

Proposed Congestion Charge Increase

The Mayor Answers to the London Assembly

Chair's Foreword

On the 8th February, the Transport Committee of the London Assembly enquired into the Mayor of London's proposal to raise the Congestion Charge from £5 to £8, and gave the Mayor the opportunity to explain in person his reasons for the proposal. Since a 60% rise in a charge that many Londoners will pay is inevitably a matter of public interest, the London Assembly will wish to make a response to the Mayor's consultation.

The Mayor has insisted that the main motive behind the £3 increase in the charge is to reduce traffic in the Charging Zone still further. He described this to us as "a quantum step forward" and offered the prospect of taking traffic reduction to "somewhere between 17-21%". He believes that the £3 increase will deliver "the maximum benefit for the minimum increase". Moreover, he is confident it will generate an additional £40 million each year that will be invested in measures to reduce congestion across London.

However, much doubt remains in the minds of some Committee members about the various calculations that have been offered to us. Different documents and briefings indicate different levels of financial benefit from the £3 increase. Doubt also arises over the figures for traffic reduction. The trend already seems to be towards a further reduction in traffic without a charge increase. Certainly, no-one is claiming that the 15% reduction in traffic in the Central Zone has been eroded over time. Unless the basis of both sets of figures is clarified, some Londoners are bound to remain sceptical. The Assembly has a duty to press for clarification and to hold the Mayor to account.

The Mayor intends to proceed with the western extension of the Central Zone. The extra revenue to Transport for London generated by the £3 increase will make it easier to fund this, although legally the extra money raised cannot be spent directly on the westward extension.

I am particularly pleased to report that the Mayor told us that there was no technical reason why the Congestion Charging Scheme could not be amended so that drivers would have 48 hours to pay the charge, and that he was open to persuasion. The Committee was also pleased to note that the Mayor was happy for an independent audit of TfL's financial assumptions for the Congestion Charge.

Efforts are being made to make it easier to pay the charge. Fleet users and other drivers who regularly enter the zone are to be offered the opportunity to buy annual and monthly tickets with a discount and need never receive a penalty notice again. Transport for London is working on new forms of technology, such as "tag and beacon" and GPS systems, which may eventually enable drivers to have charge payments deducted from nominated bank accounts.

Congestion charging and other forms of road pricing are already seen by central Government as being the way forward for easing congestion. It certainly has its opponents. However, if this is the way forward then more advanced technology will be needed to roll out targeted road pricing in congestion hot-spots in the rest of Greater London. In the coming years, the challenge may well be to harmonise London's existing schemes with road-pricing policies developed for the rest of Britain.

Lynne Featherstone

Chair, Transport Committee, February 2005

Membership of the Transport Committee

Lynne Featherstone	Chair (Liberal Democrat)
Roger Evans	Deputy Chair (Conservative)
John Biggs	Labour
Angie Bray	Conservative
Elizabeth Howlett	Conservative
Peter Hulme Cross	UK Independence Party
Darren Johnson	Green
Murad Qureshi	Labour
Graham Tope	Liberal Democrat

The Transport Committee's general terms of reference are to examine and report on transport matters of importance to Greater London and the transport strategies, policies and actions of the Mayor, Transport for London, and the other Functional Bodies where appropriate. In particular, the Transport Committee is also required to examine and report to the Assembly from time to time on the Mayor's Transport Strategy, in particular its implementation and revision.

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Introduction

The Mayor is in the process of consulting on a number of proposals for changes to the congestion charge, central to which is raising the basic charge from £5 to £8. There are a number of other, more minor changes proposed, including changes to the cost of fleet schemes and offering greater discounts to monthly and annual charges¹. These changes would be implemented in July 2005. As part of this consultation process, the London Assembly's Transport Committee questioned the Mayor on 8th February 2005 seeking greater clarification at why the Mayor is seeking to make these changes.

TfL's Reasoning

In the revised Transport Strategy the Mayor stresses his aim to "maintain and build upon the significant traffic benefits that have arisen so far from the central London scheme²." The Strategy goes on to affirm that one way of "encouraging sustainable development is to ensure that the environmental and social costs of driving are reflected in price paid³."

TfL claim that increasing the charge would have direct benefits for road users inside and outside of the zone, in that traffic would be reduced and journey times would fall. It is estimated that the increased charge would further reduce congestion from the present level of 30% to between 34-38%. The latest monitoring review in January 2005 did note "some evidence of increased variability in traffic conditions within the Zone in recent months⁴."

TfL expect that the efficiency of bus operations would be improved⁵ in addition to a projected £40 million extra of net revenue as a result of the charge increase. The Mayor has admitted that the bulk of this £40 million a year extra would initially be used to fund the western extension of the Charge zone⁶. Although legally the extra money raised cannot be spent directly on the westward extension money released elsewhere by this extra income can be directed to the extension.

The increase the Mayor is proposing is going to be restricted to "one large increase in this Mayoral term...as part of Transport for London's £10 billion, 5 year investment programme."⁷ The table

¹ The proposed changes in full are:

- a. To raise the congestion charge from £5 per charging day to £8 per charging day;
- b. To raise the charge from £5.50 per charging day to £7 for vehicles on the automated fleet scheme;
- c. To raise the charge from £5.50 per charging day to £7 for vehicles on the notification fleet scheme;
- d. To discount longer period charges as follows;
 - 20 days (monthly charge) for the price of 17 days (3 days uncharged)
 - 252 days (annual charge) for the prices of 212 (40 days uncharged)
- e. To reduce administration charges from £5 to £2.50 for the following:
 - making amendments to the detail of a charge;
 - for residents registering for the 90% discount making a permanent substitution to the registered vehicle (i.e., registering a new car)
 - for residents registered for the 90% discount making a temporary substitution to the registered vehicle (i.e., registering a hire car)

² Paragraph 4G.73

³ Paragraph 4G.81

⁴ TfL Supplementary Information Variation (No 5) Order 2004

⁵ Additional journey time savings and reliability improvements and other projected outcomes have been estimated by TfL to provide between £20-50 million worth of benefits per year across London

⁶ Question 1806/2004, Supp Question 14, Mayor's Question Time, 15th December 2004

⁷ Press Release 450 - http://www.london.gov.uk/view_press_release.jsp?releaseid=4586

below⁸ summarises TfL's projected outcomes for raising the charge, as well as including the projections for other charge levels that were considered.

	£5.00	£6.00	£7.00	£8.00	£9.00	£10.00
Traffic reduction within Zone⁹	15%	16-18%	16-20%	17-21%	18-21%	18-22%
Congestion reduction within Zone¹⁰	30%	31-33%	32-36%	34-38%	34-39%	35-40%
Net benefit to London (£m/year benefits)	50	55-70	60-85	70-100	70-105	75-110
Net revenues¹¹ before penalty charge impacts	80	95-100	110-120	125-135	135-155	150-175
Net revenues after penalty charge impacts (£m/year)	80	-	-	115-125	-	-

Transport Committee Concerns

Why now? Why £8?

In 2000, the justification for introducing the charge was to make London a more competitive world city for business by reducing traffic entering the zone by 15%. Now the rise is being talked in terms of ensuring the proper social and environmental cost in driving is paid even though the 15% reduction has been maintained. So, the Committee asked:

- Why raise the Charge now?
- What is the key priority and outcome now for the Congestion Charge?
- When exactly during your campaign did the Mayor promise to raise the Congestion Charge if re-elected?
- Why, of the options available, was a level of £8 considered appropriate?
- How long will the charge remain at £8?

⁸ TfL Supplementary Information Variation (No 5) Order 2004

⁹ No of vehicles entering zone would decline by additional 3-7% - mainly from cars, with a slight decline in commercial traffic. Both slightly offset by a small increase in bus and taxis within the zone.

¹⁰ Congestion – defn – comparing average vehicle journey times, expressed as a rate of travel in minutes per km during charging hours with average journey times in the early hours when there is little traffic. Same method as used by DfT.

¹¹ Charging revenues represent new revenue levels once a settle pattern of payment has been achieved.

Penalty Charges and Income

Some members of the Transport Committee have proposed extending the period during which drivers can pay the charge retrospectively from midnight on the day of entering the Zone by an extra 24 hours. Concern has been expressed that requiring payment the same day has inflated the income from penalty charges. So, the Committee asked:

- Why was not the opportunity taken, along with the other proposed changes, to extend the period within which the charge could be paid ?
- What proportion of Congestion Charge revenue will be raised through penalty notices?

Future Revenues & the Westward Extension of the Congestion Charge

Extra revenue raised from the increased congestion charge will enable the Mayor to fund his proposed westward extension of the Charging Zone into Kensington and Chelsea. The Committee were concerned that much of this funding would be spent on camera based technology that could soon be rendered obsolete by developments such as the tag and beacon windscreen technology. So, the Committee asked:

- How exactly will the bulk of the anticipated extra £40-50 million raised from the charge increase be used to implement the westward extension?
- Is there a danger that the money spent on implementing the westward extension will be on camera based technology that could be rendered obsolete within a couple of years by developments such as “tag and beacon”?

Other Concerns

The Committee were also keen to obtain from the Mayor assurances about how congestion problems related to buses around Oxford Street could be dealt with and how the Mayor envisaged that future road pricing schemes, such as those recently spoken about by the TfL Commissioner Bob Kiley, could be applied across Outer London.

The transcript below has been edited and reordered according to theme. For a full and chronological transcript of the Transport Committee’s meeting with the Mayor, please e-mail danny.myers@london.gov.uk or ring on 020 7983 4394.

1. Why £8

Lynne Featherstone (Chair): Four years ago, Mayor, you told London that a 15% reduction in traffic was the critical level. It is still 15%, so what is your argument now?

The Mayor: Well, the world moves on. We made a great breakthrough contrary to the dire predictions of most people. The position is that we had to review where we are going with the Congestion Charge with the election forthcoming and people needed a clear understanding of what I would do. I made two proposals during the election: one if I was re-elected I would extend the zone westwards and two that I would at some point during this term increase the charge.

I was thinking perhaps a regular series of increases, not necessarily annually, perhaps further apart than that. When, after the election we came to look at it, I think Bob Kiley (Commissioner, Transport for London) advised very strongly that he did not think £6 would make any difference at all. I became persuaded of that because I think you can go through shifting to £6 and the difference is sufficiently small for people to people to carry on and say, 'I will pay it'. You get more money in, but you would not actually reduce congestion. You needed to make a quantum step forward to force people to re-assess once again whether it was worth paying to drive or whether they wished to switch to travelling in a different direction.

When we started looking at the various ranges £8 is the one that produces the best benefits. You could get more benefits by going to £9 or £10 but not sufficiently to justify what is a painful increase. After that period of consultation and debate, which was quite an intense period of debate amongst various elements in my Office and in Transport for London (TfL), I came to the conclusion that £8 would give us a real improvement in the quality of life in the area; real improvements in the reduction of pollution; real improvements in the relief of congestion and of course, dramatic improvements, if we also go for a westward extension, in terms of bus reliability.

Lynne Featherstone (Chair): You promised London that 15% was the level at which London works. The traffic in the central zone is still at 15% so basically you are now saying you have changed your mind and you want a further reduction.

The Mayor: I think you needed to see how this panned out. Now we are two years down the road none of the dire predictions about rat-running, the devastation of the retail trade, have been borne out. You come to look at the next best stage to take it. We have got with the existing zone a 15% reduction in traffic. We have here the prospect of taking that to somewhere between 17%-21%, a further reduction in congestion taking it from somewhere between 34%-38%. At the moment, everything has been hacked around and weighed in the balance, and the net benefits to the present scheme at the present charge of £50 million a year. This will mean the benefits in total to London will come somewhere between £70-£100 million. I just think the advantage of doing that – and then saying as well, no more hassle and this is the pattern for four years.

Lynne Featherstone (Chair): Can you explain to me – I can see the benefit for you in £40 million cash, but when you are talking about £70 or £100 million, where is that coming from?

The Mayor: This is the net benefit, the figure we have used throughout: what is the net benefit after all the costs, all the extra expenses, TfL, all the expenses and everything that we can weigh in the

balance that can be quantified. At the moment, the final bottom line figure is £50 million a year overall to London. This will mean at least a 60% increase and perhaps 100% increase.

Lynne Featherstone (Chair): Are you now saying that pricing demand is no longer the issue, really? It is for other benefits. It is more to do with the revenues you earn, because that is a change. You have always been on record as saying you did not care if you did not earn a penny.

The Mayor: We still will not. We are really lucky in the fact that there is a real benefit to London overall in financial terms, in terms of its impact on the economy. We have been waiting for two years now for any definitive evidence to the contrary but whilst we have had some opinions which have been cobbled together but not any detailed economic analysis, we do not think there is any significant damage to any sectors of the London economy. There will have been some bearing down on parts of the retail trade inside the zone but as the one major survey we did identified, this was very much the minor factor after other big factors such as the economic cycle and war. We started this process before the election and I made clear where I was going during the election but by the time we had looked at all the data, if we went to say £6, then you could end up with say just a 1% further reduction in traffic; a 1% further reduction in congestion; a mere £5 million extra. The £6 did not actually necessarily guarantee that you would have any real, noticeable improvement.

We are pushing ahead. We are setting a new standard, we are going further, having demonstrated this works with no real disbenefit to any section of the community, we are now going to move to the next stage and of course beyond that, if I am elected for a third term, working with the Government, we will be moving towards using London as the first stage for a proper national road pricing policy.

Angie Bray (AM): The first point to make is that it is all very well bandying around these figures. You got the figures wildly wrong last time, actually. Your own estimates of what you were going to do with the £5 were wrong on two key points. Firstly, you actually cut more traffic coming in than you had expected so that suggests to me that you have no idea what £8 might do to traffic, no idea at all. On your past record, you do not have a clue. Secondly, of course, you have far less revenue than you were anticipating which is probably partly because you did cut more traffic coming in than you had anticipated. Why on earth should anyone believe your figures now? You do not have a very good record on this, do you?

The Mayor: Well, we said all the way through in the run up to the introduction of the first scheme that these were guesses. We under-estimated by 100% the number of car users that would stop driving into London. That had a huge impact on revenue. Now we have a scheme and we have seen how it works, we are not making those leaps in the dark. We are relying on Malcolm (Murray-Clark, Director of Congestion Charging, TfL) and Michele (Dix) to go away now, knowing how one scheme has worked. Yes of course these ranges are wider than you would like them to be. I would like to know exactly is it going to be 17% or 21% but there is a much narrower range of possibilities than we had in the run up to the first scheme.

Angie Bray (AM): It seems to me that you can bandy around any amount of bogus figures and all sorts of modelling you have done. Really, the truth is that what you are really after is more money. You are trying to justify it with all these kind of weird figures being bandied around. I think your record is not good on this. Let me ask you another question. When would it be enough? When would enough be enough in your view in terms of ratcheting up the bearing down on cars? It could be a case, in your terms, for saying, 'I could bung it up to £50' and then nobody would come in.

Would that be your perfect London? Or do you accept that there have to be vehicles at some level travelling around London? Where would you actually stop?

The Mayor: We introduced the Congestion Charge because it is essential for vehicles to travel around London and it is better that they do it without massive congestion because of the pollution consequences, the damaging impact on the economy. We introduced the Congestion Charge to reduce congestion in London and we did it at the behest of the business community. The adaptations and changes we are making to the scheme in which we have been negotiating with this community is I think broadly... We do not expect them to welcome it but there has not been a great protest from the business community. We are working on detailed policies with them now to try to reduce the hassle factor.

*

Darren Johnson (AM): If the aim of the charge is to prevent an increase in congestion, rather than raise a specific level of income, why do you not consider looking at charges higher than £8?

The Mayor: A higher charge?

Darren Johnson (AM): Yes.

The Mayor: If we say take £10 and look at the differences, by charging another £2, traffic reduction in the zone with the £8 we are predicting a cut of 17%-21%; £10 is 18%-22%. There is a 1% difference for what is a quite painful additional £2. If we look at congestion reduction in the zone, the £8 gives us 34%-38%; the £10, 35%-40%. The £8 seems to be the point where you get the maximum benefit for the minimum increase. Going beyond that, in an ideal world where everyone would not mind paying, the increase would be fine. However, this is a world where this is painful for a lot of people. You get the maximum congestion relief and improvement in quality of life for the minimum charge.

Darren Johnson (AM): On the point about the hassle factor, I think one thing that Steve Norris and I both agreed on during the campaign was that the hassle factor was actually a significant deterrent in unnecessary car use in making the scheme work as much as the actual price. Therefore, why have you reduced the marginal cost for regular drivers within the zone by offering greater incentives for monthly and yearly packages and so on?

The Mayor: I have a strong and moral aversion to having an aspect of public policy work on the basis that you make it unnecessarily difficult. If we want to stop further drivers coming in through increased charges, we should not make it difficult because you are more likely to make it difficult for the people who have limited literacy and numeracy skills; more likely to make it difficult for people for whom this is not their country of origin. Therefore there is a whole range of dimensions there. If we make the case for reducing car traffic, let us do it on a logical basis, not just by a scheme that is so complicated that in the end I cannot understand it.

Darren Johnson (AM): It does not need to be so complicated that no one can understand it. Surely, if you make it that easy, it undermines the whole nature of the system.

The Mayor: £8 is a painful deterrent to driving in we do not need. This is why, when we looked at the issue of the western extension, although there was very strong division amongst my advisers about whether to have two zones or one zone, my view was that even though you lost some of the benefits, you had to have one zone. Not everybody is gifted in geography and has an idea of where

borough lines lie. We want to make it as simple as possible. I am quite prepared, if environmental concerns require it, to be much more painful in terms of the charging level. I think that is the logical and honest way to do it rather than penalise those people who are not as bright as others.

Darren Johnson (AM): Are you doing analysis on the impact that making it easy will have on traffic levels and congestion levels?

The Mayor: The scale of this increase means all the traffic levels will be down.

Darren Johnson (AM): What sort of analysis – maybe we can ask the officers – has been done about the impact of reducing the hassle factor on congestion levels?

Michele Dix (Director of Congestion Charging, TfL): Currently, you can buy an annual charge and you have to pay £5 for 252 days of the year so there is not a lot of incentive really to buy an annual charge. People have holidays; people are sick. With the monthly or annual charges, what we have introduced is a number of so-called uncharged days. This is 40 days for an annual, which matches more perhaps people's travel and demands to come in to the zone. In terms of people buying those, there is more incentive for people to buy it because you will be paying for what you use as opposed to being incentivised to drive more. What they will gain from that – they will pay the same amount as they might do otherwise but they will have the benefit of being able to buy it once. They will not forget every day when they do come in. The main benefit is they will not then get PCNs because they will not then have forgotten. It is not to encourage them to travel more – it is to provide them with an annual discount that matches their travel needs.

Darren Johnson (AM): Once you have paid in advance you are not going to think twice about jumping in your car, once you have paid. I think one of the great things about congestion charging is, each journey you make, it should be making you think twice about whether you even need to get in your car in the first place.

The Mayor: £8 really does that.

Darren Johnson (AM): However, once you have paid it, you have paid it. Just to clarify, in terms of your modelling and your forecasting, have you incorporated the impact of making it easier and how much of an increase in traffic will that lead to?

Michele Dix (Director of Congestion Charging, TfL): It will make no difference in terms of increase of traffic because it is the frequent users who will buy the discounted charges. Frequent users will still travel in the same way they travel today; they will just be able to buy a charge in advance and not have to think about it every day, which is what they have to do, and what we are getting at the moment is that some of them are forgetting and getting PCNs.

Darren Johnson (AM): You do not think frequent users will travel even more frequently?

Michele Dix (Director of Congestion Charging, TfL): We have done some market research to ask people who would be interested in buying an annual, discounted charge – at what level it would interest them and if it would affect their travel behaviour. The majority of people do not buy them at the moment because they do not come in 252 days a year. If there was a discount of up to 40 days, they would be more likely to buy one because that would then match the level of travel they actually undertake.

Darren Johnson (AM): Finally, can I ask the Mayor, if you are proved wrong and this does seem to be having an effect of undermining the scheme and traffic levels are rising because making it easier is encouraging more frequent drivers, is that something you would be prepared to consider changing, if it seemed to be undermining your scheme?

The Mayor: It is precisely for that reason I could not give the Chair of the committee the absolute 100% assurance that we would not revisit this issue. I am as certain as you can be in any decision of this nature that this will broadly have the effect we require. If it does not, we will have to revisit it. Of course we will. My own view is that this really will be the last real look at the Congestion Charge. The next stage – we are working with Government and the Government has clearly moved a step forward in its thinking – is to move beyond this rather crude system to the much more flexible system, whether it is a satellite or a tag and beacon system, of a proper national road pricing scheme. I think we should be in the front of that queue because we will be the ones who then get the Government's assistance and we will be able to have a real influence on the way it operates. The real danger of a national scheme is that as 40% of all the congestion is in London, it could be another let out for funds from London to the rest of the country. It is important that we are right in there and Malcolm (Murray-Clark) and Michele (Dix) are, in helping to crystallise and drive forward Government thinking on this

2. Making it Easier to Pay

Angie Bray (AM): What businesses are saying to you is that they have to accept it, whether they like it or not – Congestion Charge is here because you are here, for the next three and a half years anyway. Therefore, they would like to try to improve how it works. Why have you not also listened to what they are saying, that you might ameliorate some of the effects if you were at least to help people with paying it; making it a less scary hassle factor that is stopping so many people from coming in. For instance, make it easier to pay. Retrospectively, give people 48 hours. Would that not at least be a sensible thing to tack on to your £8 proposal so on the one hand there is the pain; on the other hand there is something to help resolve that pain. Would you offer that as a decent deal?

The Mayor: My staff were meeting a whole array of people from the business community yesterday afternoon to discuss further stages to reduce the hassle factor and there is a good working relationship. Do not forget where I started from. My initial objective was that every single petrol station within the M25 should be a payment point so anyone coming in to London would know that every petrol station you go in, you pay. I was appalled that only Texaco and the petrol services of Sainsbury's were prepared to cooperate.

This is only anyone's opinion because we cannot know [about retrospective payment]. If we were to say you have to midnight the second day to pay, my guess is – and we are all just guessing here – is that more people would make a mistake. More people would say, 'I will pay tomorrow'. Then, by the time you have got up, fed the kids, got to work, you have forgotten. **This is only anyone's opinion and if you can persuade me, we could try it. There is no technical reason why we could not amend the scheme to do that.**

Angie Bray (AM): That is amazing. Perhaps we can take that discussion forward because I think that would be the single most important improvement that you could actually make at this stage.

The Mayor: [Amending the scheme] is not something we can just try next week. We have to have a Scheme Order. It takes months to introduce. Suppose what happens is more people forget, more people are fined – it would take months to reverse it and the whole exercise would be a huge cost. I am prepared to do this if someone can demonstrate it would be actually be easier for people and less people would make a mistake if we extend it to the next day. I genuinely do not want more people innocently making mistakes and getting heavy penalties.

3. Past Commitments

Lynne Featherstone (Chair): Was [the proposed rise] in your manifesto?

The Mayor: Yes, I am sorry about that. Or, if it was not, I said it everywhere I went.

Lynne Featherstone (Chair): You said it once.

The Mayor: There is a difference. Four years ago my manifesto was written by me. I ran on a Labour manifesto. I had an input into that and so did many other people. I made clear at every meeting I did, particularly with Steve Norris (Conservative Mayoral candidate), because there was a clear choice before Londoners, that if I was re-elected I would increase the charge. My thinking before the election that we would increase it to £6 at some point.

Angie Bray (AM): I think you have a problem with the public on this one, which is whatever you say about you promising you would put the Congestion Charge up – nobody I know has a clue about when you might have said that. I think you may have said something to a Transport 2000 meeting, which is not exactly a...

The Mayor: I said at least £6.

Angie Bray (AM): The point is that you are perceived by most to have gone against your word, your very public statement. It was said in a moment of exuberance no doubt, that you have no reason to change the £5 for at least 10 years, except perhaps to adjust for inflation. You have also broken your word on fares. It is not whether you have good reasons or not. You may have good reasons – I just do not happen to agree with them. The problem is nevertheless you did change what you said you were going to do and how can anybody believe you now when you say you can bank on this £8 for four years – there will not be any other rises.

The Mayor: I do not ask them to trust me. I do not go into an election saying: 'Trust me, I am a politician.' I go into an election saying: 'If I am elected, I will do what I think is right. You may not like it.'

Angie Bray (AM): That is not what you said.

The Mayor: I merely point out that after this very difficult series of decisions on fares and the Congestion Charge, my poll ratings are at the highest level they have ever been in 33 years in public life.

Angie Bray (AM): So what? The fact is you still break your word.

The Mayor: No, I did not break my word. I said there would be an increase of at least £6. At that stage, I thought it might just be £6.

Angie Bray (AM): Can I ask your Office or somebody to produce the evidence of when you said that? It is not in your manifesto – I have been through it with a toothcomb. I am not aware of any meetings when you said it.

4. Future Rises

Roger Evans (Deputy Chair): Yes, can we just have an assurance from you that you do not plan to raise the charge beyond £8 for the rest of this Mayoral term?

The Mayor: That is my plan.

Roger Evans (Deputy Chair): Is that an assurance or is that just a declaration?

The Mayor: Unless some unforeseen, major factor comes along, it is a plan to stay with this as a package for the four years. I can conceive of no circumstances in which we would want to re-open this. I have no territorial ambitions for anything beyond this.

Roger Evans (Deputy Chair): I think Londoners will read into that whatever they want to.

The Mayor: Really, you will scare them to death. What I am saying is that I have no plans to increase it beyond £8. Something may come along. Suppose we have demonstrations in the streets of London, with people demanding £10. Should I ignore them?

5. Future Income

Roger Evans (Deputy Chair): How robust are your income predictions?

Michele Dix (TfL): They are more robust than before simply because we have got the experience of the existing scheme and despite what people say, last time we predicted that there would be a decrease in traffic of between 10%-15%. It just so happened it turned out at the high end of our expectations. With the revenue forecast, we based it on a more prudent, slightly mid-range figure. If you end up with a high-end forecast in traffic reduction, you end up with a lower revenue forecast. However, we have used this mid-range figure. We have got the experience of the existing scheme. We do have a better idea of what might happen with the charging increases. We feel that the estimates we have provided are more robust but sensibly, we have forecasts for different scenarios, different cost assumptions and slightly different responses that drivers might make to the charge. However, there are a range of figures given in our work and we are more confident that the resulting effect, if one goes ahead, will lie in that range.

Roger Evans (Deputy Chair): You are saying somewhere between £70-£100 million are you? That is a very big variance potentially, and something you do not seem to have any control over.

Michele Dix (TfL): We are saying potentially that there is an additional £40 million in terms of the net revenues you get if the charge went up to £8 with this scheme. You would get additional benefits in terms of travel time savings and reliability benefits; benefits in terms of buses going faster

of between £25-£50 million over and above the £50 million net benefits that the existing scheme provides.

Roger Evans (Deputy Chair): Yes, we have heard all those notional figures before but I am really interested in the bottom line here because that is what Londoners will have to bale out if this goes wrong.

Michele Dix (TfL): It allows for a reduction in traffic. It allows for the fact that people who still choose to travel will pay slightly more and it allows for the fact that a number of people will choose to take the discounts that are on offer as part of the proposal. It allows for the fact that a lot of fleet people, more people can go onto fleet schemes, paying £7 instead of £8. Therefore there are assumptions about the fact that some people will pay less than £8; some people will take advantage of the annual and monthly discounts that will be offered and therefore not pay as much, as well as the fact that some people choose not to travel any more and will transfer to buses.

Roger Evans (Deputy Chair): You have learned some lessons from the predictions you made last time?

Michele Dix (TfL): Yes, a lot of lessons. However, I have said, our predictions in terms of traffic levels were not so wildly wrong – it just so happens we ended up at the high end of the forecast rather than mid-range.

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Roger Evans (Deputy Chair): You have given us a lot of figures today, a lot of predictions which this decision is being based upon. Would you be prepared to have those independently audited so we can be sure there some substance behind what is being said to us?

The Mayor: Given that the Assembly has underspent its budget this year by half a million pounds, you can audit them in gold plate.

Roger Evans (Deputy Chair): Yes, but it would be easier if it was done through TfL.

The Mayor: You would not believe it. How would you want us to audit our own figures?

Angie Bray (AM): I think the point is that we are utterly bamboozled by your figures. We have had Michele (Dix) this morning literally doing things on the back of a bit of paper. That is the impression that many would have of TfL actually. You bandy these figures around and give them all the authority you choose to invest in TfL and yet nobody has ever had the opportunity to have an independent look at those figures because we are told that is what is and we have no other way of independently verifying that. I think there is a real problem. I think we need to have access to all the figures. I am hoping we will get your agreement.

The Mayor: I am told that you have all the figures that I have, so you have all the information that I have. You can get anyone to audit them, who you like. I have to say this, if I go and pay someone to audit them and you do not like the answer, you will say ‘Oh well, you rigged it’ or something. Why do you not pay for them. Literally, you have half a million pounds unspent in the Assembly budget. It is no problem with money.

6. Penalty Charge Income

Roger Evans (Deputy Chair): Okay, here is an interesting question for you. How much of that £70-£100 million is going to be raised from fines?

Michele Dix (TfL): Less. With the introduction of more people being allowed to join the fleet scheme, with the introduction of discounts, which people will be attracted to take out if they are frequent users, people will not then get fines in the same way they might do at present because there is far less likelihood of them forgetting. That is the point that Malcolm (Murray-Clark) was trying to make in terms of what we are doing to reduce the hassle of payment and ensure less people forget to pay. Therefore our forecast for penalty charge income if this goes ahead has in fact come down.

Roger Evans (Deputy Chair): So what percentage of the income figure will be penalty charge income?

Michele Dix (TfL): The current percentage I think is about 30%.

Angie Bray (AM): 37%.

Michele Dix (TfL): 37% and it is forecast to come down to, I think, about 25%.

Malcolm Murray-Clark (TfL): To give an indication of the scale of that, or look at it in another way in terms of people whose hassle is reduced, we think the number of people using the fleet scheme will more than double. There are about 12,500 vehicles out there using the fleet scheme that never get a penalty charge notice (PCN). Once the new scheme has come in – and the first bid came in December – that would build up to around 25,000 people a day, or vehicles. That is 12,500 additional vehicles a day that will never ever get a PCN. Some of those are making mistakes at the moment. Similarly, the people who at the moment decide not to take advantage of the monthly or annual payments, if they really are forgetting, what is proposed here in the set of things you are debating, is the fact that they are now incentivised as opposed to disincentivised to buy an annual charge if they are regular users. Therefore, the business community, if they have a large fleet or a small shop with two or three vans, need never ever get a PCN again and they can pay at a cheaper rate by getting the annual discount.

Roger Evans (Deputy Chair): Is that analysis based on what you know about who is paying fines now?

Malcolm Murray-Clark (Director of Congestion Charging, TfL): What we have a very large amount of data on is people who contest the fines because then we understand why they are contesting it and we know that has been improved dramatically. Earlier on, in the early bad days of the scheme, something like 35% of all people who received PCNs were making representations. That has more than halved, to 17% or 18% now. The appeals that are going forward to the Appeals Service, we originally were losing a lot of those appeals. Now we are winning nearly three-quarters of those appeals. The problems, if you like, that have been generated by customers not knowing how to use the scheme, and by Capita not managing it very well in the early days, have been substantially improved.

To come back to your question – those people who get penalties and forget, but pay them, those are the people – the regular users – who we are tackling through this proposed package.

Roger Evans (Deputy Chair): You are increasing the charge. Do you have any proposals to increase the penalties?

The Mayor: We would broadly aim to keep penalties on congestion charging in line with the penalties across all the boroughs in terms of other parking and bus fine discretions, I think. One common tariff is quite a good thing.

Michele Dix (Director of Congestion Charging, TfL): Just to answer the question you asked previously about what proportion PCN income would be – it would be less than 25%.

Roger Evans (Deputy Chair): Is that 24%, or 1%, or?

Michele Dix (Director of Congestion Charging, TfL): I have only done the number quickly in my head.

Angie Bray (AM): What number have you got?

Michele Dix (Director of Congestion Charging, TfL): I have got less than 25% – that is what I have written down.

Angie Bray (AM): Have you got a number?

Michele Dix (Director of Congestion Charging, TfL): I have got that it is going to be less than £50 million over a total of gross charge income and penalty charge income £120 million.

Roger Evans (Deputy Chair): I think we appreciate the fact that you are doing these calculations now to help the committee but it is surprising you do not have these figures to hand as a result of a robust prediction process before you actually put the proposals forward.

Michele Dix (Director of Congestion Charging, TfL): We do have the figures to hand but unfortunately I do not have them in front of me. However, we can certainly supply them to you.

7. What will the extra revenue be spent on?

John Biggs (AM): It seems to me in terms of presenting this change in congestion charges, the argument can be deployed that the additional revenues which will be generated, which I think are estimated at something of the order of £40 million a year, although it might initially be spent in extending the zone, can be recycled into initiatives such as promoting cycling, promoting travel schemes with employers in London, and as I understand it, the very perfidious deal we just referred to between yourself and the Green Party is actually going to recycle some of TfL's money into such initiatives. Is that broadly the case?

The Mayor: The truth is that the money that comes into TfL is overwhelmingly Government grant or fares. The Congestion Charge is at the margin. We had a list of criteria about how it would be spent

and it has been spent in accordance with that. Therefore, whilst this money will not be collected and then physically used on extending the western zone, it does mean to say we will continue to do all the other things like bearing down on casualties, improving the environment, cycling measures, without having to divert any of that money to taking the zone forward.

The good news that we have had, that I am not sure the committee is aware of yet, is with the extension of the zone the question of the 10-year hypothecation came into view. The hypothecation says we keep the money for transport. We made the case to Government that could we now say with the new expanded zone the 10 years starts from 2007. We have just been notified that the Government has agreed. It will not be until a Mayor in 2017 will be in a position of having to have that struggle with the Treasury about whether we keep the money. Therefore, we have bought three Mayoral terms. This is very, very good news for us. It means that money will continue to be there for transport, at our disposal, until the latter half of the next decade.

John Biggs (AM): The reason I asked this, Chair, is that for us to have an informed debate about this, I think it is worth us weighing up the benefits and the costs. Clearly, if I drove into London every day I might be rather unhappy at having to pay extra but I think there is a package here that Londoners overall will potentially benefit from. I am not saying this purely as a member of the same party as the Mayor but I worry that the line of questioning is so adversarial, it does not really highlight that there is actually quite a positive policy direction here. There was a question in that but you do not have to answer it.

The other question I wanted to ask is, have you considered the relationship between charging at a time when you are proposing to increase it and parking charges levied by the central London boroughs?

The Mayor: We have a calculation somewhere in this pile of papers about how this will mean a further reduction in income from parking charges. It is quite small. I cannot remember off the top of my head. Is it about £5 million or something? We pass on that one. I think. I read this at about 4 o'clock this morning, having woken up rather earlier than I intended to. It will have some small impact. It will not be anything on the scale we had.

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Graham Tope (AM): Can you tell us in what way the bulk of the anticipated extra £40-£50 million raised from the charge increase is going to be used to implement the western extension?

The Mayor: If you recall, we had to get the agreement of Government as to how we spend the income. As the extension to the western zone was not conceived at that stage and is not in there, legally we cannot spend any of the extra money raised from this on the western extension. However, it will mean that we do not have to divert... We will not have to cut back other areas like pedestrian safety, cycle routes and so on.

Graham Tope (AM): Therefore the effect will be the same?

The Mayor: We are talking about a £4.5 billion budget and here we are talking about £80-£90 million. You cannot simply say that this £5 note that someone paid is tracked through to that, although there was a brief flurry of excitement when it was suggested that people would have to pay increased bus fares to pay for the zone.

Graham Tope (AM): The money you are going to spend on the western extension is going to be on the video-based technology. Is there not a danger and you virtually said it yourself in looking forward to your third or fourth term or whatever it was, is there not a danger that that is money that is largely going to be wasted when the tag and beacon system does come in in a few years' time?

The Mayor: The initial zone was constructed so it could be upgraded to a full satellite technology if it came in. I suspect now – this always seems to be slipping back a bit in terms of when it is coming in – that road pricing in Britain will start with tag and beacon and this scheme will be devised so it can be upgraded to tag and beacon. It may be, in 2009, when we get there – and that is the earliest we can get there – we might retain the congestion zone and road pricing will be something added on outside it or you might do away with it and have the road pricing scheme that way. We just do not know. We are at the very beginning of the planning of this.

Michele Dix (Director of Congestion Charging, TfL): All the investment we put into the western extension if it goes ahead – cameras on the streets and the communication links that are needed to bring all the images back – we still need those cameras for enforcement even if we move to a tag and beacon scheme because some people will not use their tag. They may not want to use it to try to avoid paying, plus there will also be occasional visitors who will come into the scheme whereby you could use the same system as we do at present to deal with them. Therefore it is not a waste of investment to put that infrastructure in the western extension if it goes ahead.

Malcolm Murray-Clark (Director of Congestion Charging, TfL): The camera technology that is going to go into the western extension – should it go ahead – is improved on the existing camera technology and the intention is to send all that information back through broadband which means you do not have to dig up the roads to put fibre in and we will get better quality signals back at a cheaper cost. Therefore that is an interim measure where we are getting the best of the known technology now in 2005 and then later on, for 2009, you will get a further step up.

8. Future Driver Behaviour

Graham Tope (AM): Clearly, TfL have done quite a lot of modelling on likely possible driver behaviour. In that, how likely do you think it is that many more drivers will decide not to come into the zone at all and what effect is that going to have on the income?

The Mayor: Malcolm (Murray-Clark) is going to come in on that. The initial zone, somewhere between 5,000-6,000 people stopped coming in. By the end of last year, that entire figure had been recovered. Therefore there is an initial thing, whether it is permanent – it might last for months, it might last for year or two, but we had I think recovered the entire loss by the end of last year. This clearly has some impact – I cannot remember off the top of my head what we are expecting.

Michele Dix (Director of Congestion Charging, TfL): The actual impact is so small – it is less than half of 1% in terms of the total number of people within the zone not coming in at all. Much of the transfer that takes place – people either move to public transport or further people divert away. Therefore there is a reduction in the number of cars coming into the zone – traffic coming into the zone – but the net effect of that in terms of whether people still come is minimal.

The Mayor: 20%-30% of people who were going through the zone now divert around it. That is one factor. They were never coming in to stop. Some 50%-60% switched to public transport and the

remainder, which is 10%-20%, somewhere in there, find other means or change their time of coming in.

Graham Tope (AM): I might have phrased it wrongly. I was actually asking about the number of drivers, i.e. car drivers particularly, who are likely, or may well decide, because of the higher charge, not to come in. You were saying initially there may be a drop as apparently there was before but that they will come back?

The Mayor: It was one third of 1% of all visitors into the zone by all modes of travel. That was with the initial scheme, so when Michele (Dix) says it was half of 1% this time, she is most likely erring on the side of caution.

Graham Tope (AM): It was probably the way I asked the question. I meant drivers, sorry.

Michele Dix (Director of Congestion Charging, TfL): With £5 we got 15% less traffic coming into the zone, less people driving into the zone. With £8 it is predicted that will be 17%-21%. That is a change of 2%-6%.

Graham Tope (AM): Are you confident that the estimates you produced last year for this year's income from the Congestion Charge were accurate? Are you on course to deliver that income?

Malcolm Murray-Clark (Director of Congestion Charging, TfL): Yes we were accurate.

The Mayor: It was £80-£90 million. It was in that range.

Graham Tope (AM): That is what will be delivered this year?

Malcolm Murray-Clark (Director of Congestion Charging, TfL): Yes.

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Elizabeth Howlett (AM): Can I ask whether you have spoken to anyone as to whether London Underground can take any more passengers at peak hours, because at the present time it is absolutely dreadful. Have you asked them? Can they cope with whatever percentage you said is going to be displaced?

The Mayor: Can I give you the horrifying statistic that is that the tube carriages are built to cope with 20% more people than they are currently carrying. Now, I have to say, like you I cannot conceive that is possible but we talking about such small numbers switching to the Tube from this. The bulk of the switch will go to the bus.

Roger Evans (Deputy Chair): Is that figure at peak time or are you taking an average across the day?

The Mayor: No, it is the weight load they are built to carry, so you would actually have to lay people on top of the people standing.

Roger Evans (Deputy Chair): That is not particularly good news.

9. Westward Extension

Murad Qureshi (AM): I should start by saying that I have friends and relatives looking forward to the west London extension for the simple reason that they have realised that for 50p-80p a day they can get access to the West End that they do not have access to. I think a lot of west London residents have not appreciated that. Can I ask The Mayor to explain the buffer zones that you are offering to residents of Earl's Court and the top end of North Kensington? Another issue which is my concern, with the extension, is the canyon down the middle. I think Malcolm (Murray-Clark) could explain the logic behind it. At the moment from what I can see of the proposal, you can be in a car and drive down the Edgware Road, around Marble Arch, down Park Lane, Victoria and what have you. Have you looked into the likelihood of people finding themselves just doing a left and a right if they are going through the middle and what numbers of traffic are likely to do that and be possibly fined? I am just concerned that we may not have thought that through. I can see many a driver going around Marble Arch and what have you, with the intention of going down the canyon but suddenly winding to the left or right.

The Mayor: Not if we pedestrianised it they would not.

Murad Qureshi (AM): That is an area of concern, so Malcolm (Murray-Clark), if you could just say what the research tells us on that front, I would be very interested.

Malcolm Murray-Clark (Director of Congestion Charging, TfL): One of the choices that was there was to have through routes or not to have through routes. That particular through route, right down from north to south, right on the western edge of the current zone, if you had not had that you would not have had any potential for the problem you have outlined but those people living just off Edgware Road for example, going to meet people just south of the river, would have had an absolutely very, very long journey. There has been considerable support and we will wait to see through the consultation but soundings to date suggest that having a through route is a sensible way forward on that. The modelling we have done suggests that road will not get overloaded. It would be substantially reduced if we did not have a through route. In terms of the problems that people have today about inadvertently suddenly finding themselves in the zone are relatively few. They occur when someone who is a very, very infrequent user – often distracted by something else like an urgent visit to someone in hospital. It is those sorts of things where people get PCNs. In the vast majority of cases – those extreme cases – we let them off the PCN. We have not had a problem with the signage, so people do – because it is there in your face when you try to turn off the road – the Cs are an icon now to a degree and people do see them and not many people make those sorts of mistakes.

The Mayor: I think since the opening of the M25 people from outside London view driving around Hyde Park and Marble Arch as an absolute horror. They will go to any lengths to avoid driving through London. They basically get on the M25 and no matter how slow it is, they get round rather than go through. I know my mum's concept of driving through central London was that it was an absolute nightmare. You drive around the M25 to avoid doing it.

Murad Qureshi (AM): A typical concern is that on the Edgware Road, some of the Arab businesses, I do not think they have got this sorted in their minds and I hope TfL can make some special efforts there. I really do not want at my surgeries, which I will still be doing in 2006, to be inundated with people coming in with fines and what have you.

The Mayor: We do leaflets in Arabic. If we do not do it already we will certainly do them to explain to the residents and businesses up and down the Edgware Road.

Elizabeth Howlett (AM): I must say I understand what you said about people using the Earl's Court Road but I still think it is a bit bizarre and there will be lots of problems with people coming into the Earl's Court Road and then trying to get off it and coming into my patch. I am thinking, for God's sake, do not bring your charge any further south. What I want to ask, and I do not know if the Chair has got her questions arranged in such a way, but what I want to ask whether in fact you had worked out how many people were going to be displaced onto public transport now and to say public transport is still so dreadful and how on earth can the Underground for example take any extra people at rush hour? How many people do you think will be displaced from the extra charge onto public transport?

The Mayor: We will continue to expand the bus service and remember although everyone said last time everyone will go on the Tube, they will not try buses, the shift was overwhelming to buses. We expect that will be broadly the same now. Everyone is rapidly rushing to see if we have got exact percentage figures. Certainly Peter Hendy (Managing Director of Surface Transport, TfL) will expand the buses to cope with any extra demand but it will not be massive.

Elizabeth Howlett (AM): However, people do not use buses for their long journeys. They are using them off and on but basically they are using the London Underground for cross-London journeys to work or whatever and it is absolute hell at this time.

The Mayor: We are not running the levels of congestion in terms of passengers for carriage that we were. There was a slight turndown in ridership as the economic cycle turned down and that did accommodate the shift onto the Tube. However, to everyone's surprise, the overwhelming preference was buses. We are now getting social classes A and B using the buses in quite substantial numbers for the first time in 15 years. You have an answer. What is it?

Michele Dix (Director of Congestion Charging, TfL): If charges are increased to £8, there will be between 1%-3% increase in current bus movements. That amounts to 4,000-10,000 extra public transport passengers. It represents 1%-3%. That would be accommodated by an increase in service and because buses can run more freely inside the existing zone at present.

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Angie Bray (AM): Can I ask one question about the effect of the western extension and the fact of course that the Congestion Charge could be going up to £8. Obviously you will know from your own polling that it is not a very popular move, even at £5. I think at £8 you would find it even less popular. That seems to me to be a fairly logical thing to draw a conclusion on. However, to the extent to which you seem to be prepared to ameliorate the problem for people who live outside the zone but inside the Royal Borough, you are not offering that same amelioration for people who live in North Westminster or indeed people who live in Lambeth and Southwark and I do wonder why, particularly since – and I am sure that Murad (Qureshi) would be concerned about this too, because it is definitely the poorer part of Westminster that live north of the boundary and outside the zone – why are you not prepared to do the same for all residents of Westminster and even up your way of treating people?

The Mayor: There will be either one or two minor adjustments to create a small buffer zone around the existing... Or there certainly were, last time I looked at the map. There was a long period of debate and one of our Mayor's Question Times here was slightly interrupted by this. As someone

who has worked at the Royal Marsden in Fulham Road for eight years, I do know and I can understand how the community is defined there. The railway line is a barrier and people who live west look west and people who live east look east of that. We are trying to ensure that people are not fractured by that. That really is not the case when you are looking at the inner ring road as it runs along Euston Road and Marylebone. The area of St. John's Wood is a quite well defined community of its own and the area to the south – Mayfair – is another well defined community. Therefore you are not fracturing... Those are two quite distinct communities. There are not many people popping across the Euston Road to do their shopping. They tend to look north or they look south. Whereas in that area around Earl's Court and up to Marylebone I think there is a defined community.

Angie Bray (AM): It should be simple to say that where boroughs are divided by your zones, all residents should be treated the same in order to make sure there is integrity for the borough as a whole.

The Mayor: That would mean we would have to take.... The buffer zone would go to Highgate. Virtually the whole of inner London would be inside and it would completely negate and also you do not have the same strength of community as you have in that section of the western end of Kensington & Chelsea. You do not have that same movement across that road.

Angie Bray (AM): Marylebone is a classic example because that sits right across. Marylebone is a very distinctive community. There is the Marylebone Residents' Association and they sit right across the boundaries.

The Mayor: You have a six-lane motorway pounding through it and that is real barrier. I have had friends – not many, I have to admit, given the price of housing in St John's Wood – and they do not pop down to Mayfair to do their shopping. They shop in the local shopping centres.

10. Oxford Street

Angie Bray (AM): Do you deny there are real problems with bus congestion in central London, particularly down Oxford Street?

The Mayor: There is a particular problem in Oxford Street and this has to be dealt with.

Angie Bray (AM): Not just in Oxford Street but all round there.

The Mayor: I have offered an opening to the business community there that if they vote to have their Business Improvement District, we will match the money they raise. I do think the most urgent problem is to tackle the bus congestion and problems. It might very well be that the very imaginative thinking between my architects Ove Arup and Dixon Jones and Kensington & Chelsea council about how we are going to deal with Exhibition Road might be a pointer to what we should be doing in Oxford Street. It is a very different road but that reduction in traffic and just making it a more pleasant pedestrian environment might be the answer for Oxford Street. I know the Liberal Democrats were thinking a bit that way in the last election. I will steal any idea that looks as if it might work.

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John Biggs (AM): The question that continues to worry me is the Oxford Street question. We get lots of depositions from the John Lewis Partnership saying they have lost a lot of trade. I do not believe it is a consequence of the Congestion Charge. I think you have to be fairly crazy to want to park next to John Lewis anyway. There is clearly a problem in the Oxford Street area with the retail market. My own belief is that it is more to do with the very poor environment up there and the fact that there is an unsustainable quantity of buses up and down the street as well. Are you carrying out work to look at the impact in relation to the Congestion Charge in Oxford Street trade? Are you happy to look at ways in which other initiatives could be pursued in the Oxford Street area to address these concerns?

The Mayor: One of my major priorities for this term is to try to discern what is going on in Oxford Street. It is not the same problem in Regent Street. I think there you have one landowner, they are much better at getting their act together, they are much more on top of their game. We really do want to have a strategy because Oxford Street is the second most important commercial centre in London after the financial district in the centre. I think there has not been the imagination there should be with Westminster Council. I am not making a political point on that and we are happy to work with anyone on that to resolve it. It really is an acute problem and if we do not resolve it, there will be a continuing drift. I simply say this as I do all my shopping for anything other than food there because I get out at Bond Street and I wander along and find the shop I need. The environment is so horrendous. If you are a family with a couple of kids and you want to do an afternoon shopping, are you really going to haul them through the nightmare that now is Oxford Street? You are going to go to Bluewater or up to Brent Cross where they are relatively safe. You are being buffeted all the time by people. There are going to be some very difficult choices. I was joking earlier when I said we would pedestrianise Marble Arch but we clearly have to do something there about trying to reduce the number of bus routes going down, but that will mean a proper interchange at Marble Arch. It might mean removing the one-way working, but we are going to have to think very much bolder if we are to save Oxford Street because it could slowly just fade away. They say at Selfridges, you go there and it is an experience. You go in there and get caught up in looking at other things. It can almost feel like a day out. Where you are looking at John Lewis, where they are selling the same range of products they have also have at Brent Cross and Bluewater, there is no earthly reason why someone should trek up there and go through the nightmare of the congestion, the crowding on the pavements, when they can pop in their car and go out.

Elizabeth Howlett (AM): Can I come in on this? An architect who lives in my patch has sent you a plan for reducing the buses in the central area around Oxford Street. It is a plan whereby there is a sort of grid system with small buses that take people through to pick up the longer distance buses on the other side. He has not heard from you.

The Mayor: It is most probably in the bowels of TfL where someone is working on it.

Elizabeth Howlett (AM): It is very sensible so I will tell him to have a go at you again.

The Mayor: Why do you not get a copy of the letter and give it to me? That way we will circumvent the vast bureaucracy.

11. Other Potential Road Pricing Initiatives

Murad Qureshi (AM): We have touched on the tag and beacon technology with Graham (Tope). I was just wondering what your thoughts are about using the technology to deal with congestion in the suburbs outside the zone?

The Mayor: Well, I said all the way along, if a borough came to us and said we want to look at a small Congestion Charge around our main shopping centres, then we would co-operate. No one has come forward to do that. Whereas we have a sufficient degree of control over the network of roads in central London, we can push forward and do this, to try to do one in a suburb where there are real problems without the backing of the borough would just be a nightmare. I also think we chose the Congestion Charge. You have a unique level of congestion in central London only matched by Heathrow. There are other ways in which we can tackle the problems at Heathrow. When we come to say what we are going to do about the increasing level of traffic congestion in the suburbs, the way forward is to get the national road pricing policy right. There are very few suburbs where you have the levels – you have small points of intense congestion and then streets around where it is quite easy to travel up and down, no problems at all. It seems to be made for a proper national road pricing scheme and that is why I am delighted that Malcolm (Murray-Clark) and Michele (Dix) are involved in helping drive the Government's thinking forward on this, so we get it right. It will reflect the needs of London, which is the part of the country where the problem is.

Murad Qureshi (AM): Clearly the major benefit is that it will give more sophisticated pricing but in terms of security concerns, I have always felt that having a Congestion Charge around central London, one of the advantages is that you can keep a look out on vehicle movements if you see fit. I am not so sure you can do this with the tag and beacon unless you suggest otherwise.

Michele Dix (Director of Congestion Charging, TfL): You can, as I said earlier in answer to another question, still have the camera enforcement in place even with a tag and beacon scheme. It is just that you will be able to pay as you pass the beacon because it will be detected that you are there. You will still have that system in place so it is not a waste of infrastructure investment to undertake that work if there was a western extension.

The Mayor: The interview with Bob Kiley in *The Times* was accurately reported. The interpretation of the interview was then taken up by the *Evening Standard* and one has to say it had a quality of imagination – there should be a Pulitzer Award for that. The truth is, we were talking about something different. Congestion charging was an additional cost to get that change of travel pattern. In all the discussion about road pricing, the talk is about shifting the way you pay for your driving from existing fuel duties and car tax and so on to your actual usage of the road, not necessarily talking about an overall increase in the cost. It should be broadly neutral. We are just at the very beginnings of this so it is a very different system.

Appendix A - Orders and Translations

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