

# Transport Committee

Oral evidence: [Road pricing](#), HC 789

Wednesday 20 October 2021

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Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Simon Jupp; Karl McCartney; Grahame Morris; Gavin Newlands; Greg Smith.

Questions 1–46

Witnesses

**I:** Duncan Buchanan, Policy Director, England and Wales, Road Haulage Association; Steve Gooding, Director, RAC Foundation; Toby Poston, Director of External Affairs, British Vehicle Rental and Leasing Association; and Dr Nina Skorupska CBE, Chief Executive, Renewable Energy Association.



## Examination of witnesses

Witnesses: Duncan Buchanan, Steve Gooding, Toby Poston and Dr Nina Skorupska CBE.

Q1 **Chair:** This Transport Committee evidence session is for our inquiry on road pricing. This is the second session that we have had on road pricing. We introduced this inquiry at the same time as introducing our inquiry on zero emission vehicles, for which we have published a report. We made a whole series of recommendations on increasing the uptake of zero emission vehicles.

We are delighted that yesterday the Prime Minister published the “Net Zero Strategy: Build Back Greener” document—all 370 pages of it. On page 157, the Government back the zero emission vehicle mandate, which this Committee recommended in its report as a means of increasing the use and, indeed, the production of zero emission vehicles.

However, we are also interested in what will happen to pay for the cost of roads. We believe that something like £35 billion is currently paid into the Treasury from fuel and vehicle excise duty, which, of course, will no longer be there if the zero emission vehicles are taken up. I could not find any reference to that in the Prime Minister’s document, but that is what we are here to try to get to the bottom of today.

We have three panels. The final panel will be an official from the Treasury. The second has a number of witnesses who are involved in transport planning and innovation, but I am delighted that we have a first panel representing road users and the industry. I ask them to introduce themselves for our record.

**Steve Gooding:** Good morning, Chairman. My name is Steve Gooding. I am the director of the RAC Foundation, which is a small independent research charity that commissions and disseminates research relating to motoring and road use.

**Toby Poston:** Good morning. I am Toby Poston. I am a director of the British Vehicle Rental and Leasing Association. Our members own and operate around 4 million vehicles—hundreds of thousands of trucks, cars and vans—and buy approximately 50% of all new vehicles sold each year.

**Dr Skorupska:** Good morning. My name is Nina Skorupska. I am the chief executive of the REA, which is the association for renewable energy and clean technology. Our association represents close to 250 member organisations that are directly involved in decarbonising transport fuel and looking at the EV charging infrastructure.

**Duncan Buchanan:** Good morning. I am Duncan Buchanan, director for England and Wales for the Road Haulage Association. We represent road haulage operators, van operators and coach operators—people who drive for work.

Q2 **Chair:** I thank all four of you for being with us. We have you for about 45



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minutes and are keen to get your views and evidence.

The first section that we have is on road pricing as a solution. Given the fall in revenues from fuel and vehicle excise duty—as I mentioned, some £35 billion that the Treasury currently collects—is the introduction of some form of road pricing inevitable? We will start as you introduced yourselves, with Mr Gooding.

**Steve Gooding:** The numbers you were looking for yesterday were in the Treasury route to net zero document that came out alongside the Prime Minister's publication. The Treasury thinks that it is £37 billion, if you add together fuel duty and vehicle excise duty.

Of course, there is no particular reason why vehicle excise duty will decline dramatically if people are still buying and running motor vehicles, but fuel duty is going to go away. The real question starts with whether the Chancellor and the Government regard the ebbing away of fuel duty income as the price that we pay for saving the planet and increase other duties, or whether, given the fact that we have had this levy on motoring for many years now and have all got used to it, it should be sustained.

My suspicion is that the conclusion will be that it should in some way be sustained. If that is the case, there are various ways in which it could be done under the banner of road pricing. At one extreme, there could be a complicated scheme of time, distance and place charges. At its simplest, there could be something like one of the many lorry road user charges that run around the world, where you simply pay for distance. That is akin to the fact that, when we pay fuel duty, we are really paying in relation to the number of miles that we drive. If we were to go down that path, I suspect that from the Foundation's perspective we would say, "Go with the simplest scheme you possibly can. Don't overcomplicate it."

Q3 **Chair:** You are right. The Treasury document that accompanies this belter references how much revenue would be lost, but it does not talk about how that would be replaced. To sum it up, do you think that some form of alternative pricing or revenue-raising exercise on roads is inevitable?

**Steve Gooding:** I am not sure that it is inevitable. Maybe it is a matter of timing. The dilemma, which is recognised in the Treasury document, is that if you wish to encourage the rapid take-up of electric and zero-tailpipe vehicles, as the Committee has recommended, you do not want to add further to the cost differential. At the moment, as you know, an electric car will cost you more than the petrol equivalent. Doing something that tips that differential the wrong way by adding in a distance charge could be seen as a disincentive. I am not sure that it is inevitable. The short answer is that it will probably happen, but I am not sure when.

Q4 **Chair:** Thank you, Mr Gooding. I will move on to Mr Poston. Again, is it inevitable? If it is not, are we in danger of not having new roads and having even more potholes than we have at the moment?



**Toby Poston:** Most reasonable people would accept that it is inevitable. We are moving towards a carbon-free road transport environment, but that is still an environment that needs to be paid for and maintained, and it still has external societal impacts in the way in which it is used. We have to acknowledge that, as more and more people adopt zero emission vehicles, they should be paying their way. The longer we leave it, the more people will get used to the idea of having very low-cost transport, if they adopt electric vehicles, and it will come as a shock. The scale of the change means that it is inevitable. We need to start working on it very soon.

Q5 **Chair:** Dr Skorupska, in our inquiry we were very positive about incentivising and encouraging people to take up zero emission vehicles. I dare say that if people feel that they are not going to pay tax on it that is a pretty good incentive, so we could be rather dampening that sell. How do you respond to the evidence that the other two witnesses have given?

**Dr Skorupska:** Our members are very clear that there is a need to protect tax receipts to cover the costs of infrastructure renewal and services. We understand that fuel duty, which was £28 billion in 2019-20, will go down as there is an increase in low-carbon vehicles on the road. We believe that there should be the introduction of a road user charge. However, as my colleague said, it is about when, how and the fairness of it. The last thing that we want to do is to introduce too soon something that would, as you say, deter people from transitioning to EVs or deter heavy-duty vehicles from using low-carbon fuels such as biomethane or renewable transport fuels. We recognise that there needs to be something that replaces it, but how will that be introduced?

Q6 **Chair:** Do you think that there is a danger that we are slightly duping the market when it comes to those who are looking to purchase zero emission vehicles? We are advertising it as meaning that you will not have to pay any fuel or vehicle excise duty, but we all know full well, as you are acknowledging, that something ultimately has to pay. The likelihood is that it will be those consumers.

**Dr Skorupska:** Consumers are becoming more aware of the zonal road charging schemes that are coming in. Here in London, there are going to be low-emission zones. There are also congestion charges. People are aware that there is a requirement to pay. It is about how much and when, and how will that be deemed to be fair if people have taken the step of having an electric vehicle and all of a sudden they have to pay the same kinds of taxes that a polluting vehicle will pay. It is about getting that fair and proportional responsibility.

Of course, everybody wants to market the benefits now to kick-start this transition. Let us not beat around the bush here. The number of electric vehicles on the roads today is still a drop in the ocean compared with where we need to be by 2030. It is great that the thinking is starting now and that we are having a sensible discussion about it. Our members are



very keen to be able to work with the Committee and other stakeholders to progress that in an appropriate way.

Q7 **Chair:** Mr Buchanan, you represent the road haulage industry. Do your members believe that this is an inevitability?

**Duncan Buchanan:** Yes, I think so. A lot of the things that have been said are really important in terms of context. The context of the transition is a very difficult political problem that you have. When do you start distance-based charging for electric vehicles? Do you charge electric vehicles the same as non-electric vehicles? Does everyone pay 5p per mile, or 2p per mile, just as a matter of routine? What do you do with fuel duty? Do you freeze fuel duty? Do you tail off fuel duty, as compensation for paying a mileage charge? From our point of view, as commercial operators, we do not want to see anything that net-increases the cost of operation. That just feeds into inflation and costs. Therefore, we need to be very careful about how we do this.

The other really fundamental question—it is a political question that you all have to answer—is, why will you be introducing road user charging? What is it for? Is it to price people off the road—to reduce road use? When you are reducing road use, you are pricing people off the road.

The other question is, do you want to do it by time of day? The last time this was tried, time of day became a real cause célèbre. It affects people who do not have a choice about when they drive. That is a lot of our members. We do not have a choice about when we drive a truck. We drive a truck on the demand of the customer. Many people are stuck with working hours because they work in schools. You need to think about the negative consequence of some of these things that are seen by many people as desirable to manage demand, congestion and a whole range of other things.

To build on what Steve said earlier, we see keeping it simple as the most effective way of making it work. For commercial operators, if you add a cost in one place, you should think about taking cost off somewhere else, so that it is net zero—the tax receipts stay the same. The problem that you have, of course, is that the electrification of light-duty vehicles is happening very fast. It is going to happen very quickly.

The other context is that everything is going to be zero tailpipe, eventually—and not that far away. Putting in penalties for people who have diesel vehicles, or this or that vehicle, is really going to upset a lot of people. Bear in mind the point that has just been made. Remember, a lot of people were encouraged to buy diesel. It is saving the planet. It is a green solution. They were encouraged to buy it. Now it is satanic to be driving a diesel, in some places. We need to be very careful about how we incentivise people and must not lead people up the garden path. Being honest now that you will inevitably be paying a road user charge of 4p, 5p or whatever the number is per mile would help to sell it, but you need to think about the transition very carefully.



Q8 **Chair:** I drive a diesel. I have never seen myself as Satan, although other Members and the Clerk may disagree.

In a way, you have touched on the next question, Mr Buchanan, so we will start with you. Can you keep your answers to this one brief, because I want other Members to get in? Do you believe that road pricing would be fairer than the existing form of road taxation? You have touched on it, so I am interested in whether you feel that there is a case for saying that this could be fairer than the existing system.

**Duncan Buchanan:** No. The fuel duty system, as a proxy for road use, is in itself reasonably transparent and reasonably fair. The more fuel you use and the heavier the vehicle, the more you pay. Fuel duty in and of itself is reflective of the use of the network. I do not think that road user charging will be any different. It should not be. You should make it so that it is reflective.

Q9 **Chair:** Do you think that your members would be winners or losers under this proposal?

**Duncan Buchanan:** I fear that it may get done badly and that our members could well be losers. From our point of view, we do not see any reason why that should be the case. We think that it should be net zero for our members because they pay sufficient tax—more than enough tax than just about anywhere else in Europe—already. We would not want to see them get double-dipped, with road user charging on top of the fuel duty. That would be unacceptable for our members.

Q10 **Chair:** Okay. I will put the same question to the remaining three witnesses. Mr Gooding, do you think that there is a case for saying that road pricing would be fairer, or deemed fairer, than the existing method?

**Steve Gooding:** I hate to reveal my former civil service roots, but the answer to that really is, "It depends." It depends on how a scheme is designed. There are versions of road pricing that are highly sophisticated and where any manner of social impacts may be taken into account. I think that they are extremely hard to deliver. I am rather with Duncan on this one. If we are going to transition to something that maintains the yield to the Treasury, it will be best to go with a distance charge and to keep fuel duty in place. In many ways, fuel duty is the ideal duty for the Treasury. It is really cheap to collect. We all understand it. It relates to the amount of use of the roads that we have. We should keep that in place. If we are going to have something new, we should keep it simple, as a distance charge.

Q11 **Chair:** Mr Poston, I put the same question to you.

**Toby Poston:** It is based on the same premise. If it were a distance-based charge, it would be fairer, as electric vehicle drivers would be paying fairly for their use of the road. I think that it could replace fuel duty and VED. In many respects, it would have a similar impact in terms of fairness. When it comes to fuel duty, people who live in rural areas and drive long distances are probably harder hit. People living in more



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congested urban areas have a shorter distance to travel and are hit less, but they probably also pay local congestion charges.

There is one area where it would be fairer. Just having that surety about where we are headed would be a massive factor. There is so much uncertainty at the moment around the phase-out. It feels almost like a marathon, where the Government have identified the finish line and told us where we need to be at the start. The industry is ready for this gruelling marathon race, but it does not know what the route is. Setting a road pricing scheme and where the tax will be in the future will give it that route.

**Q12 Chair:** That is very much why we are discussing it today. Under what you envisage, can you name a winner and a loser in terms of impact?

**Toby Poston:** Again, it depends on the design. Obviously, battery electric vehicle drivers are going to feel like losers because they will pay more than they are paying now. That is why you need to communicate it early and give a long trajectory towards its being rolled out.

Otherwise, it will be similar to fuel duty at the moment. If you are somebody who is commuting long distances because you live in a rural area, you will see it as being slightly unfair on you. If you are travelling short distances, you will probably be a beneficiary. That is where the whole congestion point comes in.

We certainly think that you should have a simple scheme that does not try to solve both issues—congestion and paying for road use—at once. You should keep it simple at the start and operate the two systems in tandem.

**Q13 Chair:** Dr Skorupska, do you also see a case for an alternative to the present system being fairer?

**Dr Skorupska:** We think so. We are broadly supportive of it, because fuel duty receipts are linked to the use of fossil fuels. Obviously, with the introduction of electricity and hydrogen—hopefully, coming from a renewable source—that excise will go down. The vehicle excise duty is a fixed tax. It does not take into account mileage as a consideration or do anything to discourage use of the road. There is a chance that you can put carbon and emissions right at the heart of a different type of vehicle taxation, but still with the premise of following the “polluter pays” principle.

However, you need to ensure that we continue to incentivise zero emission vehicles for the foreseeable future. It is about the timing, particularly until vehicle prices are on parity with what ICE vehicles currently cost. That is part of all the different discussions. You mentioned the ZEV mandate. Hopefully, we will see car and heavy-duty vehicle prices come down, as manufacturers create them. In the shorter term, we need to make sure that we give all the right signals to move to a zero emission vehicle approach.



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**Chair:** Thank you for the evidence that you have given so far. We will carry on discussing road pricing as a solution. I will hand over to Greg Smith.

Q14 **Greg Smith:** Carrying on much of the theme we have just been talking about, can I ask each of you to think very specifically about the objectives that road pricing would seek to achieve? To my mind, the evidence that we heard a moment ago from Mr Buchanan, in particular, highlights an inequity. The fact is that zero emission vehicles are happening. There is no need to incentivise them because from 2030 you will not be able to buy a new ICE vehicle. All the ICE manufacturers have stopped developing them now. The market has been buckled in that sense.

Therefore, can I ask each of you to comment very briefly on what the top objective should be? Should it be finding a scheme by which the state funds the road network, regardless of whatever wheels are turning on it and whatever powers them, or should it be trying to buckle the market further, even though, basically, we are now saying by law that it has to be a different way, anyway? Mr Buchanan, as you started that chain of thought earlier, perhaps you can comment first.

**Duncan Buchanan:** One thing that concerns me is hearing the desire to suppress mobility. The idea that we can keep suppressing mobility and that it is a good thing to suppress mobility concerns me a lot. Our society relies on mobility—mobility for people and mobility for goods. Roads exist to facilitate mobility for everybody. They have to meet the needs of everybody and all types of users.

The point about rural users is very important. By default, because it is more efficient to use a vehicle in rural areas, there is a slight benefit in terms of fuel consumption in rural areas now. If you were emulating the fuel use and what have you, you could argue that, because fuel use is higher in urban areas—there are fewer miles per gallon—you might have a slight differential in road charging between rural and non-rural. That may be a complexity that you feel is desirable to correct something that is going to be inevitable.

You need to think about how things are paid for. Most importantly, you need to remember that roads exist for the mobility of people and things—for buses, coaches, lorries and vans. The plumber needs to get around to your house to fix your central heating boiler or air-source heat pump. You need that sort of person to be able to get around.

Q15 **Greg Smith:** Can I come back on that briefly? There is a key question to be asked on that. Certainly, it is my belief that we should be making it as easy as possible for people to get around and run their daily lives. Should road user charging count for all road users, or are we talking just about those who have some form of powered mobility?

**Duncan Buchanan:** I think that you need to keep it simple. Fuel duty is, effectively, for all road users. Red diesel is disappearing for non-road use



as well. Electrification is coming. Everything is going to be electrified. If we are honest, everyone knows that you are going to have to replace the tax take. Not everything that is the tax take from fuel duty goes on roads. Relatively little does, I suspect. It is a general tax. It is already a tax on mobility. We have high taxes for this already. Our members pay a considerable amount. We pay the highest fuel duties in Europe in the road haulage sector now. If you add to that cost, without any compensatory measure for fuel duty, you just increase the uncompetitiveness of UK industry.

Q16 **Greg Smith:** I turn to Dr Skropruska. I am sorry; have I got that wrong?

**Dr Skorupska:** It is "Skorupska". Think of it as Smith in Polish. It is the equivalent.

There is a real case of making sense of where we will be at different stages—in 2025, 2030, 2035 and 2040. When this mandate came in, there was a view that, if we ban the sale of ICEs by 2030, all of a sudden we will see a world where the roads are covered in electric vehicles. We hope that there will be a higher proportion. Currently, only 2% of the vehicles on the roads are electric. It is going to be a journey. If the view is that this road user charge will be used for keeping the roads in good shape, to enable to be mobile people and businesses who want and need to be mobile, it has to be proportional for the purpose that we want to see.

Obviously, everybody is sensitive about how we plug the gap in the Treasury's purse, because that is a very big number. It is about the reasonableness of how we slide the scale to drive that for road maintenance and infrastructure. Of course, some of the money will go to help with healthcare, because we will not suddenly go to zero emissions from the tailpipe from day dot. We know the cost to healthcare of not utilising zero-tailpipe vehicles. It is a question of what the Government and the Treasury feel the money needs to be charged for, and then charging it appropriately.

Q17 **Greg Smith:** I will come back on that briefly. How much do you think that a road pricing solution, VED at the same rate for electric vehicles as for ICEs, or whatever solution you use to try to get to your objective of zero tailpipe emissions for everyone, will impact on that objective? Nobody offered incentives for people to get off their horses and into the car when the car first came along. In the noughties, when Governments all over Europe were telling people, "Diesel's better," we saw a proportion of people naturally switch from petrol to diesel, without any real intervention over that time. How much does Government intervention matter? How much is it actually down to the market and the general public turning around and saying, "This is the way things are going. My next car is going to be battery electric, fuel cell or, perhaps, synthetic fuel-led"?



**Dr Skorupska:** This is where I agree with my colleagues. It has to be a simple message so that people understand clearly what will make up the real running costs of having a vehicle. At the moment, we are looking at road tax. Then there are the other aspects around paying for your fuel—the tax on your fuel. Nobody really understands what proportion of their litre of fuel currently goes to the Exchequer. It is quite a shocker. When I had the chat with my husband, he went, “You what?” It was a real eye-opener. There is a lot of room for scope here to keep the high-level principles, which are and should be having a zero emission agenda and the general wellbeing of people.

Q18 **Greg Smith:** Thank you. Mr Poston?

**Toby Poston:** If the Government go to tender for a road pricing scheme and invite lots of technology companies to come in and bid, they will be offered everything. They will be offered a long list of potential objectives—a list as long as your arm. That would be very dangerous. In a previous life, I used to be an IT journalist. I spent a lot of my time writing about IT disasters, many of which were Government-based. A lot of them were based on being overambitious and changing objectives, so the whole “keep it simple” message is absolutely paramount.

However, I do not think that there is any reason why, with a nice, simple, distance-based road pricing scheme, you could not make pricing adjustments for weight of the vehicle, emissions from the vehicle and, importantly, type of use for the vehicle. I disagree slightly with Mr Buchanan. Not all forms of mobility are good. If Mr Merriman is driving his diesel car half a mile down the road to Tesco’s through a crowded area, that is not a good use of mobility. We should be introducing measures to try to encourage behaviour change, where it is appropriate. We should have reductions for shared-use vehicles: taxes, buses, car clubs and car rental. That should definitely be an objective. It is quite a simple one.

Q19 **Karl McCartney:** To be fair, if the Chairman were driving on a motorway in his diesel car at 70 mph for 200 miles, that would be a good use of his mobility.

**Toby Poston:** Yes.

Q20 **Greg Smith:** Absolutely. I am mindful of the time, so we will move on to Mr Gooding for a comment.

**Steve Gooding:** I would say this. You say, “Should it be the objective?” What I would say back, on behalf of the people who are motoring or are drivers, is that none of us particularly likes paying taxes, but the cold, hard fact is that fuel duty is there to raise money for the Exchequer. It is spent on all sorts of good things, such as hospitals and schools. If that is to be maintained, let us come clean about it. I lost many years of my life in the early noughties at conferences that were exploring road pricing at the time. The question that I was asked most often was, “Is this about raising money, or is it about tackling congestion?” I would say, “It’s



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both,” and everyone became thoroughly confused. I would say, “Use the tool to raise money. If that is what we are doing, do it in a simple way.”

Your other point was about incentives. I think that it is the case that the penetration of diesels in this country came through as a logical response to a different set of tax incentives—benefit in kind. That is what is driving the fleet take-up of zero emission tailpipe vehicles now. It is a very effective way of doing it. There are various tools that can be used to incentivise this, but, ultimately, I think that there has never been a better time to be an EV driver. You get a grant and, if you have off-street parking, you can have really cheap motoring. You probably will not be caught in a queue at a charge point, because there are not so many of you.

**Chair:** Thank you very much indeed. We now continue in the same vein, and I am going to hand over to Ben. Ben, you will take us on to models as well, so please continue on that front.

Q21 **Mr Bradshaw:** We were moving on to where I was going to take the conversation when Toby talked about the conflict between mobility and congestion. You would accept, Duncan, I assume, that congestion is the opposite of mobility. I represent an urban constituency and lots of people in my constituency drive very short distances completely unnecessarily. That damages the economy as well and makes your members’ lives more difficult.

On the other hand, you all seem to suggest you want a simple system that is only based on distance. Given that Uber can quite successfully, it seems, operate a system based on distance but also congestion at a particular time of day and business on a particular route, and so on, why is it beyond the wit of the Government to come up with a system like that that meets more than one objective, not just raising money but also disincentivising unnecessary journeys at congested times? Yes, Steve.

**Steve Gooding:** I would not say it was impossible. What I would say is that when the Government explored this previously we established that a complete change of the tax regime, which is what was envisaged, that involves influencing the decisions of 38 million drivers and 30 million vehicles, run out of a room in Whitehall by someone who looks like me but 20 years younger, caused beads of cold sweat to form on many a local authority leader’s brow.

National Government could implement a framework. I would urge them to start with a simple distance charge. If there is to be a congestion charge, I think it would make more sense for it to be locally designed. I do not think the citizens of London, Greater Manchester or wherever would be that happy if somebody in the Department for Transport was deciding what it should cost for them to do the driving. As you say, Uber effectively runs a road pricing system by pricing for when demand is highest, and I suspect we are going to see more people using services



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like that as a result of some of the other policies in the document that the Chair mentioned earlier.

**Q22 Mr Bradshaw:** I saw you all nodding. Don't feel you have to add anything if you agree with Steve on that. There seems to be consensus on the panel to keep it simple, but at a local level you might want to maintain or introduce a congestion charge alongside it.

**Duncan Buchanan:** I will talk slightly differently, if I may. Our members work nationally and cross-regionally. They deliver everywhere. One of the enemies for us is local complexity. You have different rules in London, different rules in Manchester, different rules in Birmingham, and it just adds more and more complexity. Eventually what happens is that you sometimes start losing sight of the incentives you want to create and it just feels like a punishment tax.

I also urge you to be mindful of a couple of things around the rhetoric that we hear about road user charging and how roads are used. I had reason to look up the proportion of mileage by cars and vans for trips that are less than one mile; 0.44% of mileage are trips below a mile. A lot of those trips will be people doing a trip that is less than a mile but they are picking stuff up. Most trips below a mile are walked by people. We need to stop thinking that people are so stupid they just jump into the car automatically every single time, or they jump into the van automatically every single time. People make multiple different mode choices based on where they live. I hardly use a car. I live in London and hardly ever use it, but I used it the other day to go to a funeral in Dover. We have multiple reasons for using vehicles. One of the problems is that it starts looking like punishment for doing something that you think you should be able to do.

**Q23 Mr Bradshaw:** That is your members' behaviour, but not all drivers behave like that. There are plenty of residents in my own city, I am afraid, who drive journeys of less than a mile completely unnecessarily. What would you do to try to control congestion to benefit your members so that the people who are making these journeys, who you say are not your members, do not make them, so that the roads are freer for your members?

**Duncan Buchanan:** I think we have a problem with road management at the moment. It is about suppressing mobility by road. We have an attack on road mobility in London; we have low-traffic neighbourhoods that are causing massive congestion. Our members have no choice. We have to deliver the goods. We get caught up in this traffic. Our van members get caught up in this traffic. There are absolutely ludicrous low-traffic neighbourhoods in some places; not all, but there is a complete disregard, a dogma that it is a good thing to stop people driving.

**Q24 Mr Bradshaw:** You still haven't explained what you would do to tackle congestion to discriminate between those people who, like your



members, do not make unnecessary short journeys and those people who do.

**Duncan Buchanan:** That is what I was talking about. You need to manage roads so that you minimise congestion. What we are doing at the moment is managing roads to create congestion. It seems to be that the zeitgeist at the moment is to create as much congestion as you can to try to suppress mobility.

Q25 **Mr Bradshaw:** I don't think you understand. How do you incentivise the people who are still making unnecessary short journeys? Without congestion, what is the incentive?

**Duncan Buchanan:** I don't accept the premise that all those journeys are unnecessary. As I just explained, 0.44% are—

Q26 **Mr Bradshaw:** But those are your members. I am talking about the general public.

**Duncan Buchanan:** That is what I am talking about. I am talking about the general public; 0.44% of the mileage done on our road network are car and van journeys below a mile. That is not our members. Most of our members are doing far longer journeys than that because they are delivering goods over longer distances. This idea that we are dominated by short journeys is a myth and it is a very dangerous myth because it is leading to inappropriate management of our road network. We are taking road space away from cars, vans, buses and coaches, and we are giving it to cyclists, which is fine in a lot of places, but it is being used as a tool to prevent mobility by road.

Q27 **Mr Bradshaw:** Nina, you are smiling.

**Dr Skorupska:** I am because I have to confess that I sit on the TfL board, and that is where I could be at this very moment, talking about this very topic. I find myself almost twitching listening to all the steps that have been taken to help reduce our requirement and need and passion.

I was a petrol head when I was young. The first thing I did when I was 17 was go out and get a licence and drive one of the three cars in our family. That was ridiculous when I look back now. Why? Because it was a status thing. So many things have changed, and culturally we are shifting. When we are changing an infrastructure, as we are, for example, in Birmingham, which has introduced a congestion zone approach, it needs to be simple and straightforward so that people can understand it, so that they know it is their choice, and if they are going in with a vehicle they understand everything that is in front of them. I agree that, if different cities follow different methodologies, it is confusing if you need to go there by vehicle. Not everything is on an app.

I disagree wholeheartedly that the roads are deliberately set up in a negative way. There are other things that happen with our roads that



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could be improved like road maintenance, lifting up pipes and things like that. There is a whole raft of reasons why cities clog up, but one of them is too many vehicles. I think a place-based approach with a simple road user charge is an appropriate way forward, but at the heart of it is zero emissions.

**Toby Poston:** I also spend a lot of time in London councils' sweaty rooms and in meetings with TfL. The congestion charge is a bit like the model we are suggesting for road pricing. It is a simple system that has worked, but it is basic, so it takes no account of where you are going or what time of day you are going to be travelling. It works at the moment, but going forward it could be improved a hell of a lot. Ten or however many years on, it is ridiculous that it takes no account of shared use vehicles and giving them a discount. Why aren't car clubs given a discount? Why aren't essential users given a discount?

You can develop it and move it on, and that is exactly what I think should happen down the line with a successfully implemented road pricing scheme. You develop that and start to look at how technology can take it further and maybe even align them. The initial step is to learn from the lessons of the congestion charge. Keep it simple. The communication has to be simple; it should be the same with road pricing, and then see where you are after a period of time when people have accepted it.

**Q28 Mr Bradshaw:** The Treasury will not hypothecate this money, will it, but would it be helpful if the Government were open about the amount of money that is raised overall, not just through fuel duty but all of the transport and travel taxes that exist, and where that money goes and how much of it goes back into the transport system, again, in the most comprehensive sense of the word—subsidising travel, road building, all of that? My understanding is that, at the moment, if you exclude the costs of congestion and the health costs of pollution, the Treasury takes more money from overall transport taxes than it puts back in, but if you include the costs of congestion and the health costs of pollution, it is less than the overall cost. Do you agree that a bit more transparency about it would be helpful in selling it to your members and the wider public?

**Toby Poston:** I think it would be helpful. Emissions are something that everyone feels. If the earth is burning due to carbon fuel use, everyone suffers, but congestion is a very local thing. Someone in a rural area will think, "Why am I paying taxes to benefit people who choose to live in a congested urban area?" It definitely would be a benefit, but I would not assume that it would be a panacea that solved every objection.

**Q29 Mr Bradshaw:** Do any of the other panellists want to add anything on that?

**Steve Gooding:** It was definitely the case that, when the London congestion charge came in, part of the pitch was that any surplus made from the scheme would be reinvested in transport. Similarly, in the Nottingham workplace parking levy, the surplus was going to go towards



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extending the tram scheme. But of course those were extra charges and I think if I were in the Treasury I would fight tooth and nail to keep my tax income so that I could spend it where I wished to spend it.

The Government's position, as I understand it, pending what the Chancellor says next week, is that vehicle excise duty was sort of hypothecated towards funding the road investment strategy in England, with similar sums going to Scotland and Wales. It is not a statutory hypothecation, but it was an indication of the Budget to come. Being clear about how much money is being put aside for the stewardship of the road network is a good thing.

**Mr Bradshaw:** Thank you.

**Chair:** We have two minutes left and four Members still need to come in, so I suggest that perhaps we put certain questions to certain witnesses. Karl, first, and then Gavin.

Q30 **Karl McCartney:** That is unfortunate because I had questions for all four. Originally, I was going to ask you all if you thought you were either gamekeepers or poachers, having looked at your histories, with two being former Department for Transport, one, as you said, being on the TfL board, and one being a BBC journalist. However, Duncan, you have given me heart with some of your answers so far, so I am going to roll my questions into one and go to all four, if that is okay, Chairman.

Could you tell me from your personal experience, because you are here as representatives of road users, whereabouts you live geographically, roughly the area, and what you actually drive on the roads? Do you accept that road pricing has a place, but perhaps, as has been mentioned already, synthetic fuel for internal combustion engines has a role as we move forward in five, 10, 15, 20 years? Can we start with Steve?

**Steve Gooding:** I live in West Sussex. I drive occasionally a Volkswagen Eos. I think that synthetic fuel potentially has a place, but at the moment, looking at the economics of it, I think it is going to have a place in motor sport, and possibly aviation, and it is going to be quite a while before it moves out of there into any kind of mass motoring use.

**Toby Poston:** I live at the end of the Metropolitan line in Buckinghamshire. I have driven an electric vehicle for five years. Three of those were plug-in hybrids and the last two years it was an electric vehicle. I do not see any long-term role for biofuels in cars or vans, but I think the jury is still out on heavy commercial vehicles.

**Dr Skorupska:** I live in London and I also have a home in Devon—my eco-home. In London I do not drive a car at all. I use public transport. When I am in Devon, I use my husband's diesel Evoque car, which we are selling, and we have a Tesla coming in November.

Q31 **Karl McCartney:** I want to pick you up because you said you do not believe, even being on the TfL board, that a decision has been made to



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slow down traffic. You were countering perhaps what Duncan had said. I would just like to point out that if you have not driven in London or driven down the Old Kent Road in the last 30 years, and realised how things have been changed with traffic lights and so on—

**Dr Skorupska:** With Crossrail being introduced, new roads and the introduction of the cycle lanes, I am a wholehearted supporter of introducing cycle lanes and yes, roads are—

Q32 **Karl McCartney:** It is not about cycle lanes. It is about slowing traffic down and stopping people travelling as quickly as they previously did.

**Dr Skorupska:** I think that introducing a 20 mph speed limit for safety is absolutely vital—

**Mr Bradshaw:** Hear hear.

**Dr Skorupska:** It is vital that everything has to be done that way. On average, I think the flow and speed of buses is just over 12 mph.

Q33 **Karl McCartney:** Would you say that TfL has not looked to slow down traffic in London to create an environment that means that people might not want to travel as much as they previously did?

**Dr Skorupska:** I cannot speak for TfL because that is not really my job. I understand that, but—

Q34 **Karl McCartney:** But you are on the board of TfL.

**Dr Skorupska:** I am on the board, but their whole approach is modal shift. It is to get more people to walk, to use mass transit; to lead healthy lives on healthy streets.

Q35 **Karl McCartney:** Is a car travelling at 10 mph as environmentally friendly as a car travelling at 20 mph that has an internal combustion engine?

**Dr Skorupska:** I don't follow that comparison. What is the 10 mph car? Is it an electric vehicle?

Q36 **Karl McCartney:** The slower a car goes, the more polluting it is. Yes?

**Dr Skorupska:** Yes, I understand that, and of course the whole approach is for you not to be driving an ICE vehicle in London. That is what all the encouragement is, that people do not drive internal combustion engine cars.

Q37 **Karl McCartney:** You are here as representatives of road users, and most road users in this country are internal combustion engine vehicle owners and drivers.

**Dr Skorupska:** I am here representing decarbonising the fuel that people use in their vehicles, which is renewable transport fuel, and also the EV charging infrastructure membership, which is linked to the increased use of electric vehicles. That is who I represent.



Q38 **Karl McCartney:** Realistically, do you think synthetic fuel has a future?

**Dr Skorupska:** I do.

**Karl McCartney:** Good, thank you.

**Dr Skorupska:** Because we support biomethane, using waste, using residual plastics, which are all to be used as a circular resource. We should be using every trick in the book at the moment to help decarbonise all our sizes of vehicles.

**Duncan Buchanan:** My wife has a diesel Fiat 500 and that is the car we have at home. I live in south London. As I said, I hardly use the car. In terms of some of the things that have been said, I think there is a little bit of a London or metropolitan mindset going on here, that everything can be done through public transport and the way people live is a metropolitan lifestyle. That is the lifestyle I lead, but that is not what our members lead. I think it is very dangerous to allow yourself to be dominated by a mindset that is about urban areas, and myths about short journeys.

As regards mode shift, I think about 80% of journeys below a mile are walked. What sort of mode shift can you get from that? You are already walking and cycling a lot of short journeys, so there is a lot of myth-making around some of these things, and a lot of it is an anti-mobility, anti-travel mindset. I am very concerned that this spills over from personal transport into commercial transport because that is where I am at. That is what I am representing. I represent commercial hauliers and van users and coach operators who do not have a choice. They have to use the road network. They are working, and they are finding that their work is being disrupted and slowed, and their productivity is being destroyed by poor management of our road network. That is what worries me. It is really interesting. We started off talking about simplicity—

**Chair:** Do you mind if I pause you there? I am sorry, but two other Members need to ask questions and I am way over time already. My apologies. Grahame Morris.

Q39 **Grahame Morris:** I will try to be brief as well. This section is on how both commercial road users and personal road users interact with the new proposed system. In relation to technology, Duncan, what new technologies would be required in terms of cameras and apps and so on to make the system workable?

**Duncan Buchanan:** I think the technology has moved very quickly. Cars now have Eco as a matter of routine. A lot of lorries and vans have telematics. In essence, I do not think the technology is a barrier to distanced-based road user charging any more. The technology is pretty much out there. You can make it work. The simpler you make it, the easier it is. People mentioned scope creep. You need to avoid scope creep. Be very clear what you want to do and the technology is there to do it.



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**Q40 Grahame Morris:** In relation to charges, Steve, I think Duncan speculated earlier that it could be about 4p or 5p a mile, but how much would you anticipate the average road user, particularly for personal use, a car driver, would pay under this system?

**Steve Gooding:** That is entirely dependent on whether, as I think the panel is pretty much advocating, we are going for a simple swap-out from fuel duty to another tax that raises £27 billion net when everything is added together. You would simply take the amount of revenue forgone, which the Treasury has modelled, and divide by the number of miles. I do not quite know what that number would come out as yet because I do not know the Treasury's base numbers.

If you were going for a more sophisticated road pricing scheme, it would hugely depend on whether the prices for driving on busy roads at busy times were significantly higher. Some of the modelling that was done 15 or 16 years ago came up with some numbers that scared people because they took the highest possible number and thought, "Golly, if that applies to every mile I drive that would be terrible," but it would be a variable number, which is one of the complexities that we are suggesting might not be the thing to go for today.

**Q41 Grahame Morris:** What about exemptions? Is it envisaged that any groups of drivers would be made exempt from the charges?

**Steve Gooding:** I do not think anyone is exempt from fuel duty now, so, again, if what we are talking about is a straight swap-out because the Treasury has lost some money, I suspect the Government position would be that everybody pays, but if there are some people who are disadvantaged, for whatever reason, that is why we have the social care programmes that sit alongside it.

**Q42 Grahame Morris:** Toby, very quickly do you want to come in on that?

**Toby Poston:** I do not think we should confuse keeping the system simple with reducing the choice that people have in how they pay it. Some of the lessons that have been learnt from other schemes in countries like the US is that the more ways you can approach paying it, the better, whether having a prepaid permit or paying it through an app, using GPS telematics, or even using your leasing company. They already pay VED when they lease a car. You could pay the leasing company and they would pay on your behalf, or a rental company or a car club. There should definitely not be a stringent approach to how it is paid. You should have as much choice as possible and it would be much more likely to be accepted.

**Q43 Grahame Morris:** Nina, really quickly because we are short of time, may I ask you about protections for road users in terms of security of the system and maintaining the privacy of drivers? Duncan was saying that mobile phone apps and telematics are going to be key elements that are readily available, but how are we going to protect the privacy of drivers and road users under this system?



**Duncan Buchanan:** May I duck that question completely, please?

**Grahame Morris:** You have already answered, and Nina has not had a chance.

**Dr Skorupska:** I am not an expert on those matters so I will defer to my colleagues here.

**Toby Poston:** There is an absolute war going on at the moment about access to vehicle data. It is a hot potato and it is being thrown around between policymakers at EU level and in the UK. It is absolutely vital that gets solved. At the moment, there is not a clear stance on who has access to vehicle and driver data, and even what vehicle and driver data is, so it needs to be resolved.

Q44 **Karl McCartney:** Who owns it is the big issue. Is it your data or is it their data?

**Toby Poston:** It is who has access to it. You cannot own it.

**Chair:** I am the clock watcher here and I am starting to panic. Simon.

Q45 **Simon Jupp:** This is quite a technical and geeky question, I guess. None of you on the panel has indicated that you would be up for regional or local rules when it comes to road pricing—I hope I have got that right—because you see it as overly complex. Obviously we have different layers of local government across the country—district, city, county, combined authorities and everything else. Is there any role for local leadership in the use of a policy like this, otherwise transport authorities will be frozen out of a big part of transport policy? Does anyone want to come back on that? Steve?

**Steve Gooding:** I think we are saying that there is a role for local authorities. Obviously, there is a decision to be made about which particular local authority, which tier as you described it. If we are talking about a simple distance charge that is just replacing a tax, probably not. If we are talking about something aimed at tackling congestion or having other behavioural impacts, I would say there definitely needs to be involvement. My preferred model would be that it was a local decision as to whether the charge should be there, a local decision as to what that charge should be, and, almost certainly, that there should be some local benefit from the income, otherwise the package is not going to work locally.

Q46 **Simon Jupp:** You are speaking my language, Steve. Anyone else on the panel?

**Dr Skorupska:** I agree with that approach. The one point I wanted to make but I did not get in was, still using fuel duty in the short and longer term, picking up on that point, is how we can ensure that we continue to incentivise replacing the fuel in cars to one of a lower kind. If there is a mind to revisiting a fuel duty tax that benefits people who then choose to



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use more drop-in fuels of a renewable or a waste-based or synthetic value, that would be of great value. I just thought I would throw that one in.

**Simon Jupp:** In the interests of time I will hand back to the Chair. Thank you very much.

**Chair:** I thank the last few Members because you hurried through your questions. My apologies. As we have demonstrated, we could have talked a lot longer with you because you have really interesting evidence to give us. I thank all four of you for wetting our whistle this morning. Please continue to stay and watch the innovators and transport planners as they give their views as well. Thank you very much indeed.