

consultation document *Breaking the Logjam*, issued in December 1998. Local authorities would be given wide discretion in the use of the new powers and in the design of charging schemes.

It is no secret that one of the clearest messages in response to the proposals was that the Government must make good its commitment that the money raised by charging or levy schemes will be recycled into local transport improvements, especially alternatives to private vehicle use. This is a principle to which the Government attaches the utmost importance. The Deputy Prime Minister, John Prescott, has announced that pilot charging schemes would be guaranteed to retain 100% of the net revenues for spending on transport purposes, for a minimum of 10 years.

The Transport Bill will provide that: any road user charging or workplace parking levy scheme money will have to go into a separate, transparent account; that expenditure from this account will have to be in support of local transport objectives. There is also an argument for providing improvements to local transport 'up front', before the charges bite. This means finding ways of early funding, which can then be recouped once charging revenues come in, and the Government is examining possibilities for this with local authorities.

Momentum behind the policy is gathering. Last July, local authorities submitted their provisional 5-year Local Transport Plans. From these plans we got the first indications of where and when charging might be introduced for real.

A number of authorities expressed an interest in taking part in DETR's 'fast-track' pilot programme. This will guide authorities through the design of charging and parking levy schemes so that they are ready to put into place as soon as possible after the legislation is passed.

The Department will run a project in Leeds to demonstrate the feasibility of sophisticated electronic charging technology, and in conjunction with a Scottish Executive scheme in Edinburgh. This could be on the ground in the year 2001.

IT IS NOT easy to make meaningful estimates of the costs and benefits of road charging. Most of the elements which will determine the costs and benefits of such schemes will be determined locally, in the light of local circumstances, as each scheme is developed. Local authorities will be responsible for the main design elements, selecting, among other things:

- for road user charging, the basic format of the scheme - e.g. paper-based or electronic; the size of the charged area; the times when the charges apply; exemptions to the charges; and most importantly, the level of charges imposed;

- for workplace parking levies: the size of the area in which the levy applies; the size of the levy per parked vehicle; exemptions; and whether the levy applies to all vehicles or only above a certain threshold;

- for both types of scheme, the use of the income stream will be crucial in determining the overall impact on businesses and individuals.

It is the Government's intention that no scheme should proceed unless it has been shown to be justified in terms of costs and benefits.

The benefits of successful schemes should be:

- saved time and increased reliability in travel, leading to cost savings for business;
- reduction in polluting emissions, noise and nuisance, with consequent benefits for health and for the quality of life;
- increased revenue to public transport operators improvements to local transport provision and the transport environment, funded by the revenues raised.

Some studies have looked at the possible effects of road user charging schemes. The most comprehensive of these looked at a number of options for application in London.* This calculated that social benefits would fall within a range of some £90 million - £450 million per year (1991 prices and values), depending on the scheme adopted, and traffic levels could be reduced by 15%, with a 20% increase in journey reliability, similar



reductions in journey time and a 35% reduction in carbon monoxide emissions. Further work has been done over the past year, to provide information to London's mayoral candidates on the likely options for charging in the capital. It will, of course, be the Mayor's decision whether or not to introduce charging.

There is probably a greater acceptance now than in any time this century that we must make a clean break with the old century's policies of "predict and provide" - and start the new century using new tools to manage our transport infrastructure more wisely and provide the environment which we all want. This means recognising that road-user charges will play a part in tackling congestion problems.

* The London Congestion Charging Research Programme, Final Report. The MVA Consultancy, May 1995.

OBITUARY



Donald Denman

THE DEATH of Donald Denman has deprived the world of land economics of one of its most colourful and controversial characters.

Denman was professor of economics at the University of Cambridge, where he established the Department of Land Economy against the resistance of dons who did not regard this subject as worthy of special treatment.

Denman's obituary in *The Guardian* noted: "Until the middle of this century there had been a lack of intellectual curiosity in Britain about the place of land in the economy. Great estates were being broken up, and the stock exchange was rapidly replacing land as a profitable form of investment. The great 19th century debate on land ownership was also subsiding".

Denman believed land ownership was crucial, and one of his important contributions was in *The Place of Property: A New Recognition of the Function and Form of Property Rights* (1977).

He campaigned vigorously on behalf of the Conservative Party against post-war socialist land legislation, which he records in his autobiography, *A Half and Half Affair* (1993).

I met Denman over lunch at the Ritz. I wanted to try and guide him into supporting the tax reform in which public revenue would be drawn from the rent of land. To have enlisted him as a champion would have been a coup. Unfortunately, although he generously endorsed the Georgist philosophy for natural resources on the ocean beds, he had a problem with the proposal when I came to urban land. This led me to an interesting exchange concerning his twin brother Sydney, who had gone into property development.

He stated categorically that it was impossible to separate out the value of the land from the total value of the property. Examples from around the world would not change his mind. Until - I mentioned his twin brother, Sydney, I suggested that his brother, as a successful property developer, would necessarily have to separate out these values, as a matter of course on a daily basis, in order to make a profit.

There was no mistaking the twinkle in his eye, nor the mischievous smile, when he replied, "I suppose he does!"

Donald Robert Denman:
born April 7, 1911, died Sept. 2, 1999.

RONALD BANKS