve the sustainable transport infrastructure. This will facilitate reductions in road traffic levels, improved environmental conditions and modal shift to the sustainable transport modes.

62. Lastly, there needs to be a more informed debate on the true costs of transport. But while the perception continues to be that motoring is heavily taxed - this being nurtured by the misleading propaganda of the motor lobby - we are unlikely to have a serious debate about the solutions to our transport problems.

References

South East Scotland Transport Activists Roundtable (2003): Transforming Edinburgh

European Federation for Transport and Environment (2002): Transport and the Economy, The Myths and The Facts

European Federation for Transport and Environment (1993): Getting the Prices Right - Short Version

European Federation for Transport and Environment (2002): Getting the Prices Right +10 - Towards Target Oriented Pricing

Swedish National Road Administration & European Federation for Transport and Environment (2003): Road Pricing in Urban Areas

University of Leeds Institute of Transport Studies (2001): Surface Transport Costs and Charges: Great Britain 1998

UIC/CER (2000): The Way to Sustainable Mobility

Colin Buchanan and Partners (2000): Comparison of Motoring Taxation Costs Across Europe
Commission for Integrated Transport (2002): Paying for Road Use

About this report

The City of Edinburgh Council, as part of its 'Transport Edinburgh' sustainable transport package, is proposing to implement a congestion charge (road user charge). This report makes the case why road traffic demand management (such as Edinburgh's proposed congestion charge) is necessary – and argues that opponents of the proposal have their heads stuck firmly in the sand.

This report has been published to coincide with the TRANS*form* Scotland 'Taking Charge' conference held on Monday 4th October 2004.

About TRANS*form* Scotland

TRANS*form* Scotland was launched in November 1997. Our member organisations include bus, rail and shipping operators, local authorities, national environment campaigns, consultancies and local transport groups - support the development of sustainable transport policies and structures for Scotland.