



SCOTTISH CONSUMER COUNCIL

**RESPONSE TO THE CONSULTATION
PAPER**

“TACKLING CONGESTION”

OCTOBER 1999

**The Scottish Consumer Council’s response
to the consultation paper
“Tackling Congestion”**

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THE SCOTTISH CONSUMER COUNCIL

The Scottish Consumer Council (SCC) was set up by government in 1975. Our purpose is to promote the interests of Scottish consumers, with particular regard to those people who experience disadvantage in society. While producers of goods and services are usually well-organised and articulate when protecting their own interests, individual consumers very often are not. The people whose interest we represent are consumers of all kinds: they may be patients, tenants, parents, solicitors’ clients, public transport users, or simply shoppers in a supermarket.

Consumers benefit from efficient and effective services in the in the public and private sector. Service-providers benefit from discriminating consumers. A balanced partnership between the two is essential and the SCC seeks to develop this partnership by:

- carrying out research into consumer issues and concerns;
- informing key policy and decision-makers about consumer concerns and issues;
- influencing key policy and decision-making processes;
- informing and raising awareness among consumers.

The SCC is part of the National Consumer Council (NCC) and is sponsored by the Department of Trade and Industry. The SCC’s Chairman and Council members are appointed by the Secretary of State for Trade and Industry in consultation with the Secretary of State for Scotland. Future appointments will be in consultation with the First Minister. The present Chairman is Deirdre Hutton. Martyn Evans, the SCC’s Director, leads the staff team.

CONSUMER TESTS

The SCC assesses the consumer perspective in any situation by analysing the position of consumers against a set of consumer principles.

These are:

ACCESS

Can consumers actually get the goods or services they need or want?



CHOICE

Can consumers affect the way the goods and services are provided through their own choice?



INFORMATION

Do consumers have the information they need, presented in the way they want, to make informed choices?



REDRESS

If something goes wrong, can it be put right?



SAFETY

Are standards as high as they can reasonably be?



FAIRNESS

Are consumers subject to arbitrary discrimination for reasons unconnected with their characteristics as consumers?



REPRESENTATION

If consumers cannot affect what is provided through their own choices, are there other effective means for their views to be represented?

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1 INTRODUCTION

The Scottish Consumer Council (SCC) welcomes the opportunity to respond to the consultation paper *Tackling Congestion*. The SCC have been involved in transport policy and research for a number of years¹. We recognise that there can be substantial negative externalities – that is social, economic and environmental costs associated with high levels of car use and that the market currently fails to take account of these by reflecting them in the cost of car use. In addition, the SCC recognise that there are large numbers of consumers who are not car owners and users and who suffer the consequences of the negative impacts associated with high levels of car use without experiencing the benefits associated with the car.

Therefore, the SCC are not, in principle, against the use of economic instruments as advocated in the paper as mechanisms to alter consumer behaviour away from the private car and onto public transport for the overall benefit of society. Indeed, we recognise that the polluter pays principle can be fairer and more selective than policies applied across the board, such as the use of the fuel tax escalator. However, we believe that this has to be set within the context of an integrated approach to transport policy which itself has to be integrated with other government policies.

The SCC are concerned that *Tackling Congestion* fails to do this and therefore have a number of strategic concerns with the consultation paper which we believe have to be addressed before the consultation paper can be re-drafted into the Transport Bill which is due to be published towards the end of the year.

2 SOCIAL INCLUSION

In October 1998 the SCC responded to the White Paper *Travel Choices For Scotland* in which we welcomed the thrust and direction of the White Paper. We considered it a useful document in aiming to correct the imbalances which exist in transport provision in Scotland. We were particularly encouraged to note that the government identified social inclusion as a main objective of transport policy. The SCC’s response to the White Paper noted (point 4.3.19) that we looked forward to further consultation on Scottish Office proposals for charging schemes. However, in addition to the issues which the Scottish Office proposed to consult on the SCC suggested there was a

¹ The SCC have responded to a number of recent consultations. These include the White Paper *Travel Choices For Scotland*; the draft National Planning Policy Guidelines (NPPG) and Draft Planning Advice Note (PAN) on Transport and Planning and the *Strategic Review of the Trunk Road Programme in Scotland: The Appraisal of Trunk Road Investment* and earlier this year *From Workhorse to Thoroughbred, A Better Role for Bus Travel*. Copies of these can be obtained from the SCC. Recent transport research has included a report funded by the Scottish Office *Getting Around – Travel Choice and Behaviour*, and the SCC is also currently engaged in research examining the provision and dissemination of bus information in Scotland.

pressing need to consider issues of social equity and social exclusion in respect to charging schemes. We suggested there was a need to ensure those already disadvantaged in society do not become further disadvantaged as a result of government policy. We are therefore disappointed that this paper does not consider this as an issue.

We are concerned that the proposal to implement road user charging and work place parking levies does not take any account of the considerable impact that this policy will have on low income consumers. In addition, the consultation paper fails to mention, or to recognise the priority with which the government identified social inclusion as a main objective in transport policies in Scotland.

The Scottish Household Survey which started in February 1999 is carried out by MORI and System Three on behalf of the Scottish Executive. The first Scottish Household Survey Bulletin (1999) notes that of those adults living in households with net incomes of under £10,000, just under half (47%) travelled to work by car. This emphasises the importance of the car to many low income consumers.

Orange Badge Holders

A further issue of social inclusion relates to Orange Badge holders. The consultation paper suggests that as there are 134000 Orange Badge holders in Scotland an exemption of holders from road user charges and workplace parking levies would impact on the success of the policy. Therefore the Scottish Executive is seeking views on whether or not they should be exempt from paying road user charges and workplace parking levies. The SCC believes that Orange Badge holders should be exempt. Many people with disabilities have no option but to use the car, for some, it is vital. If Orange Badge holders are not identified as exempt, then this would represent an unfortunate and regressive step in social inclusion policy. The SCC would suggest that it is the abuse of the Orange Badge system that requires attention, not the principle. We therefore recommend that the Scottish Executive undertakes research into the Orange Badge system to examine whether changes are necessary, and in particular examine whether the use of national set criteria to determine holders would be an appropriate way forward.

3 COST TO THE CONSUMER

The SCC acknowledges the aim of *Tackling Congestion* is to reduce the negative impacts that arise out of high levels of car use, to the benefit of all in society including car users and non-car users. Indeed, we welcome this aim. We are also aware that low income consumers are more likely to own older cars which contribute more in terms of pollution. However, the SCC are concerned that there is a failure to recognise that costs will arise from the implementation of pricing policies and will impact disproportionately on low income consumers than those on higher income levels. Consumers will not

only face direct costs, but will also have to pay indirect costs from the implementation of the road user charges and workplace parking levies as businesses will, conceivably, pass the additional costs of both road user charges and workplace parking levies on to the final consumer. *Tackling Congestion* fails to recognise that costs to different members of society will arise and that these costs will not be equitable.

Sustainable development is based on the attempt to reconcile the conflicting aims of social equity, environmental protection and enhancement and economic growth. The SCC believes that social equity, and therefore sustainable development, cannot be achieved unless there is a recognition in government policy that social equity is distinct to equality. Equality implies equal treatment for all, whereas equity may imply positive discrimination to assist those who need it most. In the governments pursuit of road user charges and workplace parking levies benefits may arise for society as a whole, while costs will arise for certain consumers – that is car users, and in particular low income car users. The role of government in this situation is to ensure that these potential benefits and costs to consumers are transparent. It is also the role of government to ensure that transport policies are consistent with other policy objectives, notably sustainable development and social inclusion. The SCC believes that this paper has failed to achieve this.

Evaluation of Impacts

In the SCC’s response to the White Paper *Travel Choices For Scotland* we noted (at 2.1.20) that a mix of carrots and sticks was appropriate in achieving an integrated transport policy and therefore the SCC cautiously welcomed the Governments proposal to introduce the concept of road pricing. However, at that time we stated that an evaluation of costs must be undertaken to ensure that all the implications are evaluated, particularly the implications to the most disadvantaged in society.

The SCC suggested that it was essential to undertake research to examine the impact that road pricing will have on consumers, particularly those who are already disadvantaged in society. The consultation paper *Tackling Congestion* acknowledges that this has not been carried out, and suggests “*that it is not possible at this stage to make meaningful quantified estimates of the benefits (or, indeed, the costs) of the proposals (Annex, point 4.1).*”

The SCC believes that this is not accurate, and hypothetical models could be applied to test certain circumstances. There are methods available to examine individual responses to hypothetical travel scenarios, such as stated preference methods which have become accepted methods of travel research within the UK. In a report to the Scottish Office, the SCC² noted that there appears to be a lack of empirical studies in transport literature that focus on Scotland and suggested that this type of empirical research needs to

² Scottish Consumer Council (1998) *Getting Around - Travel Choice and Behaviour A Study of Urban Travel Patterns*, The Scottish Office, CRU, Edinburgh.

be undertaken to aid policy-makers to understand the behavioural responses of consumers to travel scenarios in Scotland. We would again suggest that this research is carried out and should be, and be seen to be, independent.

4 ALTERNATIVES TO THE CAR

In the SCC’s response to the White Paper *Travel Choices for Scotland*, while agreeing that there was a role for economic instruments such as road pricing in influencing travel behaviour, we also suggested that in order that this be successful it was essential that travellers who are either unwilling or unable to pay road charges have a viable alternative to the car.

The SCC are therefore concerned that *Tackling Congestion* is not able to address a fundamental prerequisite - which is that alternatives are in place before road pricing is. The SCC are concerned that the current public transport network is not adequate to enable consumers to change their travel behaviour.

In *Travel Choices for Scotland* the government recognised that “A society has developed where real choice in transport is denied to many people. This has tended to create social exclusion; improvements in accessibility to services have been uneven with greater dependence on the car.” (point 2.1.8). The paper went on to note that “there must be more choice through providing attractive alternatives and improved opportunities”.

This accords with the conclusions of a report produced by the SCC for the Scottish Office² which notes that the existence of alternatives to the car must be in place so that travellers have choices and are not constrained by the lack of alternatives. We also noted that alternatives must be acceptable to travellers before they will be used. Price is not the only determinant in an individual’s travel behaviour and factors which also determine travel behaviour include, for example, travel time, reliability and arrival time of alternatives, waiting time, personal safety, comfort, convenience, privacy and so on.

The SCC believes it is essential that accessible and acceptable public transport options are operating prior to road user charges and work place parking levies being introduced. While we acknowledge that the government is attempting to address the issue of alternatives, we are concerned that the implementation of road user charges prior to adequate and acceptable alternatives will lead to greater levels of social exclusion in society because consumers will have no alternative but to use their car, and pay the charges associated with this.

The consultation paper notes that local road user charging and workplace parking levy schemes are likely to be of most relevance to urban areas but there may be situations where a seasonal charge in rural areas would be appropriate. The SCC would like the paper to address the rural areas issue in more detail, particularly as there are less likely to be alternatives to the car in remote and rural areas.

5 ADDITIONAL EXPENDITURE

Tackling Congestion notes that the revenues raised from road user charging and workplace parking will not be restricted to transport matters (at point 3.2.15, at point 4.9.1 and again at Annex 2 Point 2.2). This was subsequently altered in a letter by the Transport and Environment Minister on 14 July, in which she stated “...I am keen to avoid any misconceptions being aired about how net revenues from road user charging will be spent. You can be assured that, so long as we are in Government, the Executive will not approve any charging scheme where the money raised was not to be spent on transport projects.”

Neither the letter from the Minister to Local Authority Convenors, nor the consultation document make mention of whether the current government support being provided to local authorities for transport related matters will be continued in addition to net revenue raised from charging proposals, or whether net revenue raised will replace the current method of funding local authority transport functions. This continued government method of funding transport functions is necessary. It will become particularly important to those local authority areas who choose not to implement road user charges or workplace parking levies, notably in some rural areas. Without guarantees that existing transport budgets will remain at a similar or increased level in the future, local authorities may be forced into implementing charging schemes, which are not being implemented under the objectives of reducing congestion and air pollution, but rather to generate income.

The SCC would therefore suggest that the government needs to ensure that any money raised is hypothecated and additional to that currently allocated to local authority transport functions. The Scottish Executive needs to be clear and transparent on these issues.

6 SAFETY ISSUES

The SCC are concerned that *Tackling Congestion* suggests that consideration is being given to allow traffic to be stopped by traffic wardens to ensure that vehicles have the correct on-board equipment and are paying the correct charge (point 3.3.7). Currently the power to stop vehicles is vested only in the police. The SCC would be concerned if the power to stop vehicles was extended beyond the police. There are very good reasons for ensuring that the police alone have powers to stop vehicles, and these relate to safety and the perception of safety. This is particularly, but not exclusively, the case for women travelling alone.

7 POTENTIAL MONOPOLY SITUATION

If the policy of road user charging and workplace parking levies are implemented and are successful then there will be a key role for the regulators to ensure that public transport does not exploit the monopoly situation that could arise. The SCC would suggest that this key role is addressed in the paper.

8 UNDERWRITE INVESTMENTS

The SCC suggests that there is also a key role for government to set the policy context which would enable guarantees to be made to underwrite (either directly or indirectly) investments for transport improvements before any income streams start to flow to the investors. Without this provision, it is questionable whether the level of investment needed to provide an attractive alternative to the car can be achieved.

9 IN CONCLUSION

As noted in the SCC’s response to the White Paper *Travel Choices for Scotland*, the SCC are not against the use of economic instruments nor the polluter pays principle to bring about an overall societal benefit. However, we believe that the mechanisms being suggested in *Tackling Congestion* will have an unfair impact on low income consumers because the necessary public transport alternatives will not be available to enable consumers to make the choice about whether to pay the road user charge and workplace parking levy, or whether to change mode. We believe that the policy objectives relating to sustainable development and social inclusion will be compromised by this proposed policy as it stands. We therefore suggest there is the need for a substantial re-drafting and re-thinking of the document prior to becoming a Bill.