# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **An independent review of road user charging in Wales** |
| **DATE**  | **09 March 2020** |
| **BY** | **Ken Skates, Minister for Economy, Transport and North Wales** |

We must do all we can in Wales to decarbonise our transport network, improve air quality and reduce congestion. Achieving these objectives will benefit our environment, our economy and our society.  Investing in and incentivising public transport and active travel are vital in encouraging people to make less journeys by car.  However, demand management measures may also be needed to achieve a significant modal shift from road to more sustainable transport in Wales.

For this reason, I have commissioned an independent review into the benefits and challenges of different demand management approaches such as road user charging.

I am delighted that Derek Turner CBE has agreed to complete this study. He has considerable experience of providing strategic transport policy advice and his expertise includes road user charging. It is intended that the review will report this autumn and it will help inform our national and regional policy on this issue in the context of the ongoing work of the South East Wales Transport Commission and the consideration of congestion charging by Cardiff Council.

The terms of reference for the Independent Review of Road User Charging in Wales are available below.

**Terms of Reference**

The Minister for the Economy, Transport and North Wales is appointing Derek Turner CBE to lead an independent review of road user charging in Wales.

The purpose of the review is to report to Ministers on:

* The potential rationale for different types of road user charging in Wales, including clear advice on what the objectives of any such scheme should be. This could include range of possible objectives such as alleviating congestion, improving air quality or reducing carbon emissions, increasing rates of active travel, encouraging modal shift and travel behaviours – such as travel to school.
* The options for implementation for different road user charging types including a broad SWOT assessment of the options and the different technologies available: What are the relative costs of the different technologies; the ability of each technology to meet the required objectives; who these costs might be borne by – user or authority or other?
* The case for an over-arching national framework to be applied to any local or sub-regional road user charging policies in order to avoid undue adverse wider effects (such as impacts on drivers affected by more than one charge, and to preserve and incentivise the option of subsequent incorporation into a national policy).
* What other policies or transport interventions might be required to successfully implement road user charging in Wales, and at what stage in the implantation timeline (for example, to offset any adverse distributional implications). This should have particular regard to the interaction with motoring taxation in order to consider the fiscal impact of driving in the round. Such policies need not be currently devolved.
* An assessment of the likely acceptability of any such scheme, and the political, social and economic issues which will have to be addressed by anyone wishing to take forward such a scheme at local, regional or national level.

* Matters likely to inform the acceptability of any road user charging policy, including but not limited to the level of the charge, the fairness and equality of its application (both within and beyond the area affected by the scheme) and potential uses of revenue, including arguments for and against hypothecation, to achieve different policy objectives.
* The wider economic, social, environmental and behavioural implications of road user charging in the Welsh context, including issues arising from the border with England.
* The evidence of effectiveness and any lessons learned from implementation of road user charging schemes in either the rest of the UK or internationally.

The term “road user charging” covers all feasible charging methods, including distance charging, congestion charging, workplace and retail parking levies.

This is expected to be an initial review, designed to inform future detailed work.

In addition, from time to time, the reviewer may be called upon to inform Welsh Ministers’ policy-making by providing relevant and timely evidence and analysis on the matters above.

The reviewer will operate independently of Welsh Government and should report to Welsh Ministers by autumn 2020.