

# Government Backs Down On Pay-As-You-Drive Road Tax Scheme



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The Labour Government has shelved plans to introduce a pay-as-you-drive road tax scheme after receiving the largest petition ever on the Downing Street website. Over 1.7million people signed the petition opposing the proposed charges of up to £1.50 per mile to use the road.

The scheme would have seen vehicles fitted with electronic tags, or black boxes, which would be tracked by satellite or roadside beacons, registering the miles travelled. Charges would have been on a sliding scale rising significantly during peak congestion times.

Initially the scheme was intended to replace road tax and fuel tax, but the Government withdrew that proposal when the Treasury expressed concern about falling tax revenue. Ultimately the pay-as-you-drive tax would have been in addition to all other existing taxes.

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A spokesman for Staveley Head, one of the UK's leading [HGV insurance](#) providers, said "This idea was ill-conceived from the outset. Apart from the devastating commercial affect it would have on business, the plan failed to make allowance for so many sectors of the road-using public. For example, people living in rural areas, and not within walking distance of a bus route or train station, have no alternative other than to use their vehicles."

The Staveley Head spokesman went on to say "Most of our clients are commercial vehicle users and need to use the roads extensively on a daily basis in the conduct of their business. The implementation of an additional pay-as-you-drive tax would have had a crippling affect on all of them, across the spectrum. The Government appears to have seen sense on this issue, at least for the moment, and bowed to the opinion of millions of angry voters."

Edmund King, president of the AA, approved of the Government step-down and said "I think ministers have done the sensible thing by dropping these plans. We surveyed 15,000 AA members and found 86% did not trust the Government to come up with a fair system of road pricing."

Local road or congestion charging schemes, similar to the one in London, may still be introduced by councils. However, following referendums in Manchester and Edinburgh voters rejected plans to introduce road-pricing schemes.

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