

May 2025



# Submission to the Scottish Government's Draft Just Transition Plan for Transport

## Reform Scotland

Reform Scotland is delighted to have the opportunity to contribute to the Scottish Government consultation on the Draft Just Transition Plan for Transport. Our responses are largely based on our reports, [Pay-as-you-drive Road Pricing](#) and [Getting on Track](#). Our responses are linked to questions referenced below.

## **Does the draft Plan take all groups in society into account in setting out a vision for a future transport system for people and communities?**

Scotland is facing significant demographic shifts, with many rural and remote communities facing population decline, ageing residents, and reduced access to essential services. At the same time, our commitment to Net Zero by 2045 demands urgent changes to how we travel. These challenges must be tackled together. A future transport system that works for all groups in society must prioritise improved connectivity, especially in under-served rural areas. Rail infrastructure and public transport more broadly will need to play a crucial role in achieving this, but the potential Scotland's rail network offers can only be realised through ambitious thinking, something which is lacking at present.

Major rail projects can take huge amounts of time, money and planning. However, just because something is difficult and doesn't fit neatly into an electoral cycle is not a reason to avoid action. Rather, it highlights the need to start thinking earlier.

Scotland has taken important steps in rail development in recent years, including the reopening of routes like the 8km Levenmouth Rail Link and the introduction of new stations. These achievements mark clear progress, but they must now be seen as the starting point for a much more ambitious and long-term strategy to transform Scotland's rail network for the future.

Scotland's rail network has the potential to help address some of the medium to long term challenges facing the nation, not just achieving Net Zero, but also reducing depopulation and growing the economy. However, consider the following: the distance between Edinburgh and London is roughly 395 miles and would take more than seven hours to drive. By train it takes about 4 hours 20 minutes.

Edinburgh to Inverness is 156 miles, less than half the distance, and takes just over three hours to drive. However, by train it takes more than three-and-a-half hours. Despite the endless arguments around the failure to dual parts of the A9, it is still quicker to drive than to take the train - a reality that is sadly common in many parts of the country. From an economic, environmental and social perspective this situation is damaging.

Could improved transport links help encourage people, especially working-age people, to move to some of those areas facing decline?

We believe that there needs to be a Scottish infrastructure commission which could investigate these issues. As well as reducing emissions, rail links bring communities closer together, generate economic benefits, and help attract people to live, work and visit. While regular and rolling improvements to the existing network are welcome, Scotland should be more ambitious for its future.

To make the most of rail's potential to help meet Net Zero targets we should at least consider which ambitious transformational projects are worth prioritising. Is there a case for a new electrified dual-track line to the Highlands? Or a direct link between Dumfries and Edinburgh? What about Glasgow Crossrail, Edinburgh and Glasgow airport rail links, or a proper integrated transport system which could better connect the ferry links in Stranraer? A long-term rail commission could examine the cost-benefit

of these and other projects as part of a report looking at links to city regions, local networks, and rural and scenic areas.

The commission could also set out a land register of who owns the land on either side of our railway lines – this information is crucial if expansion and upgrading of our existing network is to be carried out efficiently.

Obviously, there are limits on expenditure - and rail infrastructure is no silver bullet, but this is the sort of long-term thinking needed if Scotland wants to seriously consider its future prosperity, environment and security.

### **Which of the following principles do you think should be the most important to guide the development of a fair system of payment, to deliver a just transition to net zero in Scotland?**

We believe that if we want to seriously reduce car use, we must radically reform the way that we pay for road space. While we appreciate that road and fuel taxation are reserved to the UK government, as we outlined in our 2024 manifesto<sup>1</sup> we believe both governments should work together to develop pay-as-you-drive road pricing pilot schemes in Scotland. It is worth noting that prior to the introduction of road pricing in Singapore, the government tested prototype systems and gathered feedback to help develop the final policy. Similar work could and should be trialled in Scotland.

Road pricing could serve not only as a vital step in Scotland's Net Zero journey but help develop solutions across the UK, aligning both governments around a shared long-term goal.

We will not be successful at reducing car use without addressing the current broken taxation system. Although Vehicle Excise Duty (VED) takes account of the potential carbon emissions from a car, it punishes infrequent drivers by charging them the same, if not more, than frequent drivers. As a result, someone with an old car who doesn't drive very often can end up paying more than someone who has a newer car but drives all the time. As it is easier for wealthier individuals to upgrade to more fuel-efficient models on a more regular basis, it may also often be the case that this inbuilt unfairness penalises less well-off drivers. In addition to VED, fuel duty is simply a blunt and unfair instrument which takes no account of where and when people are using the roads – many people living in remote areas or working unsociable hours have no alternative to the car.

In February 2022 the House of Commons Transport Select Committee called on the UK government to consider a road pricing scheme to replace VED and fuel duty and highlights the potential for joint intergovernmental working. The report stated:

*“The Government must set out a range of options to replace fuel duty and vehicle excise duty. Those options should be revenue neutral and not cause drivers, as a whole, to pay more than they do currently. One of those options should be a road pricing mechanism that uses*

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<sup>1</sup> [Working-better-together.pdf](#)

*telematic technology to charge drivers according to distance driven, factoring in vehicle type and congestion.”<sup>2</sup>*

The report noted that the revenue raised by fuel duty across the UK was equivalent to approximately five pence on the rate of income tax. The potential loss of revenue was a main concern for the committee, and it highlighted the problem that if electric vehicle drivers become accustomed to no-tax on their motoring, it could become more difficult politically for that to change in the future. Therefore, it was important to change the tax sooner rather than later. As a result, it also recommended that the UK Government start an honest conversation with the public on the funding implications for road development and maintenance and for other essential public services of decreased revenue from vehicle excise duty and fuel duty.

It is also worth noting that 63 per cent of Scotland’s Climate Assembly members supported a recommendation to *‘phase in increased road taxes for private car use and use the revenue to subsidise public transport’*.<sup>3</sup>

In contrast to the existing system, road pricing is intended to link drivers’ choices with the actual costs they impose on the transport system. Pricing can better match the demands of road users with the available capacity or ‘supply’ of road space. This can encourage people to use roads more efficiently – by taking alternative modes of transport, consolidating trips, or travelling during less busy times of the day.

This would mean that people pay depending on which roads they use and when they use them – what they pay would be a better reflection of the emissions and congestion they cause, which is both a fairer and more efficient way of allocating scarce road space.

All of Scotland’s roads would be covered by the scheme but the cost of using each road would depend on several factors, including the time of day and availability of public transport. This means that many quieter roads, particularly in rural areas, would have no charge at all. The type of vehicle used could be considered too, with cleaner cars paying less, incentivising drivers towards lower-emitting vehicles. Local authorities could work with Transport Scotland to consider the charging levels appropriate for the circumstances in their areas.

A pay-as-you-drive road pricing system offers a smarter, fairer, and more sustainable alternative to current vehicle taxes. It aligns better with the principle that those who emit the most should pay the most, while also protecting rural and low-income drivers who have fewer transport options.

Therefore, Reform Scotland calls for the Scottish and UK Government to work together to develop pilot pay-as-you-drive road pricing schemes in Scotland.

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<sup>2</sup>[Road Pricing: Government Response to the Committee’s Fourth Report of Session 2021–22 - Transport Committee](#)

<sup>3</sup>[a-route-map-to-achieve-a-20-per-cent-reduction-in-car-kms-by-2030.pdf](#)