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Ring-fencing of road pricing could save drivers millions, report says



A new research paper has identified £12.2 billion of annual inefficiency across England's road network, a figure that may rise to £27 billion per year by 2040 if action is not taken to reverse under-investment.

The study, conducted by the Association for Consultancy and Engineering, identifies inefficiency caused by problems such as the cost of repairing vehicles damaged by poor road surfaces, time lost in congestion, and the cost of petrol used in congestion. It finds that an investment of £1 billion to cut daily congestion by one minute per vehicle could save motorists £277 million per year in reduced fuel spending, and could cut economic inefficiency amounting to £1.9 billion through reducing time lost to congestion.

ACE chief executive Nelson Ogunshakin said: "Government collected £5.9 billion in Vehicle Excise Duty and £26.8 billion in fuel duty in 2011-12, but spent only £9 billion on roads. This represented a missed opportunity to dramatically improve the UK's economic performance and reduce the cost of living. Relatively small but regular additional investment in roads could have a significant impact on the economy and on drivers' pockets."

The report goes on to suggest that either Vehicle Excise Duty be raised and hypothecated for use on roads investment and maintenance, or road pricing be introduced to help encourage more road use at less congested times while still raising finance for investment. Both options should be balanced by the equivalent reduction in fuel duty.

Chairman of ACE's roads sector interest group, Mike Llywelyn-Jones, added: "Over recent months, industry has been pleased to see the Government acknowledging that previous cycles of stop-start investment have been very detrimental to the country's road network. The associated proposals in 'Action for Roads', to convert the Highways Agency into a strategic highways company and guarantee long-term funding, initially to 2021, through legislation, will be transformational when they become reality."



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