Enlighten Briefing Note: Pay-As-You-Drive Road Pricing

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Scotland's independent think tank

The Current System Isn't Working

Enlighten believes the current system is outdated and unfair. 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 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.

The suggested system is the wrong solution

While it is to be welcomed that the UK Government recognises unfairness with regard to electric cars, its reported solution of a self-assessed 3p per mile projected usage fails to recognise the broader problems. Instead, all motoring taxation should be replaced with a pay-as-you-drive system that reflects where and when people travel. This would ensure drivers pay in proportion to their impact on congestion and the road network, rather than simply for the distance they drive, while protecting those with no alternative modes of transport.

How Pay-As-You-Drive Would Work

All of Scotland and/or the UK's roads would be covered by the scheme, but the cost of using each road would depend on a number of factors including the time of day and congestion levels. As a result, many quieter roads, particularly in rural areas, would have no charge at all. Local authorities and partners would consider the charging levels appropriate for the circumstances in their areas, so the scheme would have both local and national elements. Singapore has been using an electronic road pricing (ERP) scheme since 1998. It can charge different prices for the use of different roads and at different times of the day. Cars have an in-vehicle unit with a smart card and when they pass under one of 93 ERP gantries the system deducts the fee.

What is Needed is a Complete Rethink

Pay-as-you-drive road pricing:

- Allows all drivers to be charged fairly for the choices they make, for their impact on the road network and the wider environment.
- Ensures revenue is still raised from motoring despite changes to the types of cars driven.
- Can help encourage people to think more about the choices they make and look at public transport and active travel alternatives.

This is an opportunity for the UK and Scottish Governments to work together and pilot such a scheme in Scotland.

For more information, please contact info@enlighten.scot or visit www.enlighten.scot.