

Principles for the Introduction of Road Pricing

The British Vehicle Rental and Leasing Association (BVRLA) represents one of the UK's largest groups of vehicle owners. Our members engage in vehicle rental, leasing and fleet management, supplying UK businesses and consumers with a combined fleet of over five million cars, vans and trucks, that's 1-in-8 cars, 1-in-5 vans and 1-in-4 trucks. They also purchase around 50% of new vehicles sold annually in the UK.

BVRLA members and their customers will be profoundly impacted by any road pricing scheme. The sector is motivated and able, with significant expertise in this area, to assist Government in creating a scheme that works across user groups and localities while preserving HM Treasury revenues.

As an initial point of engagement the BVRLA has produced ten principles on which we believe any road pricing scheme should be built:

1. Consult early and extensively

Road pricing is a complex issue with a huge array of possible approaches and challenges. For any eventual scheme to work it will require extensive consultation from the government with a broad range of vehicle users and owners. The lack of consensus on the need for road pricing or the form it should take means that it is vital for government to engage with stakeholders as early as possible in its policy development.

2. Make it simple and easy to administer

Any road pricing scheme needs to be simple to pay and administer for both for vehicle owners and users. Vehicles are used in a wide range of activities so any system must be flexible enough to allow for a range of different business models, including vehicle rental or shared ownership.

3. Don't rush it

One of the key lessons learnt from the introduction of the London Congestion Charge and Ultra Low Emission Zone is that new road pricing schemes must be widely communicated and allow sufficient time for stakeholders to adjust their vehicle purchases, IT systems and operational procedures. Depending on the solution that is introduced, this could include allowing time for the development of specific telematics equipment or new road tolling infrastructure.

4. Build-up the Back Office

IT systems within the Government motoring agencies have not kept pace with the increasing levels of digitisation seen amongst their customer base. These systems need to be upgraded so that they can cope with the bandwidth, cyber security and 24/7 digital capabilities required from a national road pricing system.

5. Streamline the motoring tax regime

A new national road pricing scheme is more likely to be welcomed if it can tackle some of the inequalities and administrative frustrations that have been caused by the current over-complex and inefficient motoring tax regime. Government should aim to consolidate existing measures, not add new ones.

6. Provide a national framework

Road pricing will not work if it's development is left in the hands of devolved nations or local authorities. A national framework is essential to ensure that road users get a consistent message and experience. Only a national road pricing system will provide a fair and simple way of replacing national motoring taxes such as VED and Fuel Duty.

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7. Drive the right behaviour

Any road pricing scheme should have the flexibility to charge in a way that supports more sustainable transport behaviour. For example, it should encourage people to use zero-emission, shared vehicles (e.g. car club and rental) rather than privately owned ICE ones, or to travel outside of peak times or away from the busiest roads.

8. Link revenues to transport infrastructure and decarbonisation

Road pricing costs will be more easily accepted if they are transparently allocated against the huge cost of upgrading the UK's road network and zero-emission vehicle infrastructure.

9. Treat all road users fairly

Road pricing has the potential to create an unfair taxation burden on certain road users because of where they live and work, their economic circumstances or a host of other individual circumstances. Any system should have the ability to provide exemptions or special rates to avoid unfair outcomes.

10. Get it right first time

Sentiment towards road pricing has changed, and many road users can now see the benefits of a well-designed, carefully implemented system. This goodwill will soon evaporate if the previous nine principles are not followed.

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