

# A price worth paying?

The development of road user charging could be a major asset, especially as the UK moves towards localism, believes Rapp Trans (UK) Ltd's Nabil Abou-Rahme...

**T**he subject of road user charging always makes for a good discussion. As a society, we know the economic case stacks up and see the benefits of schemes successfully implemented around the world. But money is involved, and at a personal and emotional level, we react against the individual obligations that road user charging would bring.

Government is committed to ensuring that foreign hauliers pay their way on UK roads, without damaging local hauliers. Looking at all the major lorry charging schemes in Europe, certain trends and common themes have started to emerge. Success or failure is determined in the earliest stages, in having a clear understanding of the required policy outcomes. A disconnect here leads to increasing cost and uncertainty downstream, making the project easy to derail for political or economic reasons. Based on our experience, we propose taking the following critical measures central to a successful and sustainable scheme: clearly define policy outcomes and understand the implications; design the optimal solution to achieve these outcomes; proactively manage stakeholders; deliver the solution at the right price; and tightly define and manage the programme.

Charging schemes in Europe have followed different implementation paths because they are pursuing different objectives. If the line is to 'level the playing field', then the scheme should not be relied upon to also generate revenues. Schemes can be designed for revenue generation, with a greater emphasis on enforcement, but nevertheless everything still depends on what the policy requirement is in the first place.

Beyond that, the emergence of two paradigm shifts will fundamentally change the nature of road user charging in the UK. First there is the move towards localism, a significant alteration of the questions that road user charging may attempt to answer. Second is the activation of the EETS Service and associated role model in October 2012, a transformation of the ecosystem through which such schemes are delivered, providing the opportunity for adjacent industries to add new value through the open market.

Consider this quote from evidence given by the Chartered Institute of Logistics to the Transport Select Committee

in February 2011: 'Charging has the potential to provide a local funding stream to support capital investment in local transport schemes. In an era of increasing localism and lower central government grants, the alternative to road user charging may be one or a combination of measures and effects including higher local council taxes, higher local parking charges, poorer public transport, increasing congestion and travel time unreliability, and deteriorating roads.'<sup>1</sup>

Such arguments as this go a long way towards framing the alternatives correctly, and may help the public to understand what is involved in generating revenues to tackle local problems and improve local quality of life. Local authorities should be encouraged to consider how charging might be implemented as an integral part of current investment programmes for transport and digital infrastructure. When requirements for charging emerge from the development of local policy, it is important that the feasibility is properly examined and a range of credible options reviewed. A lot of the building blocks might already be in place for small schemes to move forward.

Here is where the second paradigm shift might play a part, as third parties become increasingly involved in the customer interface. When service providers establish relationships with individual customers, the scope of those services can move beyond revenue collection, and into a range of integrated, market-led and useful services. Loyalty programmes, route-based information, and discounts for multiple services all contribute to the overall package.

Europe is not the first mega economy to arrive at this market model, but the new context will affect the planning and design of new schemes in the UK. National charging schemes will always attract great interest, but we believe the opportunities to achieve policy goals through local schemes are once again in focus.

<sup>1</sup> [www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/872/872we26.htm](http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/872/872we26.htm)



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