



for sustainable transport

tel: +44 (0)131 243 2690
email: info@transformscotland.org.uk
web: www.transformscotland.org.uk

Transform Scotland 5 Rose Street Edinburgh EH2 2PR

John Swinney MSP
Deputy First Minister and Cabinet Secretary for Finance, Constitution & Economy
St. Andrew's House,
Regent Road,
Edinburgh,
EH1 3DG

Friday 17 July 2015

Dear Deputy First Minister,

SUMMER BUDGET 2015: VEHICLE EXCISE DUTY REFORM

We write to you with reference to the UK Government's decision to reform the banding structure of Vehicle Excise Duty (VED) and the planned hypothecation of all revenue raised from VED on the Strategic Road Network in England from 2020, rather than in local road networks where the majority of everyday journeys take place. We believe the Chancellor's decision is wrong and we would urge you to explore an alternative approach for Scotland – an approach which reflects Scotland's world-leading ambition on climate change.

While the Chancellor has announced significant reforms to the banding system in place, VED will continue to be levied on the basis of carbon dioxide emissions. Indeed, even after the changes to banding are implemented, VED remains a tax on pollution. The UK Government's plan to dedicate all VED revenue to a new Roads Fund therefore contradicts the very purpose of the tax. Expert advice to the UK Government has established that additional strategic road capacity will tend to lead to increased demand and, inevitably, more pollution.

In Scotland we have the opportunity to take a different approach. The Chancellor stated during his Budget address that the UK Government will be engaging with Devolved Administrations on how they allocate the revenue from VED. Instead of using VED to increase road capacity and pollution, we believe revenue raised from the tax should be allocated to the following priority areas to enable people to choose healthier, cleaner and cheaper journeys, while reducing pressure on existing roads by cutting congestion:

- Continued and sustained investment in the infrastructure needed to increase walking and cycling
- Investment in better integration of Scotland's sustainable transport modes (bus, rail, walking and cycling)
- A repair fund for the existing local road network and footways, which would benefit pedestrians, cyclists and drivers alike, without increasing road capacity.

Transform Scotland Limited is a registered Scottish charity (SC041516).

Transform Scotland is the national alliance for sustainable transport, bringing together the public, private and voluntary sectors.

Transform Scotland is a member of the European Federation for Transport and Environment.

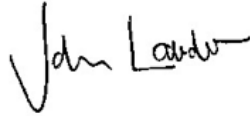
While we recognise and welcome the existing Scottish Government programmes to reduce transport emissions, there is still much to do. Investing in sustainable travel – rather than increased road capacity – will allow us to make significant strides in tackling transport emissions in Scotland.

We hope that you will give consideration to this proposal and would be more than happy to meet with you to discuss this in further detail.

Yours sincerely,



Colin Howden,
Director,
Transform Scotland



John Lauder,
National Director,
Sustrans Scotland



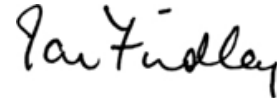
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WWF Scotland



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