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**DELIVERING CARDIFF'S SUSTAINABLE TRANSPORT STRATEGY:  
REVIEW OF ROAD USER PAYMENT OPTIONS**

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**Purpose of the Report**

1. The Cabinet Report, attached at **Appendix A** (*and its subsequent Appendices*), are due to be considered at the Cabinet meeting on 27 April 2023. The purpose of this Cover Report is to provide Members with background information, and to act as a signposting tool to enable their pre-decision scrutiny of the report to Cabinet.

**Structure of the Papers**

2. Attached to this report is:
  - **Appendix A** – Cabinet Report – Delivering Cardiff's sustainable transport Strategy: review of road user payment options.
    - Appendix A1 – Summary of Road User Charging schemes in the UK
    - Appendix A2 – Comparison of Transport Metrics for UK Core Cities

**Scope of Scrutiny**

3. During this scrutiny, Members have the opportunity to explore the following:
  - i. UK Government Policy Framework,
  - ii. Welsh Government Policy Framework,
  - iii. Cardiff Council policy Framework,
  - iv. Schemes in the UK
  - v. Issues
    - a. The case for change,
    - b. Key transport delivery commitments,
    - c. The objectives of the scheme,
    - d. Types of schemes,
    - e. Approach to public and key stakeholder engagement.
  - vi. Legal powers
  - vii. Next Steps

## Background

4. The Council set out an ambitious 10 year strategy in their Transport White Paper. Achieving the objectives of the strategy has stalled recently and the delivery of plans needs to be sped up if objectives are to be met. There needs to be more investment in transport infrastructure and services in order to address the challenges in relation to air quality, climate change, congestion and encourage growth in the Cardiff and the City Region. The opportunities to secure grant funding for transport projects are dwindling. Environmental levy options provide an opportunity for the Council to generate the revenue needed to invest in transport to encourage more walking, cycling and use of public transport providing high quality, safe and convenient alternatives to travelling by private car. The Welsh Government has a priority in the Wales Transport Strategy Llwybr Newydd to develop a framework for fair and equitable road-user charging in Wales. This framework will require secondary legislation. Developing the business case is needed to work towards Cardiff Council and Welsh Government decisions on a future levy agreement.
5. Cardiff was also recently successful in securing Levelling Up Funding that will be matched by Welsh Government to deliver the first phase of the Cardiff Tram system from Cardiff Central to Cardiff Bay

### UK Government Policy Framework (Points 17 – 20)

6. The publication of the Department for Transport's 'The Future of Transport: A Network for 2030' in 2004 which expected to cut congestion dramatically and reduce carbon emissions following the introduction of national road charging from 2014.
7. The potential negative impact to commuters was highlighted in the Eddington Transport Study in 2006, but also the potential to make transport more efficient, without out needing to build more infrastructure.
8. Acceleration of the UK Governments plans were announced in 2020 which include phasing out the sale of new petrol and diesel cars by 2030 and new cars and vans to have zero tailpipe emissions from 2035.

Welsh Government Policy Framework (Points 21 – 30)

9. Welsh Government has accepted the links between responding to the climate emergency, public health and efficient active travel and transport system and therefore has a supportive approach to road user payment schemes.
10. In order to explore ways to workable ways alleviate the congestion on the M4 in the long term, in 2019 The First Minister established the Southeast Wales Transport Commission (SEWTC), this was also following the announcement that 'Black Route' proposals should not go ahead.
11. In November 2020 Welsh Government published the SEWTC recommendations that:
  - i. Travel alternatives must exist before local charges can be considered, "For ongoing public support, experience from other countries demonstrates the importance of linking any charges to wider transport improvements."
  - ii. There is an overarching policy framework, "...strongly agree with the conclusion of the Turner report, which states that any local or regional schemes in Wales need to be governed by an overarching set of principles to avoid unintended consequences or unfair outcomes in different parts of the country. This is particularly relevant if different schemes were to exist in Cardiff and Newport."
  - iii. Local Authorities consider introducing a Workplace Parking Levy (WPL).
12. Also, in November 2020 Welsh Government published Derek Turners *'Independent review of road user charging in Wales'* which established that a National Policy Framework was needed urgently in Wales as such schemes "...can be an excellent tool to help the Welsh Government and Welsh Local Authorities deliver a more equitable, efficient and sustainable transport system directly for all road users and for others across the wider transport system. Furthermore, in the spirit of the Well-being of Future Generations Act, it can help Government achieve wider economic, societal, cultural and environmental priorities such as improving air quality, sustainability and benefiting 'placemaking' and health."

13. In January 2021 Welsh Government published their response to the SEWTC recommendations, and in May 2021 they published Llwybr Newydd Wales Transport Strategy
14. In October 2021 Net Zero Wales was published, which includes a number of transport related targets i.e. reduce car mile per person and increase sustainable travel modes
15. The Welsh Government Roads Review was published in February 2023, and following this the Welsh Government National Transport Delivery Plan published in February 2023 includes the action to “Develop a Strategy for fair road user charging”.

Cardiff Council Policy Framework **(Points 31 - 34)**

16. In January 2020 Cabinet approved the Transport White Paper which is the Councils strategy to tackle the climate emergency, reduce congestion and improve air quality.
17. The strategy includes targets to double the number of journeys made by cycling or public transport by 2030 to 76%
18. The estimated costs to transform the transport system in Cardiff is between £1 – 2 billion, therefore a wide range of potential charging options needs to be considered.
19. The One Planet Cardiff Strategy published in October 2020 also supports the need to address climate change, air quality and the shift to more sustainable and active travel options.
20. The recently approved Corporate Plan includes the Commitment, “*Consider and review road user charging options to identify opportunities and benefits for Cardiff residents and deliver transport improvements.*”

Schemes in the UK **(Points 35 – 39 and Appendices A1 & A2)**

21. Appendix A2 provides a comparison of a range of transport metrics across the UK Core Cities and indicates that Cardiff has the most ambitious mode shift target and is ranked as follows:

<b>Metric</b>	<b>Value</b>	<b>Rank (out of 11)</b>
Population (2021)	362,301	8
Households (2021)	147,333	9
Car Ownership (HH without a car) (2021)	26%	1
Commuting (2011) (Sustainable modes)	36%	10
Commuting (2011) (Distance travelled , km)	12.7	7
Traffic Volume (MVkm) (2021)	2794	4
Congestion (Delay hours)	61	7
CO2 Emissions per capita (tonnes) (2022)	4.5	10
Road Safety (casualties) (2017 – 2021)	2,180	9

22. The different types of scheme that have been introduced include:

- i. Congestion Charging
- ii. Clean Air Zone
- iii. Workplace parking levy

23. **Point 36** and **Appendix A1** identify the different types of charging schemes have been introduced in a number of UK cities. The first being in London in 2003, 2008 and 2019 and more recently Birmingham (2021), Bristol (2022), Glasgow, Newcastle and Sheffield (2023)

24. Any scheme implemented may have a negative impact on particular groups or road users and **point 39** lists those that could be exempt or receive reimbursements/reductions.

**Issues Identified in the Cabinet Report**

25. Central to **the case for change** is the ability to generate income over and above what is currently available, to address low carbon, air quality and transport goals. The ‘case for change’ identifies issues that will result from no action specifically:

- i. City-Wide air quality will remain at levels damaging to health (**points 42 – 44**)
- ii. Street environment will remain car dominated/polluted (**points 45 – 47**)

- iii. Failure to deliver sustainability/transport 10 year targets **(points 48 & 49)**
- iv. Cardiff transport in the long-term will remain fragmented, inequitable, ineffective and costly **(points 50 & 51)**
- v. Congestion will increase further **(points 52 – 55)**
- vi. The Cardiff economy will remain constrained **(points 56 – 58)**

26. Investment is needed to provide alternative transport options that are integrated, frequent and reliable, this in turn will reduce traffic on the roads and air quality will improve as a consequence.

27. The **key transport delivery commitments** that need a long term funding commitment to meet the goals in the Transport Strategy and One Planet Cardiff include:

- i. A Metro city-wide tram system including Crossrail (in city area) & Circle line, new stations with a minimum of 4 tram/trains an hour.
- ii. A prioritized bus network across the city with reliable turn up and go services – targeting a 100% increase in bus ridership.
- iii. Support the development of wider regional commuter/shopper Metro and Bus network.
- iv. The completion of the Eastern Bay Link, which in conjunction with enhancement to city centre highway network may enable traffic to move around the wider city circumference.
- v. Sustainable travel incentives - Travel discounts, tickets, bike purchase.
- vi. Delivery of an EV Bus and Taxi fleet.

28. **Points 60 and 61** note the need to ensure that alongside introducing any charging scheme that there are transport benefits, which would be:

- i. The introduction on key routes of £1 bus fares.
- ii. Enhancements to the bus network to provide better and expanded bus services.
- iii. The delivery of the Phase 1 tram from Central Station to Pierhead Station in the Bay, Coryton and City Line frequency enhancements.
- iv. Improvements to regional commuting infrastructure.

29. The wider objectives of a charging scheme are stated in **point 62** and relate to:

- a. Health, Wellbeing, Climate Change & Air Quality
- b. Transport - Access
- c. Sustainability & Fairness
- d. Community Inclusiveness
- e. Transport - Safety & Security
- f. Transport - Economic
- g. Transport - Investment

30. There are a number of different schemes that could be implemented, listed in **point 65**, although not all have examples in the UK. Any scheme implemented in Cardiff would be based on UK good practice.

31. **Points 67 – 74** discuss the **approach to public and key stakeholder engagement** which is vital to the success of any schemes whose impact will be on both local residents and business and the wider region.

32. The need for a comprehensive engagement programme is noted in **point 68**

33. The process will follow Welsh Transport Appraisal Guidance (WelTAG), and a list of key stakeholders to be included at WelTAG Stage 1 (Strategic Outline Case) is provided in **point 70**.

34. Proposed engagement with the general public and again key stakeholders will take place as part of WelTAG Stage 2 (Outline Business Case).

35. The establishment of a Review Group to support the Council decision making is commented on in **point 73** which also includes a list of organisations and groups that would be represented.

36. The necessity for Cabinet to consider and approve the preferred option of the Review Group at Stage 2 (Outline Business Case) before progressing any proposed scheme to Stage 3 (Full Business Case) is highlighted in **point 74**. Cabinet will again consider the outcome of Stage 3 to approve the scheme to be delivered.

37. The Legal Powers under which road user charging schemes can be delivered are noted in **point 75**, i.e. Transport Act 2000 although secondary legislation maybe required in Wales.

38. **Point 76** notes that the phrase 'road user payment' includes road user charging and workplace parking levies.

39. The Future Generations and Wellbeing Act will also need to be taken in consideration in the decision making process along with the consultation conditions of the Public Sector Equality Duty.

40. The next steps are clarified in **points 77 – 79** and include further details on each WeITAG stage and the full guidance can be found here: [WeITAG2017 \(gov.wales\)](https://gov.wales/WeITAG2017)

41. The proposed draft timeline is below (**point 80**):

<b>Draft Target Date</b>	<b>Milestone Description</b>
2023/24	Research, planning and public consultation
End of 2024	Cabinet Decision
End of 2025	Completion of detailed design including all associated planning, legal and financial requirements.
Early - 2026	Submit any draft orders requiring Ministerial Approval.
2027/28	Implementation subject to approvals.
2026/27 and onwards	Parallel implementation/construction of schemes that would be funded from the Road User Payment.

42. The engagement of Local Members at WeITAG stages 1 and 2 is confirmed in **point 81**.

43. The reasons for the recommendations are highlighted in **points 82 - 85**

44. **Points 86 and 87** note the financial implications of the report and that a full business case that clearly identifies cost of any scheme going forward will be needed.

45. Legal implications are noted in **points 88 – 96** and the use of terminology is highlighted in **point 89** so that the it is clear what the proposals being considered are.



46. The duties in respect of the Equalities Act are noted in **points 97 – 100**

47. The Wellbeing of Future Generations (Wales) Act 2015 is noted in **points 101 – 104**

48. No implications in relation to the Welsh Language Act are noted

49. There are no HR or Property implications noted

## **RECOMMENDATIONS TO CABINET**

50. Cabinet is recommended to:

- i. Approve the in-principal case for the introduction of a Road User Payment scheme subject to consultation, equality impact assessment and preparation of a robust business case.
- ii. Delegate authority to the Director of Planning, Transport and Environment to develop the business case and WelTAG studies for a Road User Payment scheme, subject to consultation with the Cabinet Member for Strategic Planning and Transport.
- iii. Delegate authority to the Director of Planning, Transport and Environment to establish a Review Group in WelTAG Stage 2 to recommend the preferred option to be taken forward to WelTAG Stage 3 preparation of the Final Business Case, subject to consultation with the Cabinet Member for Strategic Planning and Transport.
- iv. Note that the outcome of WelTAG Stage 2 Outline Business Case together with consultation responses and equality impact assessments will be presented to Cabinet for a decision on the preferred option to be taken forward for the WelTAG Stage 3 Full Business Case.
- v. Note that the outcome of WelTAG Stage 3 Full Business Case will be presented to Cabinet for a final decision.
- vi. Approve the undertaking of consultation and engagement associated with each stage of preparing the WelTAG business case for a Road User Payment scheme.
- vii. Approve the undertaking of research and prepare a communication and public and key stakeholders strategy to support the preparation of the business case for a Road User Payment scheme.

## **Way Forward**

Cllr Dan De'Ath, Cabinet Member for Transport & Strategic Planning and Andrew Gregory, Director of Planning Transport & Environment have been invited to make a statement and answer Member's questions. They have been asked to make a brief presentation followed by Member's questions.

## **Legal Implications**

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations

## **RECOMMENDATION**

The Committee is recommended to:

- i. Consider the information in this report, and the presentation and any further information presented at the meeting; and
- ii. Determine whether they would like to make any comments, observations or recommendations on this matter to Cabinet.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**17<sup>th</sup> April 2023**