

# **Steering through change: winning the debate on road pricing**

**Rt Hon. Douglas Alexander, Secretary of State for Transport**  
**Speech to the Institute for Public Policy Research (IPPR)**  
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I am pleased to be here today for two reasons.

Firstly, because I welcome the productive contribution ippr has made to the debate on road pricing. From Patricia Hewitt's report in 1989 - ippr's first I believe - arguing for a congestion charge in London, ippr has been at the forefront of the road pricing debate.

Steering Through Change is the sort of contribution that enables us to have a healthy debate on the issue of road pricing.

Secondly, because this report and the public opinion work that underpinned it sheds light on the challenge we face in building a consensus for road pricing. It shows that despite the benefits road pricing can bring, the public remain to be convinced.

They quite rightly want to know what road pricing will mean for them, and how it would work in practice.

That is understandable given that a road pricing scheme would mean a change to the way people pay for road use.

The report shows that for many people, road pricing remains a still abstract concept. We are still in the early stages of the national debate on road pricing that my predecessor Alistair Darling called for in June of last year.

I would like to take the opportunity of this speech to reflect on the progress we have shown over the last year. We are listening and learning from reports such as this as we build the case to take forward the debate.

The approach of the draft Road Transport Bill announced in the Queen's Speech clearly demonstrates this. It is a package of measures to enable local road pricing pilots alongside improvements to bus services. In short, a package to both tackle congestion and improve public transport choices.

But first, I would like to reflect on how far we have come in the last year.

## **Momentum in the last year**

I am sure that many of you in the room will have already heard the arguments for road pricing. But it is worth reminding ourselves what they are.

Without significant action congestion will only get worse, hindering economic growth and affecting our quality of life.

It is because we have had unprecedented levels of economic prosperity over the last 10 years. With prosperity comes greater car ownership and a greater desire to travel.

There are around 6 million more vehicles on the road since 1997. That's 33 million vehicles. For the first time, more households in Britain have two cars than no car. And more people owning and using cars can contribute to congestion.

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As DfT's own public attitudes work has shown, the public recognise that we can't simply build our way out of this problem. That is a policy of the past.

Of course, we still need targeted investment in new capacity. But we must also look at innovative approaches to ensure we get the most out of the existing network.

That is why we have introduced over 1000 traffic officers, to patrol the motorway network to deal with incidents and keep traffic flowing.

This is why we are piloting an Active Traffic Management scheme on the M42.

And that is why we have announced the targeted use of High Occupancy Vehicle Lanes, such as on the new lanes on the M1 between Junctions 6a and 10 and on the M62 eastbound at Junction 26, near Bradford.

These approaches are all very important and useful, but they are not enough in and of themselves for the long term.

As Sir Rod Eddington's significant report argued last Friday, if congestion is left unchecked it is set to cost the economy £24 billion by 2025. The economic case is clear and in Eddington's view road pricing offers a way forward on the economy and the environment.

And if the Stern Review on the economics of climate change was the final nail in the coffin of whether we have to act to address climate change, I hope Rod Eddington's report will have a similar impact on the national road pricing debate.

As I said in my first week as Transport Secretary, we need to move the debate on from the 'why' to the 'how'.

Rod's report strongly shows why this is important, indeed necessary in the national interest.

This is why the government has been determined to build the case for road pricing. As we look over the last year we can demonstrate real momentum.

We are supporting 10 areas actively looking into the feasibility of local schemes. Cardiff, through the Welsh Assembly Government, is also showing interesting progress.

Officials in Greater Manchester and the West Midlands have presented initial proposals to their local political leaders which show that these great conurbations face growth or gridlock.

I look forward to receiving their proposals next year, and the first schemes to be brought forward through the Transport Innovation Fund, which will provide £200 million a year from 2008.

I also announced £10 million back in May to allow us to work with the private sector to find out what Government needs to define, leaving plenty of room for industry to do what it does best - innovate, in particular in relation to technology.

I am encouraged to see strong expressions of interest from industry following the call we put out over the summer.

This is encouraging because the Government has been quite clear that we do not want to specify and procure a large computer system to operate road pricing schemes.

So in just over a year since the government called for a national debate on road pricing we can demonstrate real progress across the country.

Not only the important work being taken forward by those local authorities I've already mentioned - and of course the pioneering London scheme - but also strong support for the principle from important quarters.

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In the last month the British Chamber of Commerce have published a report showing that 87% of its members are willing to consider road pricing as a solution to congestion. A number of regional chambers have also come out in support.

And I also note important public attitudes data in reports such as this. The public do recognise congestion as a problem and they are open to 'radical' solutions - such as the support for the principle of pay as you drive in this report.

The principle of road pricing to deal with congestion is becoming firmly rooted in our public debate. But we must not be complacent or indeed rest on our laurels.

As research such as ippr's demonstrates, while the public accept that congestion is a problem they don't think a national scheme is the answer.

This is why we will not rush head-long into a national scheme.

In fact, the draft Road Transport Bill announced in the Queen's Speech will require that any national scheme needs another Bill in Parliament. This is not a softening of the government's position.

We - I - still see national road pricing could have a key role in tackling the congestion problem we face. But it will not be enough on its own. We must ensure that road pricing is seen as part of a package of measures to address congestion.

But we must also take an evidence-based approach. We must learn the lessons from local schemes as we build the case for taking forward the debate on a national road pricing scheme.

The public still need to be convinced about the merits of any scheme. I understand that.

The experience of public attitudes in places such as London and Stockholm shows that public concerns about any scheme are much higher before a scheme's introduction.

Once the scheme is introduced support increases and opposition decreases. It is in effect once the reason for the scheme is palpably demonstrated - successfully demonstrated - then the public can see the case for road pricing as a solution.

This is why our approach to pilot schemes in local areas makes sense. This will build support through experience. Of course, London's success is often dismissed as 'unique'. The public argue that no other city has an Underground to match London's, as just one example of the public transport infrastructure available in this conurbation.

This is why pilots outside of London are so important.

### **A balanced package**

The draft Road Transport Bill is an important legislative step on this journey.

It would enable local authorities to take forward road pricing pilot schemes. It would also ensure that they are designed to be mutually compatible and ensure a consistent experience for motorists.

Local authorities would be able to keep the revenue generated from local road pricing schemes to benefit the local area for a period of time.

And we know this matters. ippr's research shows that people rightly want to see improvements to local public transport as a direct consequence of road pricing schemes and that is what we intend to facilitate through the Transport Innovation Fund.

So the draft Bill would be more than just a way of piloting road pricing schemes. It would be a package of measures that would bring about improvements to the quality of bus services too.

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With two out of three public transport journeys today happening by bus, buses remain a lifeline to many in our communities. Improving the quality of bus services is important for those who already use them, as well as for those who think buses are not an option for them today.

So we have been looking carefully at what works best in local bus service provision, and I shall shortly be publishing proposals on how the draft Road Transport Bill could make enable the improvements we wish to see to be put in place.

But if we are to give local areas greater freedom to deliver improved bus services, it is right to expect stronger accountability in return.

That is why we have said we will take a close look at the governance of local transport in our major cities - to ensure it is transparent, efficient and fit for purpose. And importantly, gives local people a clear idea about what to expect from their local transport system looking to the future.

We welcome the thinking cities have done on these issues in the City Region business cases. We look forward to working closely with local authorities in different areas as we develop our proposals in government.

So the draft Bill is a package that would tackle congestion where it is a problem, and improve choice across the board to ensure we get the most out our transport network.

And that is why our proposals to enable road pricing pilots have been included here. Road pricing is not a stand-alone policy. It is part of a wider transport strategy and it is right that it sits firmly in the legislative package.

But equally, let me be clear about the scope of the legislation we propose when it comes to road pricing. This draft Bill would not enable us to introduce a national system of road pricing. We would need further legislation to do that.

### **Conclusion**

So the way ahead is clear. Local pilot schemes will be developed and we will learn from those schemes. We will work closely with local authorities every step of the way.

We are now building on the real momentum demonstrated in the first year.

But we must do so in a way that resonates with the British public.

They do not want us to jump to a national scheme. They want to - and they want government to - learn from experience.

Road pricing would be a change to the way millions of people pay to use the road, so it is absolutely right that we pilot it first.

The public also want a package of measures to deal with congestion. Pilots combined with improvements to public transport, and greater accountability for local transport provision, will help us to get the most out of the transport network now and into the future.

That is my vision and it is precisely the package we intend for the draft Road Transport Bill.

We must continue developing the arguments and the debate around road pricing. That is why events and debates such as this are so important.

Congestion affects us all and the public are frustrated with it. Road pricing has been demonstrated to be the most effective way to deal with congestion. We must continue to build this case.

I look forward to seeing the debate continue over the coming months.

Thank you.

*(This speech represented government policy but the words may not be the same used by the Minister.)*