



STEERING THROUGH CHANGE

WINNING THE DEBATE ON ROAD PRICING

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Executive summary

A combination of rising levels of car ownership and increasing travel by car has led to two major problems associated with road transport for the UK: growing levels of congestion and increasing carbon dioxide (CO₂) emissions, which already form a significant proportion of the UK's greenhouse gas emissions. Road pricing – the variable charging of road space by time and location – could be useful in successfully combating these problems. But, despite a broad 'elite'-level consensus on the principle of road pricing in the UK, public attitude arguably remains the key barrier to its introduction.

This report aims to investigate public concerns about road pricing, and to identify ways in which opposition to the idea can be minimised. To do this, we draw on a programme of public-attitude research carried out by ippr (Morris and Bird 2006) as well as a literature review of work in this area (Bird and Vigor 2006). Our series of public-attitude work was carried out between March and June 2006. This consisted of three day-long deliberative workshops, a nationwide poll of 1,150 people and six follow-up focus groups. A detailed description of the methodology is presented in the Annex.

It is important to note, however, that while the focus of this report is to present key concerns held by members of the public and to suggest ways in which they may be tackled, we do not necessarily recommend that the most popular option is the one that should be pursued. There is an important role here for political leadership. Indeed, examples of existing schemes show that road pricing schemes can change behaviour despite negative attitudes, and that attitudes can subsequently become more positive.

Policy measures to date have either failed to address the problems of congestion and climate change (for example, through road building) or do not have a sufficiently large impact to be a complete solution in themselves. One example of this last point is technological innovations, such as hybrid cars or alternative fuels. Another is so-called 'soft' measures, such as information and marketing, car sharing and travel plans. (Soft measures aim to change travel behaviour through addressing psychological motivations, rather than through 'hard' interventions, which are often economic, such as road pricing, or may involve reallocating road space away from private vehicles, such as bus priority measures.)

Attitudes do not remain fixed over time, and we draw on Goodwin's (2006) cycle of public acceptability, along with evidence of attitudinal trends for existing road pricing schemes, to produce a stylised model of the cycle of the road pricing debate. This model shows that support for the idea

of road pricing as a tool to tackle congestion tends to decrease as its introduction draws closer. After its successful introduction, however, support rises again. Through this analysis we identify five conditions that are linked to the successful introduction of a road pricing scheme:

Condition 1: The public sees congestion as a problem.

Condition 2: The public sees the need for a radical solution.

Condition 3: The public sees that road pricing is a viable solution.

Condition 4: Opposition is minimised as scheme details emerge and are adapted to meet public concern wherever possible.

Condition 5: There is sufficient political support for road pricing to ride out opposition and reap the benefits of increased support after its successful introduction.

Our research has shown that the first two of these conditions have already been met. There is widespread acceptance that congestion is a problem for the country and that a radical solution is needed to address this. However, while there is support for the idea of distance-based charging (that is, relating the charge to the distance driven), our work showed that the public were not yet ready to accept that road pricing could be a solution to tackling congestion.

Our opinion poll found that in general, people did not support road pricing. When asked to rate the idea on a scale of one (cold/unfavourable) to ten (warm/favourable), the average score was four, and the mode just one. Likewise, over 60 per cent of respondents said there was no chance, or only a slight chance, of supporting road pricing.

This shows that for proponents of road pricing, the centre of gravity of public opinion is clearly in the wrong place. Our work identified three key concerns behind this hostility – ineffectiveness, stealth taxation and loss of freedom, as explained below:

- **Ineffectiveness:** Members of the public do not see road pricing as an intuitively effective way of tackling congestion. They feel they already do everything they can to avoid congestion. Other measures, such as improving public transport, are more readily suggested as effective solutions to addressing congestion. Examples of successful existing schemes are often dismissed as being special cases, particularly because public transport is perceived as being better in the areas in question.
- **Stealth taxation:** The ‘stealth tax’ narrative is a common frame through which road pricing is viewed. There are three reasons for this viewpoint. First, because road pricing is not viewed as an effective way of cutting congestion it is not seen as a plausible motive for bringing in a charge. Second, people feel that motorists already pay more than they should in road taxes and are an ‘easy target’ for government fundraising initiatives.

Third, motorists do not feel they are able to avoid the trips they make by car, so therefore the Government is simply charging them more to drive.

- **Loss of freedom:** There is a – largely emotive – concern that road pricing will lead to restrictions on people’s ability to choose how they get around. People do not like the idea of the Government ‘telling them what to do’, and road pricing is understood as doing this. A related, but lesser, concern is that of privacy. Some members of the public are wary that road pricing might represent ‘Big Brother’ monitoring their movements. Significantly, those elements of the media opposed to road pricing have already used the privacy and ‘stealth tax’ arguments extensively.

Alongside these three major concerns, we identified a number of lesser worries, including:

- Waste and bureaucracy involved in setting up and administering a scheme
- Fairness
- Potential for evasion
- The question of who should run the scheme.

Regression analysis of our poll results found that there are two major determinants of people’s attitudes: frequency of car use, and public transport satisfaction. That is, the more often people use their cars and the less satisfied with public transport they are, the more likely they are to oppose road pricing. Interestingly, people’s level of concern about congestion was not a good predictor of attitudes towards road pricing. This may be because road pricing is not seen as a credible solution to the problem.

The fifth condition in our model of the road pricing debate (sufficient political support to ride out opposition) suggests that politicians cannot expect to win popular support for the argument before road pricing is introduced. Instead, they should ride out hostility in the hope that support will increase again once a scheme has been successfully introduced – as our stylised model of the debate suggests it will. However, political will alone is not sufficient, which is why the fourth condition proposes that opposition in the run up to a scheme needs to be minimised by engaging with people’s concerns. There are a number of ways in which the three main concerns about road pricing might be addressed, both through the design of the scheme and through communications.

In terms of scheme design, the replacement of existing motoring taxes, use of revenue and upfront provision of alternative transport options may all have an impact. However, the wider impacts of these options must also be borne in mind. Research by ippr has shown that a revenue-neutral scheme would result in an increase in CO₂ emissions (Grayling *et al* 2004). Hypothecating revenues – that is, ringfencing revenues raised by road pricing

ing for investment in transport – at the national level could make transport spending unstable and unpredictable.

Minimising opposition through scheme design also raises questions for any local interim schemes. It is difficult to imagine how cuts could be made in motoring taxes for those affected by one of these schemes. Rebates through council tax cuts would be equally difficult to administer. However, the congestion Transport Innovation Fund (TIF) does offer some upfront funding for local authorities and areas introducing demand management schemes, allowing them to improve public transport options. In addition, under the Transport Act 2000, 100 per cent of revenue must be hypothecated to improving local public transport.

Communications also have an important role to play in minimising opposition to road pricing. We argue that in order to prevent it being perceived as a 'stealth tax' or as a 'Big Brother' initiative to spy on members of the public, the road pricing debate should be framed in terms of tackling congestion rather than road pricing itself. In order to do this, road pricing should be presented as part of a package of measures aimed at tackling congestion, and not as one isolated measure.

Our research showed that presenting road pricing as a means of tackling climate change may not yet be an effective way of minimising support. This is because our public-attitudes work showed a degree of uncertainty about climate change among participants, and a tendency to look to technological solutions, or to other sectors, to achieve emissions reductions. Changing driving behaviours is not currently seen as the right place to start reducing greenhouse gas emissions. However, the relationship between road pricing and tackling CO₂ emissions may become a more important part of the public debate as public awareness and concern about climate change increase.

The interim TIF schemes will also play an important role in communicating that road pricing is an effective tool in tackling congestion. Currently, effective schemes, such as the central London congestion charge, are perceived as being special cases, usually because public transport services in these areas are thought to be superior to those elsewhere. Successful TIF schemes in other places will help to convince the public that road pricing can effectively cut congestion.

Finally, we explore the issue of leadership. While the Secretary of State for Transport should clearly provide leadership on the issue of road pricing, there may be a need for a 'congestion busting' champion, or champions, who is known to be independent and not directly associated with road pricing.

We suggest that the Government could build on its Road Pricing Liaison Group to create a new stakeholder group of experts, special interest groups and critical friends, with a nationally recognisable, independent chair. This

group would help inform the development of a road pricing scheme, and could also play an important role in communicating lessons from interim schemes and 'efficiency' arguments with the public.

Finally, we address the issue of fairness. It is important to ensure that any road pricing scheme is not regressive and does not disproportionately disadvantage those on lower incomes. More research will be necessary in this area as the debate moves forward, and as more concrete scheme designs are proposed.