

Congestion Charging: A first review

February 2004

Transport

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Chair's Foreword



Central London's Congestion Charging scheme has made international headlines – a daring initiative to reduce traffic congestion in one of the most crowded of the world's capital cities. Subject before its launch to the most hostile press, and roundly attacked by the road lobbies, almost overnight it was hailed as a stunning success.

The London Assembly's Transport Committee has to take a more measured view of the scheme as part of its scrutiny function. The Congestion Charging scheme has upsides and downsides and it is very important for us to recognise both. This report tries to present a balanced view, and to make some constructive recommendations about what should happen next.

The Assembly's function is not only to scrutinise, but to set the standards by which Londoners can judge how the Mayor of London's policies are working. Before the Mayor launched Congestion Charging on 17 February 2003 we called on him to inform Londoners how it would affect our communities, the environment and the economy of the capital. We published eight criteria by which we would judge the success of the scheme.

We certainly salute the success of the scheme in reducing traffic and congestion in London's central area – this is undoubted, and is being watched very closely by city traffic managers across the globe. However, as our report explains, we do have real concerns (as does the Mayor) about the standards of customer service. We need much fuller information about the effects of the scheme on business – especially on retail and hospitality. The net revenue from the scheme has so far been disappointing – not least because it is one of the funding streams by which public transport can be improved.

This is our account of "the show so far". The Committee will continue to monitor the Congestion Charging scheme. I commend this report to you as yet another example of the London Assembly working to inform Londoners.

A handwritten signature in black ink, appearing to read 'Lynne Featherstone'.

Lynne Featherstone
Chair, London Assembly Transport Committee

Membership of the Transport Committee

Lynne Featherstone - Chair (Liberal Democrat)

John Biggs - Deputy Chair (Labour)

Tony Arbour - Conservative

Roger Evans - Conservative

Sally Hamwee - Liberal Democrat

Samantha Heath - Labour

Jenny Jones - Green

Eric Ollerenshaw - Conservative

Val Shawcross - Labour

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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Contents

Page

	Executive summary	
1	Introduction	1
2	Impact on congestion within central London	3
3	Impact on areas outside the charging zone	6
4	Impact on Londoners (particularly low-income groups)	8
5	Effect on public transport (especially buses)	12
6	Impact on London's economy and environment	15
7	Customer Service and enforcement	23
8	Net revenue to fund transport initiatives	28
Appendices		
A	Summary of Recommendations	31
B	Evidentiary hearings and written evidence	33
C	Orders and translations	34
D	Principles of Assembly scrutiny	35
E	List of Transport Committee publications	36

Executive Summary

Judged on its first ten months, the Congestion Charging Scheme appears to have achieved its key aim of reducing congestion in central London and corresponding reductions in waiting times for drivers. In this sense, the Mayor's gamble on a vastly ambitious and technically complex road charging scheme has paid off.

However, the Congestion Charging Scheme is a means to an end; the full impact on our city remains unknown. Before the Scheme was launched, we challenged the Mayor to tell Londoners how it would affect the capital's communities, environment and economy. When he did not, we set out eight criteria by which we would judge its success.

This is our first evaluation of the Scheme's impact on London. Identifying the extent to which the Congestion Charging Zone is changing Londoners' travel and shopping habits will take time and further research. However, since Transport for London claims that the Scheme has now settled, it is appropriate to make some initial observations.

On the positive side, the Scheme appears to have reduced congestion in central London without, so far, adding significantly to traffic problems either on the Inner Ring Road or in the areas surrounding the Congestion Charging Zone. Fears that the Scheme would lead to a greater crush on peak hour Tube and rail services have so far proved unfounded. At this early stage, traffic accidents have continued to decline in London, despite the greater numbers of cyclists and motorcyclists on our roads.

However, the customer service and enforcement aspects of the Scheme remain highly unsatisfactory; continued problems (for example, difficulties paying the charge, 1 in 5 fines overturned and 1 in 10 vehicles evading the charge per day) are testing public confidence in the Scheme as well as the patience of the Mayor with the contractor employed to administer the Scheme's running.

At the same time, some of the promised benefits for business and public transport have yet to be felt. We found that:

- TfL's assumption that the Scheme has only a marginal effect on the number of businesses in central London is open to challenge. Evidence from several sources points to concern about the impact of the Scheme on certain sectors (especially retail and hospitality) within the Charging Zone;
- Reduced congestion in central London has not enabled freight and delivery businesses to increase productivity and the costs to business for administering the Scheme may be higher than TfL has predicted;
- Despite recent improvements, the quality of customer service and verification needs upgrading, and greater efforts at enforcement are still required;
- Net revenue from the Scheme has been whittled down; we have concerns whether the Scheme will reach its target of £80-100 million in future years and the impact this may have for plans to improve London's public transport system.

We recommend that TfL acts immediately to address the concerns of London businesses by improving the information about the Scheme, working with London boroughs to review loading restrictions and the London lorry ban and reducing some of the administrative complexity of the Scheme.

We will continue to monitor closely the customer service and enforcement aspects of the Scheme, as well as the social implications for Londoners, and believe that once

better data is available after the Scheme's first year of operation TfL itself must re-evaluate its own assessment of the costs and benefits to reassure itself about the positive and negative impacts of the Scheme.

1 Introduction

- 1.1 The launch of the Congestion Charging Scheme on 17 February last year created the surreal spectacle of near empty roads in the UK's busiest city centre. Canny timing on the part of Transport for London (half-term week for schools) and, perversely, dire predictions of traffic chaos conspired to turn London into a temporary ghost town.
- 1.2 Twelve months later, it is clear that the first week of the Scheme was an anomaly. Traffic quickly returned, though at lower levels. The drop in the number of vehicles in the Charging Zone has stabilised at 10-15 per cent fewer vehicles than before the Scheme's introduction.¹ Over the Scheme's duration, congestion within the Zone has fallen by 30 per cent, journey times to, from and across the charging zone have decreased by an average of 14 per cent and journey reliability has improved by a third.²
- 1.3 In short, the Scheme's primary aim, to reduce traffic congestion in and around the charging zone, has been successfully met; indeed, to date, most of the Mayor's targets have been exceeded. As impressively, Transport for London has delivered a hugely complex scheme - the first of its kind in the world - on time, within specifications and without major technical problems.
- 1.4 However, the deserved plaudits for the Mayor and Transport for London tend to obscure the fact that the congestion charge is a means to an end. Reducing the hours that Londoners spend in teeth-grindingly slow traffic is important but addressing congestion is also meant to achieve outcomes - savings for business, quicker bus services, ideally more money for London's transport system and a better environment for walking and cycling.
- 1.5 The success of the Congestion Charging Scheme depends not simply on travel times or the number of cars in central London but on whether reduced congestion delivers an overall benefit to London. As the AA put it, 'Londoners deserve to know whether...the pain is worth the gain.'³
- 1.6 In our report, *Congestion Charging: the public concerns behind the politics*, (December 2002) we criticised the Mayor and TfL for failing to set out their expectations of how the Scheme would affect Londoners. We set out eight criteria by which we would judge the Scheme's impact. We considered that the Congestion Charging Scheme:
 - must deliver a real and sustained reduction in congestion
 - must not have an adverse impact on the areas outside the charging zone
 - must not disadvantage Londoners (particularly low-income groups)
 - must deliver a real improvement to bus journeys in London
 - should not have an adverse effect on London's economy or services
 - should not have an adverse effect on London's environment
 - should not penalise 'innocent' drivers

¹ *Congestion Charging: Six months on*, TfL, October 2003

² *Congestion Charging: Six months on*, TfL, October 2003

³ Submission from the AA

- should deliver net revenue to fund transport initiatives
- 1.7 The following chapters assess the extent to which each criterion has been met. To help us with this assessment, we invited almost 100 London organisations to provide their views and held discussions with Transport for London, CBI, the Royal Borough of Kensington and Chelsea, the City of Westminster, residents organisations and small business people (see Appendix B).
- 1.8 We also considered data from Transport for London, as well as surveys conducted by London First, London Chamber of Commerce and Industry, the Royal Borough of Kensington and Chelsea, the City of Westminster and the Association of London Government. We received some technical advice from Professor Chris Wright of Middlesex University.
- 1.9 In our earlier report, we stressed the importance of TfL collecting adequate baseline information and making public the findings from its extensive monitoring programme. We are pleased to see that TfL has published baseline information and is regularly updating results from its monitoring programme. We are also pleased that pressure from the London Assembly finally resulted in the agreement with the Scheme's biggest contractor, Capita, being made public.
- 1.10 The Congestion Charge Scheme is still evolving – drivers, business, public transport commuters and workers are still adjusting to it. Particularly in relation to the social and economic impacts, surveys have only just commenced and will not be analysed until Spring 2004. Nonetheless, we believe it is important to reflect Londoners' experience of the Scheme in the first twelve months.

2. Impact on congestion within central London

- 2.1 Prior to the launch of the Congestion Charging Scheme, the Mayor set only three targets for assessing its performance:⁴
- a reduction of total traffic within the charging zone by 10-15 per cent (currently 10-15 per cent reduction)
 - an increase in traffic speeds of 10-15 per cent (currently 17 per cent increase)
 - a reduction of congestion by 20-30 per cent (currently 30 per cent reduction)
- 2.2 TfL believe that these 'new patterns of travel are now effectively settled.'⁵ According to TfL, the gradual rise in the level of traffic flow observed entering the charging zone between February and September 2003⁶ is a seasonal variation and does not reflect any upward trend.⁷

Changes to driving habits

- 2.3 Transport for London estimate that, as a result of the scheme, 50,000 fewer vehicles a day are entering the charging zone.⁸
- 2.4 According to TfL, approximately:
- 20-30 per cent of vehicles have diverted round the zone (rather than cutting through central London);
 - 50-60 per cent of vehicle occupants have transferred to public transport;
 - the remainder have either switched to other kinds of travel (car share, motorcycle or bicycle) or changed their travelling habits (for example, only entering the zone outside charging hours or making fewer trips into the zone.)⁹
- 2.5 TfL estimate that only 4,000 people per day are completely dissuaded from entering the charging zone as a direct result of the Congestion Charging Scheme.¹⁰ That is, they are not coming into central London by car, public transport, cycle or walking.

Changes to the types of vehicles within central London

- 2.6 On average, 108,000 congestion charging payments are made each weekday. Eighty thousand of these payments are for the full £5 charge; the remainder are discounted payments (residents living within the zone have a 90 per cent discount) and fleet account payments (which are £5.50 per vehicle).¹¹ Taxis,

⁴ See *Congestion Charging Fact Sheet*, 26 February 2002

⁵ *Congestion Charging: Six months on*, TfL, October 2003, 3.13

⁶ See 'Figure 2: Traffic entering the charging zone during charging hours on a representative selection of major entry points', *Congestion Charging: Six months on*, TfL, October 2003

⁷ Michelle Dix (TfL), Transport Committee meeting, 26 November 2003

⁸ *Congestion Charging: Six months on*, TfL, October 2003

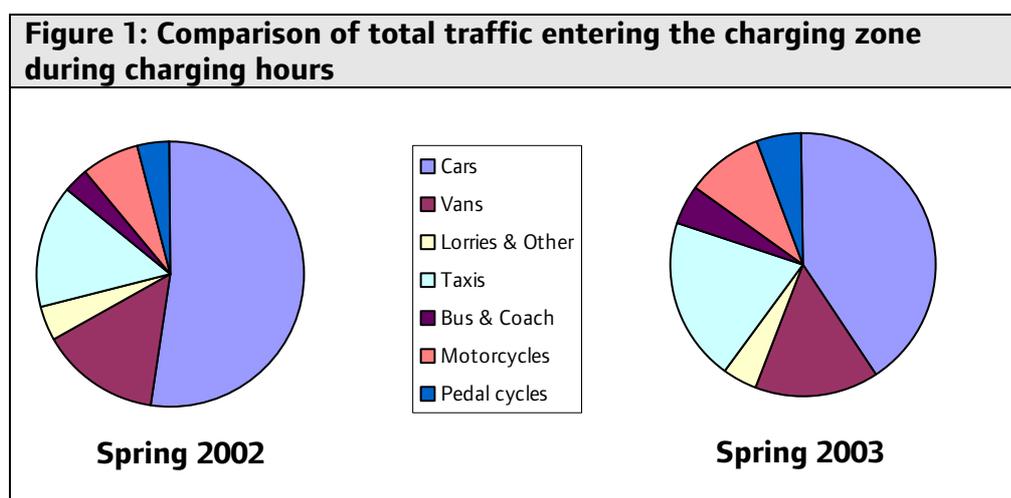
⁹ *Congestion Charging: Six months on*, TfL, October 2003

¹⁰ *Congestion Charging: Six months on*, TfL, October 2003, 5.5

¹¹ There are approximately 16,000 residents' vehicles in the zone per weekday and 12,000 fleet vehicles. *Congestion Charging: Six months on*, TfL, October 2003, 6.6

buses, emergency vehicles and certain drivers (for example, drivers with mobility problems) do not pay the charge.

- 2.7 The effect of the Congestion Charging Scheme to date has been to change the types of vehicles which are traveling within the zone (see Figure 1). Drivers of vehicles who are subject to the £5 daily charge - cars, vans and lorries – are most affected. The number of private cars in the zone has reduced by 30 per cent. Vans and lorries, which have less of a choice about whether or not to enter the zone, have reduced by 10 per cent. The total number of vehicles eligible for paying the £5 charge has reduced by 26 per cent.
- 2.8 In contrast, the proportion of vehicles which are not subject to the charge - taxis, buses, coaches, motorcycles and bicycles – has increased. Within the zone, there are now 20 per cent more taxis, 15 per cent more buses and coaches, 30 per cent more bicycles and 20 percent more motorcycles than before the scheme started. Indeed, the London Cycling Campaign believes that the number of bicycles in the zone may be even higher if account is taken of cycle paths; some popular cycle routes now generate peak time cycle user rates of more than 300 cycles per hour.¹²



Source: TfL monitoring

- 2.9 There is also evidence that residents in the zone may be taking advantage of their discount and quieter roads to use their car more. TfL figures show a 16 per cent reduction in number of cars entering the charging zone, but a smaller reduction (10-15 per cent) of vehicles circulating within the zone. As Peter Hendy, TfL's Managing Director of Transport acknowledged, the difference between these two figures indicates that 'some discounted residents' vehicles are more likely to make more trips within the charging zone.'¹³ Since residents can only pay the congestion charge on a weekly basis (that is, the minimum payment is £2.50 for 5 days) and unused days are non-refundable, this may be encouraging residents within the zone to use their vehicles more frequently. It should be noted that only 27,000 residents have so far registered for the discount,¹⁴ out of an estimated 136,000 residents within the current Congestion Charging Zone.¹⁵

¹² Submission from the London Cycling Campaign

¹³ Letter from Peter Hendy (TfL) to Assembly Members, 19 September 2003

¹⁴ 'Congestion Charging', TfL Finance Committee papers, 18 November 2003

¹⁵ www.tfl.gov.uk/tfl/cc_fact_sheet_key_stats.shtml

2.10 All these changes - the shift to public transport, the changing composition of vehicles traveling within the zone, the greater use of vehicles by residents - have significant repercussions for our public transport system, for funding for transport initiatives in the Capital and for London's business. The effect of the charge discount on residents' driving habits, in particular, should be examined more closely in light of the Mayor's plans to extend the zone westwards to include 205,000 more residents with 60,000 more cars.¹⁶

¹⁶ Figures from City of Westminster Council and the Royal Borough of Kensington and Chelsea

3 Impact on areas outside the charging zone

- 3.1 Prior to the launch of the scheme, TfL predicted heavier traffic on certain roads on the edge of the zone and some vehicles diverting along smaller streets near the charging zone.¹⁷ We were concerned that roads like Tower Bridge, Kennington Lane and the Rotherhithe Tunnel would become more congested and that 'rat-running' would increase on smaller residential streets.
- 3.2 Judging by the submissions we have received and the information collected by Transport for London to date, there has not been any major deterioration in traffic conditions either on the Inner Ring Road or roads around the edge of the zone.
- 3.3 Although traffic on the Inner Ring Road has grown by 5 per cent, this is half the increase expected by TfL. More importantly, changes to traffic signals to favour traffic moving along the Inner Ring Road (rather than across it) has accommodated this increase without worsening congestion. Traffic levels on roads in inner north and inner south London (Camden, Tower Hamlets, Wandsworth, Hackney and Lambeth) appear to have decreased slightly whereas there has been a small increase (less than 5 per cent) in Westminster, Kensington and Chelsea and Southwark.
- 3.4 Several London boroughs adjacent to and partially within the zone reported no observable impact on their roads. Westminster City Council told us they had 'received very few complaints from residents about increased rat-running in residential areas outside the congestion charging zone'; Lambeth Council had not received any complaints regarding increase in traffic levels on any borough roads south of the CCS boundary.¹⁸ The Heart of Kennington Residents Association told us 'residents have benefited from the reduced traffic flows.'¹⁹ Further afield, the boroughs of Redbridge, Havering, Hillingdon and Hackney all reported very few instances of displaced traffic.²⁰
- 3.5 The one borough adjoining the zone which has noted a significant change to traffic patterns is the Royal Borough of Kensington and Chelsea. Its traffic surveys reveal a doubling of traffic on Sloane Street before 7am weekdays (the start of the Scheme's operation). During charging hours, traffic flows on the A4 and Earl's Court one-way system have increased by 6-7 per cent in both directions and eastbound traffic queues on Brompton Road have grown by 50 per cent. The numbers of bicycles and motorcycles, as well as Heavy Goods Vehicles have also increased on roads in the area. However, drivers using the A4 and Holland Avenue are finding that their journeys are quicker and average vehicle speeds have also improved.²¹
- 3.6 The Royal Borough told us that 'the predicted benefit of traffic reduction on the radial routes in the Borough has not occurred' and warned that the difference between TfL's modelling and the reality of changed traffic conditions is 'likely to have resulted in TfL preparing and implementing traffic management schemes in

¹⁷ *Congestion Charging: the public concerns behind the politics*, GLA, December 2003, p.7

¹⁸ Submission from LB Lambeth

¹⁹ Submission from Heart of Kennington Residents' Association

²⁰ Submissions from LB Hackney, Hillingdon, Havering and Redbridge

²¹ 'Report A12: The effects of the Mayor of London's Congestion Charging Scheme on traffic in the Royal Borough', RBKC, Scrutiny Committee on environmental services, environmental health and planning policy, 23 September 2003.

the wrong locations.’²² TfL acknowledged that its traffic modelling was ‘strategic modelling’ but pointed out that funding had been provided for works on Kensington High Street and they were happy to have further discussions with the Royal Borough about additional changes.

- 3.7 Funding for these changes will come from the £100 million that TfL made available for traffic management measures associated with the introduction of congestion charging. Approximately half this funding was set aside for London boroughs to apply for funding to ameliorate the impact of congestion charging on their roads.²³ Over the last three years, TfL has provided £34 million to London boroughs for the design, consultation and implementation of complementary measures in association with congestion charging. TfL has also spent some £36 million on traffic signal works, maintenance and major works on London’s road network, and signs and marking for the Scheme. Total projected expenditure on traffic management measures is therefore approximately £70 million to date.
- 3.8 As part of the adjustments to TfL’s budget, £6.7 million funding for medium to low priority complementary traffic measures in outer London boroughs has been removed (see paragraph 8.4). Hillingdon Council told us that it was:
particularly concerned that Congestion Charging related funding for traffic management measures is due to come to an end next March. [We] consider it desirable to retain a capacity to complete the existing programme and to add any further measures that may prove to be necessary in the longer term.²⁴
- 3.9 Similarly, Redbridge Council pointed out that the increase in bus services, though welcomed, has put extra pressure on Ilford Town Centre to the extent that it is causing ‘interruptions to normal traffic movements.’²⁵

Recommendation 1

The Congestion Charging Scheme appears to have had no significant impact to date on roads on the edge or outside the zone.

However, we will continue to monitor spending on complementary traffic measures to ensure that any necessary changes can be made quickly to reduce any adverse effects on boroughs.

²² Submission from RB Kensington and Chelsea

²³ Mayor’s Question Time, 18 June 2003

²⁴ Submission from LB Hillingdon

²⁵ Submission from LB Redbridge

4 Impact on Londoners (particularly low-income groups)

- 4.1 In our last report, we expressed concern that the charge might disadvantage people (particularly those on low incomes) who have a legitimate need to use their car in central London (for example, carers, people with disabilities or shift-workers who leave or arrive during charging times).
- 4.2 Transport for London said it would undertake a social impacts monitoring programme in Autumn/Winter 2003, including:²⁶
- a survey of residents within and just outside the charging zone;
 - a survey of those in outer London and beyond the M25;
 - on-street surveys within central London;
 - special enquiries with bus drivers, taxi and minicab drivers, traffic wardens and parking attendants, delivery drivers, disabled people and emergency services personnel.
- 4.3 To date, TfL has not released any information on the social impact of the scheme because it believes that 'achieving a robust and comprehensive study of scheme impacts [on Londoners] is necessarily a long-term process.'²⁷

Low income groups

- 4.4 A submission from the Bromley Borough Roads Action Group stated that 'many people will have been forced by economic circumstance to change their behaviour in the short term' and that 'there is clear evidence that a substantial proportion of people are unhappy with the scheme'.²⁸ However, none of the other submissions to the Committee cited any specific problems with the scheme for low-income groups.
- 4.5 The Mayor has maintained that the majority of people on low incomes would not be affected by the Congestion Charging Scheme since many cannot afford a car and already rely on public transport to travel into central London. A recent study by the Commission for Integrated Transport of restaurant, hospitality and health workers seems broadly to support this view. The report concluded that:
- Most low paid workers in Central London contacted by this research are not significantly affected by the congestion charge. This is due to the interrelated factors of a high preponderance of workers living in close proximity to their work and the low incidence of car ownership.²⁹
- 4.6 Nonetheless, it did note that low-income workers had few positive things to say about the congestion charge and that the 'forced change' to public transport had caused a degree of resentment.³⁰

²⁶ *Impacts monitoring – First Annual Report*, TfL, June 2003, Appendix A3.7

²⁷ *Congestion Charging: Six months on*, TfL, October 2003, 9.3

²⁸ Submission from Bromley Borough Roads Action Group

²⁹ *The impact of congestion charging on specified economic sectors and workers*, report prepared for the Commission for Integrated Transport, September 2003.

³⁰ *The impact of congestion charging on specified economic sectors and workers*, report prepared for the Commission for Integrated Transport, September 2003.

Emergency services

- 4.7 Under the Congestion Charging Scheme, emergency service vehicles (fire, police and ambulance), some local government vehicles and accredited breakdown vehicles are exempt from the £5 charge. Some NHS vehicles and NHS employees, Fire Brigade and police officers are reimbursed by Transport for London. For example, the London Fire and Emergency Planning Authority (LFEPA) received £265,000 this financial year so that it can refund London Fire Brigade staff travel costs where appropriate.³¹
- 4.8 In their submissions, the Metropolitan Police Service (MPS), London Ambulance Service, LFEPA and St John's Ambulance raised no issues in relation to problems with the operation of the zone or response times in travelling to emergency incidents.³² Both the MPS and LFEPA noted that there needs to be further analysis of the effect of the Scheme on the speed and effectiveness of their services.
- 4.9 However, the London Ambulance Service pointed out that, to secure emergency cover, it has been forced to provide a £550 per annum allowance to each of its 400 front line staff who are required to work within the Congestion Charging Zone. They told us that:
- The cost of paying this allowance is in excess of £245,000 per annum. It is our view that such costs should be directed towards patient care and that such essential workers should either be exempt from the Congestion Charge or that the Trust be reimbursed such costs.³³

Recommendation 2

The benefits of the Congestion Charging Scheme on emergency services are far from clear. We would like to see the relevant services – London Ambulance Service, Metropolitan Police Authority and London Fire and Emergency Planning Authority – examine the extent to which the Scheme is helping them to assist Londoners more quickly.

Other groups

People with disabilities

- 4.10 Dial A Ride Taxicard (DaRT), an organisation of people who use door-to-door transport in London, found that the Scheme has been 'wholly beneficial in the comparatively small area of London where the charge applies'. DaRT has been able to improve the speed and reliability of trips, which in turn has marginally increased the number of trips. In effect, congestion charging has stretched DaRT's subsidy further, since more time is spent travelling and less spent sitting in taxis.³⁴
- 4.11 People who are eligible for the Blue Badge disabled parking concession receive an exemption from the congestion charge. To date, approximately 115,000 Blue Badge Holders have registered for an exemption. Greater London Action

³¹ LFEPA Decision/Action sheet, 6 March 2003

³² Submissions from London Ambulance Service, LFEPA and Metropolitan Police Service

³³ Submission from London Ambulance Service

³⁴ Submission from DART

on Disability (GLAD) agreed that the Scheme is working very well for most disabled people, many of whom have no choice but to use their cars to get around.³⁵

- 4.12 However, both DaRT and GLAD pointed out that the number of Blue Badge holders who have registered for an exemption is still at least 100,000 fewer than the estimated 215,000 Blue Badge holders in London. Although early problems with registration (see paragraph 7.9) appear to have been resolved, both groups believed that more research should be done into whether there are elements of the registration system which are deterring people or whether it is simply that badgeholders do not wish to travel into central London.
- 4.13 In particular, DaRT believes that the £10 fee for applying for Blue Badge exemption should be removed since 'it penalises disabled people who are already among the poorest and most socially excluded groups in the capital.'³⁶ In addition, it believes there is a need for a single, widely advertised telephone number which is dedicated to Blue Badge exemptions and any problems which Blue Badge holders may experience.

Recommendation 3

We are pleased to hear that there have been benefits from the Scheme for Londoners with mobility problems .

We believe that further research should be undertaken into the experience of Blue Badge holders registering for exemption from the Congestion Charge.

Reimbursements for other groups

- 4.14 People with certain serious illnesses³⁷ who have to travel to hospitals inside the Congestion Charging Zone can be reimbursed. To date, just under 10,000 reimbursements have been made at a cost of around £48,000.³⁸
- 4.15 We note that the Macmillan Cancer group have asked TfL to review the operation of this patients' reimbursement scheme. We have also received evidence that the Congestion Charging Scheme is making it more difficult for people living within the Charging Zone to receive home visits from the statutory and voluntary sector (for example Help the Aged, Citizen's Advice Bureau and faith organisations). It was suggested that reimbursements could be provided to bona fide charity support organisations which have to make home visits.³⁹
- 4.16 Similarly, the NSPCC reported that officers from its Specialist Investigation Service (which tackle complex cases of child abuse) often have to travel through the Congestion Charging Zone. Due to the nature of their work, which often involves carrying heavy and highly confidential documents and working outside normal office hours, they are unable to use public transport.⁴⁰

³⁵ Submission from GLAD

³⁶ Submission from DART

³⁷ Those eligible are people with 'compromised immune systems requiring regular therapy or assessment or requiring recurrent surgical intervention, or clinically assessed to be too ill, weak, or disabled to travel.' Transport Committee Meeting, 26 November 2003

³⁸ Transport Committee, 26 November 2003

³⁹ Submission from DART

⁴⁰ Submission from NSPCC

- 4.17 TfL told us that there was an 'ongoing review' of requests for reimbursements and that these requests would be considered alongside the results of TfL's monitoring programme.

Recommendation 4

We are pleased to see that TfL is responding to requests for considering additional groups for reimbursements. We look forward to TfL developing a systematic programme for considering such requests once results from the social monitoring programme are available in Spring 2004.

Injury levels

- 4.18 Before the Scheme started, it was difficult to determine whether it would have any effect on the number of road casualties. Fewer vehicles travelling should mean fewer accidents and therefore contribute to the general trend towards a reduction in reported accidents; but faster vehicles within the zone and higher numbers of pedestrians, bicycles and motorcycles raises the possibility of an increase in fatalities.
- 4.19 Provisional information about the number of road accidents in the first four months of the Scheme's operation is encouraging. TfL reports a 20 per cent reduction in personal injury accidents within the zone compared to the same period in 2002 and smaller reductions on the Inner Ring Road and the rest of London. As importantly, it also found a 15 per cent reduction in the number of accidents involving motorcycles and mopeds as well as a 17 per cent reduction in the number of accidents involving bicycles – despite the rise in ridership within the charging zone.⁴¹ However, the London Ambulance Service states that 'there does not appear to have been any significant effect on the number or severity of road traffic accidents.'⁴² TfL has previously told us that the impact of changed traffic patterns on road accidents (for example, changes to traffic lights timings) take up to three years to become apparent.⁴³
- 4.20 The London Cycling Campaign welcomed the reduction in the total of all cycle casualties in Greater London in the last twelve months but is very concerned about the 38 per cent increase in cyclist fatalities in Greater London over the last year.⁴⁴ As TfL acknowledge, disaggregating accident statistics over the next few years is essential if we are to understand the full impact of the Congestion Charging Scheme on accidents rates for in London.

⁴¹ *Congestion Charging: Six months on*, TfL, October 2003, 3.95

⁴² Submission from London Ambulance Service

⁴³ Derek Turner (TfL), Transport Committee meeting, 21 November 2002.

⁴⁴ Submission from London Cycling Campaign

5 Effect on public transport (especially buses)

- 5.1 Prior to 17 February 2003, approximately 85 per cent of people coming into central London during the morning peak hour travelled by public transport. An Assembly survey, conducted just before the Scheme commenced, anticipated that more drivers than expected would be taking public transport into central London instead of their car and most would change to the Tube and mainline rail rather than travel by bus.⁴⁵ We were very concerned about the ability of an already overstretched rail service in London to deal with this additional demand.
- 5.2 We correctly anticipated that the Congestion Charge Scheme would discourage more drivers than TfL expected. However, our fears about even greater overcrowding on the Tube and national rail have yet to materialise, despite indications that more people than expected have switched from their cars to the Tube.⁴⁶
- 5.3 In fact, there appears to be an overall reduction in the number of Tube passengers in central London. In the three hour morning peak (7-10am), there was an 11 per cent decrease (equivalent to 55,000 passengers) in the number of commuters exiting Underground stations inside the charging zone compared to the same time last year.⁴⁷ Similar comparisons with passenger numbers on national rail fail to show any measurable impact from the Congestion Charge Scheme.⁴⁸
- 5.4 The Mayor told us that the downturn in London's economy has enabled the Underground and national rail to absorb additional commuters.⁴⁹ The increase in the number of buses and bus routes in the capital, as well as fare incentives, has also given people a greater choice in the way that they travel into central London. Finally, the sheer lack of space on certain morning rail services has forced many commuters to switch to other forms of transport.
- 5.5 We are concerned that this reliance on an economic downturn to manage additional numbers on the Underground and mainline services may have repercussions in the future. Westminster City Council also warned that the Mayor's fare changes in January 2004⁵⁰ may 'encourage people who have swapped from car use to public transport to swap back again.'⁵¹

Buses

- 5.6 TfL expected the majority of drivers switching to public transport to transfer to buses. Over the last year, several new night bus services have been introduced as well as greater frequency and capacity on several daytime bus services. TfL figures record a 7 per cent increase in the number of bus passengers in the last year.

⁴⁵ *Congestion Charging Survey for London Assembly*, 12 February 2003

⁴⁶ Previous analysis indicated a net increase of 15,000 trips per weekday. In June 2003, LUL reported a net increase of 20,000 trips per weekday. 'The effect of the Congestion Charge on Tube customer numbers – an update', LUL press release 19 June 2003

⁴⁷ *Congestion Charging: Six months on*, TfL, October 2003, 3.83

⁴⁸ *Congestion Charging: Six months on*, TfL, October 2003, 3.88

⁴⁹ Mayor's Question Time, 26 March 2003

⁵⁰ See *Fares 2004*, TfL booklet for more information.

⁵¹ Submission from City of Westminster

- 5.7 Two routes (507 and 521) operate entirely within the zone and forty per cent of the 700 routes in London serve the Congestion Charging Zone in some way. The introduction of the scheme, together with other TfL initiatives,⁵² has:
- reduced waiting times for passengers on routes serving the charging zone and Inner ring road by a third;
 - reduced bus delays caused by traffic congestion by 60 per cent.⁵³
 - increased bus speeds on sampled route sections within the charging zone by around 7 per cent in the morning peak (although speeds outside the zone have varied).⁵⁴
- 5.8 Hackney Council told us that ‘the dramatic improvements in the local bus service, coupled with the retention of low bus fares, has considerably improved access.’⁵⁵ These improvements are welcome. However, as a recent survey of 33 London bus routes demonstrates, these general benefits may not be felt by bus commuters on certain busy services. The Association of London Government (ALG) recorded overcrowding on seven bus routes during the morning peak, four of which serviced bus stops in Upper Street, Islington. By contrast, ten services were less than a third full during the morning peak. As Westminster City Council told us, ‘it is not clear whether or not the extra buses have been enough to cope with increased demand or whether the distribution of the extra capacity has been correct.’⁵⁶
- 5.9 A less congested, more predictable road environment for buses should mean that TfL and the bus operators can use the existing bus fleet and personnel to increase the number of buses where they are needed (for example during the morning peak on Upper Street). Alternatively, TfL should be able to realise savings from bus operators who can now meet existing bus timetables with a smaller number of buses and personnel.
- 5.10 TfL spend approximately £1.3 billion per year on the London bus network (most of which is spent on bus contracts).⁵⁷ Under TfL’s new bus contracting regime, half of all bus services are run on quality incentive contracts under which bus operators are rewarded or penalised financially for performance of services.⁵⁸ There is already some evidence that bus operators are reaping the financial benefits of the congestion charge. For example, FirstGroup, which operates 1300 London buses, recently stated that its bus business in the capital has grown by 23 per cent following the introduction of congestion charging; its pre-tax profits have risen by 1.8 per cent.⁵⁹ Arriva, which operates a similar number of buses in London, also reported rises in profits.
- 5.11 Peter Hendy told us that ‘as the experience of congestion charging settles down, we are beginning to get a programme to take appropriate [bus] resources out where that is possible to do, or reuse them, where the volume has gone up.’ However, he also noted that he would like to get through a wet dark winter

⁵² For example, contractual quality incentives, better route supervision, updated schedules, driver training and the introduction of bus priority schemes. 6 months 3.74

⁵³ *Congestion Charging: Six months on*, TfL, October 2003, 3.76

⁵⁴ *Congestion Charging: Six months on*, TfL, October 2003, 3.77

⁵⁵ Submission from LB Hackney

⁵⁶ Submission from City of Westminster

⁵⁷ *TfL Draft Business Plan 2004/05-2009/10*, TfL, November 2003, page 29

⁵⁸ ‘Bus waiting times down to all-time low’, TfL press release, 17 October 2003

⁵⁹ ‘First Group PLC interim results for six months to 30 September 2003’, First Group, 5 November 2003

before he was 'too anxious to take resources out of routes that actually have very, relatively very poor quality targets compared with others.'⁶⁰

- 5.12 To date, only one bus route has been modified in the light of Congestion Charging Scheme. According to TfL, the amount of service has increased without additional cost by better re-deploying existing resources.⁶¹

Recommendation 5

TfL should re-examine bus services after the first full year of the Scheme's operation to ensure that these services reflect the changed pattern of demand that the Congestion Charging Scheme has created so that resources created by quicker journey times can best be redeployed to benefit London's commuters.

⁶⁰ Transport Committee meeting, 13 November 2003

⁶¹ Transport Committee meeting, 13 November 2003

6. Impact on London's economy and environment

- 6.1 As part of his case for the Congestion Charging Scheme, the Mayor argued that congestion costs London between £2 million and £4 million every week in terms of lost time.⁶² TfL's current estimate is that quicker and more reliable journeys for buses, commercial vehicles and taxis within the zone and reduced fuel costs are saving Londoners and London business about £185 million per year (roughly £3.5 million per week).⁶³
- 6.2 On a cost-benefit analysis, TfL believe that the Scheme is current delivering a net benefit of £50 million to London.⁶⁴ This analysis assumes no negative impacts on London businesses. Before the scheme was introduced, there was considerable concern that it might deter shoppers from visiting central London, that certain businesses might have to relocate and that smaller businesses, which are less able to absorb or pass on the daily charge, would suffer. TfL's own survey showed that London businesses did not expect that the scheme would boost London's economy.⁶⁵
- 6.3 After ten months, the full impact of the Scheme on businesses in London is unclear. What is beyond dispute is that there has been a substantial reduction in the number of people (workers, shoppers and tourists) travelling into central London in the last year. TfL's own estimation is that 60,000 to 80,000 fewer people per day are travelling into the congestion charging zone by all travel modes (i.e. by private and public transport) compared to 2002.⁶⁶ The number of people visiting London's central shopping district has fallen by 7 per cent in the last year, compared to a more stable picture for the rest of London and the UK.⁶⁷
- 6.4 TfL believes that the Congestion Charging Scheme has 'only contributed marginally' to the reduced number of people in central London. They estimate that the Scheme has directly deterred only 4,000 fewer people per day, out of the 60,000-80,000 people no longer coming into central London.⁶⁸ They argue that most drivers have continued to come into central London by other means and that factors other than the Scheme explain the drop in commuters and shoppers in central London.
- 6.5 It is very difficult to isolate the impact of the Scheme from the effects of the Chancery Lane derailment in January (and the four month reduction in service on the Central Line), the impact of the Iraq war (both demonstrations and fears about terrorism), the decline in the numbers of overseas tourists, economic conditions in London and changes in consumer behaviour (for example, the growing popularity of out of town shopping centres like Bluewater). A report by the GLA Economics Unit in July concluded that the Scheme would have contributed, at most, £1 million per month in lost sales (compared, for example, to £7 million due to the Central Line closure and £125 million due to fewer overseas tourists).⁶⁹

⁶² 'Where can I find out about the central London congestion charge?', TfL pamphlet, 2002, p.4

⁶³ 'Table 3: Preliminary costs and benefits of the Central London Congestion Charging Scheme', 6 months

⁶⁴ 'Table 3: Preliminary costs and benefits of the Central London Congestion Charging Scheme', 6 months

⁶⁵ *Impacts monitoring- first annual report*, TfL, June 2003, figure 7.15

⁶⁶ *Congestion Charging: Six months on*, TfL, October 2003, 2.10

⁶⁷ *Congestion Charging: Six months on*, TfL, October 2003, 5.16

⁶⁸ *Congestion Charging: Six months on*, TfL, October 2003, 5.21

⁶⁹ 'The causes of recent poor retail sales performance in central London', GLA Economics, July 2003

- 6.6 TfL claims that ‘concerns over the detrimental impact of charging on economic activity appear to be misplaced’.⁷⁰ However, surveys and studies of business attitudes since the Scheme commenced show that they do not share TfL’s optimistic view:
- London First found that 49% of responding businesses felt that the scheme had worked compared to 16% who felt it was failing. 71% thought that the Scheme had no impact on their business while 17% thought the scheme had been positive for business. Only 9% reported a negative impact on their business.⁷¹
 - Royal Borough of Kensington and Chelsea found that 77% of respondents felt that the Scheme had a detrimental effect on their businesses, 70% believed their takings had decreased and 83% stated that the number of customers visiting their shops had reduced.⁷²
 - Westminster Council found that 70% of respondents thought that the charge had a negative effect on their business, 23% thought it had no impact and only 8% thought it had resulted in a positive impact. A quarter of businesses responding were considering relocation.⁷³
 - London Chamber of Commerce and Industry’s two surveys found that 85% of responding retailers believed the charge has failed to improve their productivity (up from 75% six months ago), 42% attributed a downturn in takings mainly to the charge (down from 47%), 25% of businesses had laid off staff due to the charge and 32% of retail businesses were planning to relocate (up from 26%)⁷⁴
 - CBI found that the Scheme had improved travel times for business but not always led to improvements in productivity. It argued that the administrative burden on businesses of paying the charge must be addressed.
- 6.7 These results, as well as criticism from the Federation of Small Business, the Freight Transport Association and John Lewis (who estimate that the Scheme has resulted in a 7.3 per cent reduction in sales at their Oxford Street store)⁷⁵ indicate that businesses are far from convinced.
- 6.8 The London Development Agency concedes that there is ‘mixed evidence’ of the scheme’s impact.⁷⁶ This mixed evidence is almost certainly due to the ways in which the congestion charge affects different business sectors. TfL have acknowledged that ‘the effects will be felt very differently depending on the nature of the company’⁷⁷ and the Mayor has admitted that ‘there will inevitably

⁷⁰ ‘Congestion Charging: 6 months on’, TfL Factsheet, 26 October 2003

⁷¹ ‘London Businesses still back congestion charging’, London First press release, August 2003. 504 companies responded.

⁷² *The impact of Congestion Charging on Business*, Royal Borough of Kensington and Chelsea, September 2003. 27 companies responded

⁷³ *Results of Westminster City Council’s Business Questionnaire*, Westminster City Council, October 2003. 369 companies responded.

⁷⁴ ‘Quarter of retailers in c-zone have cut staff numbers because of the Scheme’, London Chamber of Commerce and Industry (LCCI) press release, 24 November 2003. 334 retailers responded. See also *The retail survey: The impact of the Congestion Charge on the retail sector*, Interim report in Congestion Charge, London Chamber of Commerce and Industry, May 2003. 534 retailers responded.

⁷⁵ ‘Congestion charging six months on: a retailer’s view’, Speech by Sir Stuart Hampson, Chairman of the John Lewis Partnership, 4 September 2003.

⁷⁶ ‘TfL Consultation on Central London Congestion Charging’, LDA Board Papers, 3 December 2003

⁷⁷ *Impacts monitoring – first annual report*, TfL, June 2003, p.161

be some losers; some firms for whom the margin was so small anyway that the final [congestion charge] costs were just a step too far.⁷⁸

- 6.9 If TfL and the Mayor wish to build support for the Scheme, they must start to acknowledge that the Congestion Charging Zone is creating problems for some London businesses and seek to address them. Submissions to the Committee showed that businesses believe that the Scheme has affected customer numbers, has increased administrative costs and has not helped delivery companies to be more productive.

Impact on customer numbers in central London

- 6.10 Retail sales growth in London had been in decline through 2002 with growth rates falling from a peak of just over 7% in 2001 to 3% in April / May 2003.⁷⁹ Figures from the London Retail Consortium show a decline in retail sales in central London in the early part of 2003 (compared to the same period in 2002) but an increase in year-on-year retail sales later in the year.⁸⁰
- 6.11 Transport 2000 believes that the effect of congestion charging on businesses inside the zone will be benign but, as was the experience with pedestrianised shopping areas in Europe, it will take a year or two for this to be apparent.⁸¹
- 6.12 On the other hand, several submissions to the Committee claimed that the Congestion Charging Zone is already deterring customers.⁸² Lambeth Council told us that it remained concerned about the potential effect on business, especially with the emergence of findings that the scheme appears to have contributed to falling customers at certain shops within the scheme boundary.⁸³ Oxford Street Trade Association has reportedly noted a 20% drop in the utilisation of car parks in its area.⁸⁴
- 6.13 The Royal Borough of Kensington and Chelsea found that half of the retailers it surveyed (who owned retail outlets within and outside the zone) had suffered a downturn in takings in both stores; this suggests a general retail decline. However, those retailers who reported an increase in takings at their stores outside the zone also reported a reduction in trade at their branches within the charging zone;⁸⁵ this suggests that customers may be changing the location of their shopping due to the Scheme.
- 6.14 The Federation of Small Business told us:
- we do not claim that all businesses inside the zone are suffering. Nor do we believe that all businesses in certain industrial sectors are suffering. There is, however, clear indications that in certain geographical areas (particularly areas just inside the zone) many businesses are suffering a significant drop in trade. In some cases, this decline has been as much as 35 per cent.⁸⁶

⁷⁸ Mayor's Question Time, 18 June 2003

⁷⁹ *The impact of congestion charging on specified economic sectors and workers*, report prepared for the Commission for Integrated Transport, September 2003.

⁸⁰ 'London Retail Sales Monitor: November 2003', London Retail Consortium, 22 December 2003

⁸¹ Submission from Transport 2000

⁸² Submission from Bromley Borough Roads Action Group (BBRAG)

⁸³ Submission from LB Lambeth

⁸⁴ Transport Committee meeting, 24 November 2003

⁸⁵ 'The impact of Congestion Charging on Business', RBKC, September 2003

⁸⁶ Submission from the Federation of Small Business

- 6.15 For example, the Commission for Integrated Transport reported that 60 per cent of convenience store managers had negative views about the scheme. It also found that smaller businesses were less able to take advantage of the reduced congestion.⁸⁷ Westminster City Council found that 80 per cent of West End bar and restaurant owners and 77 per cent of retailers which it surveyed thought the Congestion Charging Scheme had had a negative impact on their business.⁸⁸ A qualitative survey by the Royal Institution of Chartered Surveyors, to be published in the coming months, indicates no effect on property prices but some negative reactions to the Scheme from small to medium sized businesses (especially those on the edge of the zone).
- 6.16 Anecdotal evidence serves to illustrate some of the issues for businesses within and outside the charging zone. A butcher just outside the Charging Zone told the Committee that 'when the Congestion Charge came on, our trade increased a bit'; he feared that inclusion within an extended Zone would damage his business.⁸⁹ A fishmonger in Paddington Street (within the Congestion Charging Zone) told us that his business had experienced:
- a straight line reduction [in sales] of 20%, and it has continued like that since February 17. I am very concerned about what is going to happen at Christmas, because to me that will be the acid test...even if you have had a poor year, you know that you will make it up at Christmas.⁹⁰
- 6.17 For these smaller shopkeepers, a downturn of 20 per cent can have a dramatic impact on their business and on their community. Open and busy local businesses, particularly in areas on the edge of the zone, often serve as focal points for the community and can add immensely to the attractiveness and safety of a neighbourhood. If the Scheme contributes to the closure of small businesses in the Zone, residents will not only lose the convenience but, perversely, will need to take to their cars in order to seek facilities elsewhere.
- 6.18 The Mayor believes that the appropriate response to these difficulties is to adjust parking times and charges. He told us:
- There may very well be particular local problems for business and here, it seems to me, the boroughs are in the best position to respond...If there is a particular impact on local shopping then it is best served by adjusting the local parking times and local parking charges.⁹¹
- 6.19 In addition, TfL should be working more closely with retailers to ensure that customers understand how the scheme operates. We heard that a lack of awareness about the hours of operation and the 'hassle factor' of paying the Congestion Charge was effectively as much of a deterrent as the £5 cost, particularly for older Londoners.⁹²
- 6.20 Several organisations suggested that TfL should be working more closely with retailers to ensure that customers understood the hours of operation of the scheme and payment methods. In particular, there is a need to ensure that customers who live outside Greater London are effectively and regularly

⁸⁷ *The impact of congestion charging on specified economic sectors and workers*, report prepared for the Commission for Integrated Transport, September 2003.

⁸⁸ Submission from Westminster City Council.

⁸⁹ Minutes of Transport Committee meeting, 24 February 2003

⁹⁰ Minutes of Transport Committee meeting, 24 February 2003

⁹¹ Mayor's Question Time, 26 February 2003

⁹² Minutes of Transport Committee meeting, 24 February 2003

informed about how the Scheme works and how to register for the charge. As CBI pointed out, 'awareness campaigns were quite intense before congestion charging came into force, but evidence from our study is showing that much needs to be done -- and a sustained effort.'⁹³

- 6.21 Several organisations proposed more dramatic changes to the Scheme. One suggested that 'to alleviate the damage to London's economy and life, the charging hours should be reduced to 7am to 10am. This would still deter car commuters but allow car borne shoppers to return.'⁹⁴ This was supported by Westminster City Council and the Royal Borough of Kensington and Chelsea who argued that 'you could discourage car-based commuting by having a shorter time window, which would deliver a lot of the benefit, but still create enough of the space for the evening economy, which is particularly sensitive in the West End.'⁹⁵ Alternatively, we heard that 'another way to improve acceptability would be to permit so many trips per month by users without incurring a charge.'⁹⁶

Recommendation 6

We remain concerned about the impact of the congestion charging scheme on retail businesses within the charging zone. We will be closely examining the results of TfL's business surveys in Spring 2004.

Where problems are identified, TfL and local councils should develop joint action plans to ameliorate the impact of local traffic schemes on businesses. These action plans should examine parking times and charges, as well as the impact of controlled parking zones.

Impact on deliveries and travel times

- 6.22 TfL and the Mayor remain confident that the reduced congestion within central London should result in greater productivity for business – by, for example, allowing businesspeople to get to meetings more rapidly and enabling more deliveries to be made. The Mayor has said publicly that '[businesses] only need to have saved 17 minutes in journey time to recover the full cost of the £5.'⁹⁷
- 6.23 CBI told us that their study of the business impacts of the Scheme showed that quicker and more reliable travelling time to meetings in and across central London has improved productivity for those in London's professional services (for example, accountants or lawyers). However, despite shortened travel times, delivery organisations told the CBI that the time saved is not enough to put in an extra delivery or to plan another business trip.
- 6.24 Written evidence to the Committee reinforced this point. The Freight Transport Association pointed out that 'journey time savings are too slight or localised to offer operational benefits.'⁹⁸ The Federation of Small Business pointed out that 'reducing a journey time within the zone from, say, 25 minutes to 20 minutes makes very little difference to a day's work when compared with the amount of

⁹³ Transport Committee, 26 November 2003.

⁹⁴ Submissions from Chelsea Residents Association and BBRAG

⁹⁵ Transport Committee, 24 November 2003.

⁹⁶ Submission from BBRAG

⁹⁷ Mayor's Question Time, 18 June 2003

⁹⁸ 'London Congestion Charging: Does it measure up?', Freight Transport Association Fact Sheet

time loading and unloading, finding somewhere to park and driving to and from the zone.⁹⁹ The British Motorcycle Federation told us that reduced congestion has improved delivery times but ‘these benefits have been offset by the lack of short term parking while making collections and deliveries.’¹⁰⁰ One businessman noted that ‘you just cannot do that many deliveries, and then you have got the extra costs: the driver, the van, the clamping and the tickets.’¹⁰¹ Another group pointed out that ‘the extra inconvenience of having to pay (which can often take 10 minutes) is a major extra penalty if you are travelling from London suburbs such as Bromley when the journey time can be as low as 30 minutes (i.e. it increases the time by 33%).’¹⁰²

6.25 As the CBI pointed out:

The congestion charge is sending out a signal that deliveries should not be made in the day unless they are paid for. The London Lorry Ban operates, which prevents certain deliveries at night. There is also, then, the 24-hour Red Route scheme, so our members who are involved in services and deliveries, particularly, would like to see a more holistic approach to make some improvements to the existing situation.

6.26 Both the British Motorcycle Federation and London First suggested that one means of capitalising on the benefits of the congestion charging scheme would be ‘better provision for loading and unloading in the charging zone and allowing service vehicles to use residents parking.’¹⁰³

6.27 Some have suggested that the London Lorry Ban should be reviewed¹⁰⁴ and the Mayor has asked the London Sustainable Distribution Partnership (LSDP) to work with the London boroughs to identify food stores in different parts of London where pilot schemes could be tested.¹⁰⁵ However, the Federation of Small Business pointed out that ‘the owners/managers of small businesses work long enough hours as it is, and to expect them to arrive for work at 5 or 6am merely to collect deliveries shows a lack of understanding of the life of a small business owner.’¹⁰⁶

Recommendation 7

Many businesses, especially those in the delivery sector, do not appear to be able to take advantage of the Scheme’s potential to increase their productivity.

We believe that TfL should review the extent to which changes to the London Lorry Ban could release the benefits of the Congestion Charging Scheme to London business. We also believe that TfL and central London boroughs should re-examine the current loading restrictions to see if changes could improve delivery times.

⁹⁹ Submission from the Federation of Small Business

¹⁰⁰ Submission from British Motorcycle Federation

¹⁰¹ Transport Committee meeting, 24 November 2003

¹⁰² Submission from BBRAG

¹⁰³ Submission from London First

¹⁰⁴ *The impact of congestion charging on specified economic sectors and workers*, report prepared for the Commission for Integrated Transport, September 2003. See also CBI

¹⁰⁵ Mayor’s Question Time, 26 February 2003

¹⁰⁶ Submission from the Federation of Small Business

Other costs to business

- 6.28 According to TfL, the administrative and time costs to all people paying the charge (both business and personal users) is £15 million per year. On the evidence we heard, this figure is likely to be far too low.
- 6.29 Although no indicative aggregate figure for total direct and indirect costs was collated, CBI's study found that 'direct costs of paying for the charge [for some companies] run into hundreds of thousands of pounds' and several organisations have had to employ an extra person to deal with the complex administration.¹⁰⁷ London First noted that the onus on the traveller or business to maintain records, particularly reconciling fleet movements, 'can be quite burdensome for business in that sector.'¹⁰⁸
- 6.30 Organisations with 25 vehicles or more can register for the fleet account which reduces the amount of administration and the risk of penalties – at a cost of £10 per vehicle and, in some cases, a £5.50 per day charge.¹⁰⁹ London First stated that a third of companies registering a fleet found the experience negative. The Freight Transport Association noted that:
- in terms of fleet accounts our survey shows that it will take each company an average 57 days to set up and run each account in the first year. For all companies with fleet accounts this equates to a total of 340 working years at a cost of at least £7 million.¹¹⁰
- 6.31 Nonetheless, smaller companies are in favour of being part of the fleet accounts scheme in order to reduce the administrative burden of tracking and paying for each of its vehicles. Transport for London is discussing options for lowering the vehicle threshold for fleet accounts to address concerns about administration. Consultation on changes to the fleet account scheme started in February 2004.

Recommendation 8

We note that TfL can only consider the available survey evidence on the contribution of Congestion Charging to the additional costs of compliance for businesses in the first six month review of the scheme.

Following the full year review there should be better evidence available on the costs to business and we believe TfL should re-examine the accuracy of its analysis on the costs of compliance to businesses.

We support changes to the fleet account scheme provided they reduce the administrative burden on businesses. In particular, we recommend that TfL reduces the current 25 vehicle threshold for fleet accounts.

¹⁰⁷ Transport Committee 26 November 2003

¹⁰⁸ Transport Committee 26 November 2003

¹⁰⁹ Those using the automated fleet system (only available for vans and HGV) pay £5.50 per day per vehicle in the congestion charging zone during charging hours

¹¹⁰ 'London Congestion Charging: Does it measure up?', Freight Transport Association

Environmental impact

- 6.32 Before the Congestion Charging Scheme was introduced, TfL acknowledged that it was unlikely to contribute significantly to improving air quality or reducing noise in central London.¹¹¹
- 6.33 Cyclists told us that air pollution in the zone appears to be lower and that the Scheme had helped to make central London a 'more human place'.¹¹² Others pointed out that 'the popularity of the scheme is attributable not just to the benefits for travellers but to obvious improvements in environmental conditions.'¹¹³
- 6.34 Submissions to the Committee stressed the need to build on the gains of the Congestion Charging Scheme to reduce traffic. Transport 2000 told us that TfL was neglecting 'softer measures' to reduce congestion like improved facilities for walking and cycling, workplace and school travel plans, bus improvements, individual travel marketing, car clubs and others.¹¹⁴ In their view:

soft measures would also reduce substantially, and at modest cost, the pressure on overcrowded rail networks. They would often involve the reallocation of space on the roads.¹¹⁵
- 6.35 Other groups suggested changes to the streetscape in London. They argued that TfL should work with London boroughs to ensure that cycle parking provision is increased and consideration is given to the reallocation of road-space before traffic levels creep back up. The London Cycling Campaign noted that the City of London is already implementing street improvements that benefit pedestrians.¹¹⁶

Recommendation 9

TfL should work more closely with London Boroughs to maximise the environmental benefits of the Congestion Charging Scheme. Greater emphasis should be given to "softer" measures for addressing congestion.

TfL should work with London boroughs to ensure that parking within central London reflects the needs of the changed traffic conditions.

¹¹¹ *Scheme impacts monitoring programme: a technical overview*, February 2002, TfL, pp.45-48

¹¹² Submission from the London Cyclists Campaign

¹¹³ Submission from Transport 2000

¹¹⁴ For more details, see *Less Traffic Where People Live: how local transport schemes can help cut traffic*, Transport 2000 and the University of Westminster, April 2003

¹¹⁵ Submission from Transport 2000

¹¹⁶ Submission from the London Cyclists Campaign

7 Customer service and enforcement

- 7.1 We have consistently maintained that good customer service, an easy-to-use means of paying and prompt resolution of problems are essential if the Scheme is to be accepted by Londoners. We have also stressed that enforcement should be balanced so as to dissuade those wilfully seeking to evade the charge while not unfairly penalising drivers (by, for example, issuing fines incorrectly).
- 7.2 To date, the Congestion Charging Scheme has failed to deliver adequate customer service or effective enforcement.
- 7.3 The major cause has been TfL's relationship with Capita, the company contracted (at a cost of £250 million over five years) to handle customer payments and enquiries, match vehicles with charge payments, issue Penalty Charge Notices (PCNs) and handle complaints.
- 7.4 TfL's own criteria for the Scheme stated that zero service credits on its agreement with Capita would indicate that the Congestion Charging Scheme had been successful;¹¹⁷ that is, Capita would not have been penalised for not meeting its performance targets. In September, TfL admitted that it has recovered approximately £1 million from Capita for liquidated damages and service credits.¹¹⁸ More money will be recouped from Capita due to its failure to meet key performance targets during September and October.¹¹⁹
- 7.5 The Mayor has conceded that Capita's management of customer services has been 'completely unacceptable'.¹²⁰ Indeed, customer service and enforcement were so poor during the first five months of the Scheme that he had been forced to renegotiate the contract with Capita. He told us that:

if we [had] not negotiated a satisfactory package [of improvements], the Commissioner for Transport and myself had decided we would terminate [the contract]. We thought the service was that bad.¹²¹

Customer service

- 7.6 At present, 108,000 people each day pay the congestion charge. Payment methods are evenly divided between payments at shops, on the internet, over the phone and by text messaging.¹²²
- 7.7 The Commissioner for Transport told us that 'customer service is crucial to the long term success of the Scheme.' We received several submissions complaining about difficulties using several of these payment methods. For example:
- The AA Trust told us that the call centre is difficult to contact, particularly for people who try to register trips close to the evening payment cut off periods (10pm and midnight). It also pointed out that telephone callers

¹¹⁷ 2003/04 Budget, TfL, p.14

¹¹⁸ Letter from TfL to Budget Committee, 26 September 2003

¹¹⁹ Transport Committee, 26 November 2003

¹²⁰ Mayor's Question Time, 17 September 2003

¹²¹ Budget Committee, 11 September 2003

¹²² Retail outlets (35%), web (25%), SMS (20%), Call Centre (20%). 'Congestion Charging', TfL Finance Committee papers, 18 November 2003

without a touch-tone telephone cannot access the automated call centre telephone system at all.¹²³

- St John Ambulance highlighted problems using the Fast Track payment system and noted that paying over the internet is 'slow and frustrating' and often unavailable due to system 'downtime'¹²⁴
- Westminster City Council cited anecdotal evidence from its residents that the charge machines installed in car parks are often failing.¹²⁵
- Bromley Borough Road Action Group told us that paying the charge can often take 10 minutes¹²⁶

7.8 The London Borough of Hackney encapsulated the apparent frustration of many organisations trying to pay the charge:

We are staggered at the lack of customer services, where there remains an assumption that [their] systems are faultless, and therefore are not even willing to countenance anything to the contrary. Operating a penalty charge notice system ourselves, we would not condone such within our Parking Services. We continue to be plagued by technical problems when updating our account, and have no faith in the system whatsoever.¹²⁷

7.9 Similarly, those who have registered for exemptions or discounts have encountered problems. The London Transport Users Committee reported it had received a number of complaints about the process for registering as a zone resident or Blue Badge holder. DaRT told us that, despite an extensive information campaign for Blue Badge holders, there were 'no members of staff in place to process applications for at least three months after the advertising appeared, giving rise to considerable anxiety for disabled people who heard nothing for months after they applied, and a deal of work for voluntary organisations such as DaRT'.¹²⁸ Fortunately, this particular problem appears to have been rectified in recent months.

7.10 Finally, LTUC told us that it has received complaints about obtaining refunds for those people who have paid in advance for the charge but have then not used the Congestion Charging Zone. It told us that

TfL is not prepared to transfer the charge to an alternative vehicle or provide for a refund for unused days. We recognise that the administrative costs of providing refunds is likely to be higher than the charge itself, but consider that the value for money implications of administering refunds should be balanced with the need for the charge to be seen as fair and equitably administered.¹²⁹

Recommendation 10

Poor customer service and problems with the administration of the scheme are unacceptable and undermine public confidence in the scheme as a whole.

The Committee will require TfL to provide reports about customer service for the Congestion Charging Scheme every two months.

¹²³ Submission from the AA

¹²⁴ Submission from St John Ambulance

¹²⁵ Submission from WCC

¹²⁶ Submission from BBAG

¹²⁷ Submission from LB Hackney

¹²⁸ Submission from DART

¹²⁹ Submission from London Transport Users Committee

Enforcement

- 7.11 Each charging day, the congestion charging cameras capture approximately one million images of vehicles in the zone. Before the Congestion Charging Scheme commenced, TfL estimated that the Scheme's cameras had an 85 per cent accuracy and that the several images of a vehicle taken as it travelled through the charging zone meant that 'the chance of being caught for driving without paying on any day is over 90 per cent.'¹³⁰
- 7.12 However, in late October, TfL admitted that more people than it expected were getting away with not paying the £5 charge. TfL believes that 10,000 vehicles per day are now evading the charge.¹³¹ The Commissioner for Transport conceded that evasion was about 10 per cent and puts it down to '[Capita's] failure up until now to manage these violations in an aggressive fashion.'¹³² We note that the AA Trust's experience is that there has been a 'considerable increase in vehicle cloning' due to the congestion charging scheme.¹³³
- 7.13 At the same time, the system has been dogged with fines issued to drivers in error. Up to 19 October, 905,000 PCNs had been issued to drivers of which just over half have been paid and a quarter disputed (in 68% of these disputed cases, TfL have accepted there was an error).¹³⁴ Although comparatively small in number, appeals to the independent Parking and Traffic Appeals Service (PATAS) over congestion charge fines is close to double the number anticipated. TfL have failed to contest roughly 60 per cent of appeals and have won only half of appeals they have contested.¹³⁵ At present, roughly 1 in every 5 fines issued ends up being overturned either by a successful representation or by a successful (or non-contested) appeal.
- 7.14 TfL's explanation is that 'there were mistakes in people misrepresenting their registration numbers because they could not remember and were therefore giving the wrong data [and] there were mistakes in [Capita] recording registration numbers.'¹³⁶ TfL have also told us that:
- [our] reasonable assumption was that the service provider [Capita] would carry out transactions and processes accurately and apply the [agreed] quality management regimes... Experience in the early months of operating the scheme indicated that this was not the case.¹³⁷
- 7.15 Capita is supposed to check manually the image of the vehicle against the DVLA description and registration number before issuing a PCN. Not only was this not happening to TfL's satisfaction but it transpires that Capita staff were using guidelines for verifying images which TfL had neither authorised nor approved – and which Capita was forced to withdraw.¹³⁸

¹³⁰ Mayor's Question Time, 17 September 2003

¹³¹ Transport Committee, 26 November 2003.

¹³² Budget Committee, 16 October 2003

¹³³ Submission from the AA Trust

¹³⁴ 'Congestion Charging', TfL Finance Committee papers, 18 November 2003

¹³⁵ By the end of August 2003 PATAS had received a total of 12,000 congestion charging appeals. The anticipated annual volume before the scheme started, based on experience with parking appeals, was 7,000 per annum. See 'Congestion Charging Study', ALG Transport and Environment Committee, 24 October 2003

¹³⁶ Budget Committee, 16 October 2003

¹³⁷ Letter from TfL to Budget Committee, 17 November 2003

¹³⁸ See Schedule 2 para 11.2, Supplemental agreement, www.tfl.gov.uk/tfl/cc_csa.shtml

- 7.16 If a vehicle receives three or more unpaid PCNs, TfL can impose an additional fine, clamp and remove the vehicle and finally have it crushed or sold. However, difficulties with enforcement have meant that TfL has had to tread very carefully before escalating proceedings against those who do not pay their PCNs. TfL's on-street enforcement service did not begin clamping and removal until May 2003. Up to the end of October, it had clamped or removed over 120 vehicles around half of which have been reclaimed by their owners (at a cost of at least £485 each).¹³⁹ To date, three cars have been crushed.¹⁴⁰

Renegotiated agreement with Capita

- 7.17 TfL and the Mayor argue that the renegotiation of its deal with Capita (via a supplementary agreement which amends the existing contract) should resolve problems with customer service and enforcement through increased staff in the call centre, improved enforcement, better back office processing and easier payment methods. The Mayor acknowledged that 'with hindsight, it would have been better if the contract had been drafted as it now stands' but considers that the renegotiated contract is 'as good as you are going to get'.¹⁴¹
- 7.18 The London Assembly's Budget Committee has published a report examining this new deal with Capita.¹⁴² In essence, TfL have negotiated four new 'milestones' for Capita to attain before March 2004 and set out, in greater detail, what it requires in terms of customer service and enforcement.¹⁴³ These include upgrading of Capita's IT system, improvements in the way Capita handles payments and enquiries and issues Penalty Charge Notices.
- 7.19 If these expectations are met within the time agreed, Capita will receive additional funding (up to £31 million over four and a half years). If they are not met, TfL will withhold money, implement financial penalties and finally terminate, or partially terminate, its contract with Capita. TfL recently acknowledged that it had withheld £333,000 from its £3.5 million contribution to Capita's IT development due to Capita's failure to meet its first new milestone.¹⁴⁴
- 7.20 Without doubt, Capita and the Congestion Charging Scheme are on trial. The early signs are that this agreement between Capita and TfL is starting to work. The proportion of PCNs which are disputed by drivers has fallen from 62 per cent in the first weeks of the Scheme to 16 per cent. Similarly, only 3 per cent of appeals are now down to errors on the part of Capita.
- 7.21 In October, TfL reported that on average 106,200 PCNs per month were issued (an average of 24,500 per week).¹⁴⁵ In November, TfL told us that Capita were then issuing some 40,500 PCNs per week (an increase of 65 per cent).¹⁴⁶ Significantly, Capita now have an incentive to increase the number of fines issued. The supplemental agreement entitles Capita to claim £4.90 for each fine which is paid – in part to ensure Capita's profitability from the Scheme.

¹³⁹ 'Congestion Charging', TfL Finance Committee papers, 18 November 2003

¹⁴⁰ Transport Committee meeting, 26 November 2003

¹⁴¹ Mayor's Question Time, 17 September 2003

¹⁴² *Public interest, private gain?*, GLA, October 2003.

¹⁴³ For details see Schedule 2, Supplemental Agreement at www.tfl.gov.uk/tfl/cc_csa.shtml

¹⁴⁴ Letter from TfL to Budget Committee, 17 November 2003

¹⁴⁵ *Congestion Charging: Six months on*, TfL, October 2003, 7.5

¹⁴⁶ Letter from TfL to Budget Committee, 17 November 2003

7.22 We agree with the Mayor that ‘freeloaders should not be able to get away with [not paying the charge].’¹⁴⁷ However, Capita and TfL’s reliance on congestion charging fines to increase their respective revenues (see paragraph 8.9) may have serious repercussions for many motorists in London. As discussed above, Capita’s record on customer service and enforcement has not been good. In their eagerness to issue fines, there is a danger that more errors may be made. As the AA Trust notes:

TfL have made it clear it will be stepping up enforcement and so it is inevitable there will be more victims of cloning suffering uncompromising and harsh action by TfL and ultimately bailiffs.

7.23 It is essential that greater enforcement is accompanied not only by more rigorous validation processes but also by better working relationships between TfL, Capita and the Metropolitan Police to deal effectively with criminal evasion.

Recommendation 11

We are concerned at the continued high levels of evasion being experienced. We fully support the attempts made to strengthen the existing enforcement regime. However, we are very concerned that the current financial incentives built into the enforcement regime to pursue evaders may penalise ‘innocent’ drivers. Financial incentives need to deliver accurate PCNs, not just more fines.

We will be closely monitoring enforcement of the Scheme to ensure that fines are being issued fairly and that TfL is taking prompt action to address disputed claims and deal with cloning and criminal evasion.

We further require TfL to examine issues around the problems customers have accessing the payment system.

8 Net revenue to fund transport initiatives

- 8.1 Even before the Scheme was introduced, estimates of net revenue had dwindled from £200 million¹⁴⁸ to £121 million per year.¹⁴⁹ Transport for London's most recent forecast is that the scheme will make £68 million in its first year (including income from penalty charge notices and enforcement).¹⁵⁰
- 8.2 The Mayor maintains that reducing congestion, not raising funding, is the primary aim of the Congestion Charging Scheme. However, as we pointed out last year, public acceptance of the charge depends on Londoners seeing any surplus from the Scheme being re-invested in the Capital's transport infrastructure.¹⁵¹ A survey conducted before the Congestion Charging Scheme was introduced showed that support for congestion charging increased from 30 per cent (i.e. most were against it) to 58 per cent (i.e. most were in favour of it) when told that all revenues raised would be used to improve public transport.¹⁵² TfL regularly cites 'significant surplus income' as one of the benefits of the scheme and proposed using this year's surplus to improve bus services in London and make London's roads safer.¹⁵³
- 8.3 However, in July 2003, TfL revised its budget 'partly in connection with [reduced] congestion charging income and partly due to other cost pressures.'¹⁵⁴ According to TfL, overestimations about the number of vehicles which would be paying the £5 charge (see Chapter 2), fewer commercial vehicles using the automated fleet scheme and higher than expected levels of evasion had led to lower than expected income from the Scheme.¹⁵⁵
- 8.4 In order to balance its books this financial year, TfL has identified savings of £124 million. Savings include postponing road improvements in Coulsdon Town Centre, rescheduling purchases of Docklands Light Railway carriages, deferring road maintenance, removing funding for medium and low priority congestion charging traffic schemes for outer London boroughs, reducing spending on road safety campaigns and delaying installation of CCTV on new buses.¹⁵⁶
- 8.5 This approach has exacerbated the considerable confusion about how surplus income from the Scheme will be spent. The business organisation, London First told us that 'people are unsure as to where the money raised from congestion charging is being spent.'¹⁵⁷ The connection between reduced income from the Scheme and the cutting of several initiatives originally scheduled to be paid for by the congestion charging scheme (e.g. installation of CCTV and road safety programmes) is far from clear.

¹⁴⁸ *The Mayor's Transport Strategy*, GLA, July 2001. p.424

¹⁴⁹ 'Mayor's Background Statement in Support of his Final Draft Consolidated Budget for 2003-04', GLA, Assembly meeting, 12 February 2003.

¹⁵⁰ Gross income for 2003/04 from the Scheme is projected to be £165m (including penalty charges). Total operational costs are projected to be £97m. These estimates include the expected consequences of the Supplemental Agreement. See 'Congestion Charging', TfL Finance Panel, 18 November 2003

¹⁵¹ Under the *GLA Act 1999*, net revenue from the Scheme must be spent on proposals which further the Mayor's Transport Strategy.

¹⁵² *Public Attitudes to Transport in England*, CfIT, May 2002

¹⁵³ 'Mayor's Background Statement in Support of his Final Draft Consolidated Budget for 2003-04', GLA, Assembly meeting, 12 February 2003.

¹⁵⁴ Budget Committee, 16 October 2003

¹⁵⁵ *Congestion Charging: Six months on*, TfL, October 2003, 4.3

¹⁵⁶ TfL Board Meeting Papers, 29 July 2003, Annexes 2 & 3

¹⁵⁷ Submission from London First

- 8.6 CBI told us that they were further concerned that the Government appears to have reduced its transport grant to London as a result of the congestion charging income. Despite an increase in its transport grant to TfL in 2003/04, the Government has indicated that it will reduce this amount by £200 million in 2005/06.¹⁵⁸ The AA Trust told us that it is:

dismayed that the government appears to have taken the initial revenue projections [for the Scheme] into account when considering its transport grant to TfL. If this is true, to any degree.. it would mean the scheme has been a financial disaster.

- 8.7 There are also congestion charging costs which are additional to original projections for 2003/04 or not currently reflected in net revenue. These include:
- A doubling of estimated annual costs for the adjudication's services at current levels from £700,000 to £1.5m.¹⁵⁹
 - An additional £10 million to develop the business case for designing, implementing and operating a western extension of the Zone¹⁶⁰
 - An additional £17 million over four years (starting 2003/04) to trial new technology for congestion charging.¹⁶¹
 - Traffic management costs of £23.8m (which are not included in the Scheme's operational costs for 2003/04).¹⁶²

Looking to the future and other costs

- 8.8 TfL estimate that net income from the central London Congestion Charging Scheme will be £80 million to £100 million in future years.
- 8.9 This estimate relies partially on smaller annual running costs in future years but also on greater income. In the short-term, assuming the numbers and kinds of vehicles entering the charging zone remain constant, the quickest way to increase income is through enforcement. TfL told us that:

the increase in PCNs issued should act as a greater deterrent to potential evaders which will encourage a positive cycle that initially leads to increased PCN income but ultimately encourages greater compliance and an increase in charge income and money for investment in transport across London.¹⁶³

- 8.10 As TfL admits, greater enforcement will lead to either greater compliance in paying the charge or avoidance of the Congestion Charging Zone altogether. Greater compliance will mean a decrease in income from PCNs (average payment £40 each) and an increase in £5 payments of the congestion charge. This raises some tricky questions about the future income from the Scheme. This may explain the comments of the Transport Commissioner, Bob Kiley, to Budget Committee Members:

I am hesitant to speculate about the future cost or revenue figures on congestion charging. I think you will find out as soon as we reach a conclusion as to where we are

¹⁵⁸ 'Mayor and Commissioner set out capital's case for additional transport funding', TfL Press release, 21 October 2003

¹⁵⁹ Letter from TfL to Transport Committee

¹⁶⁰ 'Congestion Charging', TfL Finance Committee papers, 9 July 2003

¹⁶¹ 'Congestion Charging', TfL Finance Committee papers, 18 November 2003

¹⁶² 'Congestion Charging', TfL Finance Committee papers, 18 November 2003

¹⁶³ Letter from TfL to Budget Committee, 17 November 2003

headed next, but I cannot tell you with certainty when that will be. To repeat, I would like us to get through early next year before reaching any firm conclusions.¹⁶⁴

- 8.11 We note that London is unlikely to receive significant revenue from the intellectual property rights of any implementation of a similar congestion charging scheme in other parts of the UK or the rest of the world. After the Mayor found that the idea could not be patented, TfL settled for an arrangement with Capita to get 10 per cent of the use of their software on other schemes. However, the Mayor told us that the money involved 'is not large'.¹⁶⁵

Recommendation 12

We question TfL's projections that the Congestion Charging Scheme will generate a net surplus of £80-100 million per year.

We require TfL to present a report to the Transport Committee which clearly identifies how congestion charging revenue will be spent this year and in future years.

¹⁶⁴ Budget Committee, 16 October 2003.

¹⁶⁵ Budget Committee, 11 September 2003.

Appendix A: Summary of Recommendations

	Recommendations	Page
1	<p>The Congestion Charging Scheme appears to have had no significant impact to date on roads on the edge or outside the zone.</p> <p>However, we will continue to monitor spending on complementary traffic measures to ensure that any necessary changes can be made quickly to reduce any adverse effects on boroughs.</p>	7
2	<p>The benefits of the Congestion Charging Scheme on emergency services are far from clear. We would like to see the relevant services – London Ambulance Service, Metropolitan Police Authority and London Fire and Emergency Planning Authority – examine the extent to which the Scheme is helping them to assist Londoners more quickly.</p>	9
3	<p>We are pleased to hear that there have been benefits from the Scheme for Londoners with mobility problems.</p> <p>We believe that further research should be undertaken into the experience of Blue Badge holders registering for exemption from the Congestion Charge.</p>	10
4	<p>We are pleased to see that TfL is responding to requests for considering additional groups for reimbursements. We look forward to TfL developing a systematic programme for considering such requests once results from the social monitoring programme are available in Spring 2004.</p>	11
5	<p>TfL should re-examine bus services after the first full year of the Scheme's operation to ensure that these services reflect the changed pattern of demand that the Congestion Charging Scheme has created so that resources created by quicker bus journey times can be redeployed to benefit London's commuters.</p>	14
6	<p>We remain concerned about the impact of the congestion charging scheme on retail businesses within the charging zone. We will be closely examining the results of TfL's business surveys in Spring 2004.</p> <p>Where problems are identified, TfL and local councils should develop joint action plans to ameliorate the impact of local traffic schemes on businesses. These action plans should examine parking times and charges, as well as the impact of controlled parking zones.</p>	19
7	<p>Many businesses, especially those in the delivery sector, do not appear to be able to take advantage of the Scheme's potential to increase their productivity.</p> <p>We believe that TfL should examine the extent to which changes to the London Lorry Ban could release the benefits of the Congestion Charging</p>	20

	<p>Scheme to London business. We also believe that TfL and central London boroughs should re-examine the current loading restrictions to see if changes could improve delivery times.</p>	
8	<p>We note that TfL can only consider the available survey evidence on the contribution of Congestion Charging to the additional costs of compliance for businesses in the first six month review of the scheme.</p> <p>Following the full year review there should be better evidence available on the costs to business and we believe TfL should re-examine the accuracy of its analysis on the costs of compliance to businesses.</p> <p>We support changes to the fleet account scheme provided they reduce the administrative burden on businesses. In particular, we recommend that TfL reduces the current 25 vehicle threshold for fleet accounts.</p>	21
9	<p>TfL should work more closely with London Boroughs to maximise the environmental benefits of the Congestion Charging Scheme. Greater emphasis should be given to “softer” measures for addressing congestion.</p> <p>TfL should work with London boroughs to ensure that parking within central London reflects the needs of the changed traffic conditions.</p>	22
10	<p>Poor customer service and problems with the administration of the scheme are unacceptable and undermine public confidence in the scheme as a whole.</p> <p>The Committee will require TfL to provide reports about customer service for the Congestion Charging Scheme every two months.</p>	24
11	<p>We are concerned at the continued high levels of evasion being experienced. We fully support the attempts made to strengthen the existing enforcement regime. However, we are very concerned that the current financial incentives built into the enforcement regime to pursue evaders may penalise ‘innocent’ drivers. Financial incentives need to deliver accurate PCNs, not just more fines.</p> <p>We will be closely monitoring enforcement of the Scheme to ensure that fines are being issued fairly and that TfL is taking prompt action to address disputed claims and deal with cloning and criminal evasion.</p> <p>We further require TfL to examine issues around the problems customers have accessing the payment system.</p>	27
12	<p>We question TfL’s projections that the Congestion Charging Scheme will generate a net surplus of £80-100 million per year.</p> <p>We require TfL to present a report to the Transport Committee which clearly identifies how congestion charging revenue will be spent this year and in future years.</p>	30

Appendix B: Evidentiary hearings and written evidence

Transport Committee Meetings

Monday 24 November 2003

- Henry Abraham, Head of Transport, GLA
- Bill Hamilton, Head of Group Public Affairs, TfL
- Graham Swinburne, Head of Policy and Transportation, Royal Borough of Kensington and Chelsea (RBKC)
- Councillor Daniel Moylan, Cabinet Member for Transportation, RBKC
- Councillor Brian Connell, Deputy Cabinet Member for Transportation, City of Westminster
- Sean Dwyer, Principal Transport Planner, City of Westminster
- Gordon Taylor, Chair of the West London Residents' Association
- John Waltan, Secretary, Paddington Residents Active Concern on Transport:
- Sheila Davies, Hyde Park Residents' Association
- David Lidgate, Small Business, Holland Park Avenue
- David Blagdon, Small Business, Paddington Street

Wednesday 26 November 2003

- Malcolm Murray-Clarke, Director of Congestion Charging, TfL
- Michelle Dix, Director of Congestion Charging, TfL
- Mary Rance, Director, CBI
- Minakshi Roy, Senior Policy Adviser (London), CBI

Written submissions

The AA	London Ambulance Service
ALG	London Cycling Campaign
British Motorcycle Federation	London Fire and Emergency Planning Authority
Bromley Borough Roads Action Group	London Transport Users Committee
Chelsea Residents' Association	Metropolitan Police
DART	RBKC
Federation of Small Business	Southwark Cyclists
Kennington Residents Association	St John's Ambulance
LB Hackney	Transport 2000
LB Havering	Westminster City Council
LB Hillingdon	
LB Redbridge	

Appendix C: Orders and translations

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Appendix D: Principles of Assembly scrutiny

The powers of the London Assembly include power to investigate and report on decisions and actions of the Mayor, or on matters relating to the principal purposes of the Greater London Authority, and on any other matters which the Assembly considers to be of importance to Londoners. In the conduct of scrutiny and investigation the Assembly abides by a number of principles.

Scrutinies:

- aim to recommend action to achieve improvements;
- are conducted with objectivity and independence;
- examine all aspects of the Mayor's strategies;
- consult widely, having regard to issues of timeliness and cost;
- are conducted in a constructive and positive manner; and
- are conducted with an awareness of the need to spend taxpayers money wisely and well.

More information about the scrutiny work of the London Assembly, including published reports, details of committee meetings and contact information, can be found on the GLA website at www.london.gov.uk/assembly

Appendix E: List of Transport Committee publications

The Transport Committee has also produced the following scrutiny reports, which can be downloaded free at: <http://www.london.gov.uk/assembly/reports/transport.jsp>

Congestion Charging - Westward Expansion?- A London Assembly response to the Mayor's consultation on expanding the Congestion Charge zone, December 2003

Access Improved - Progress on parking in Central London for people with mobility problems, November 2003

Building bridges? - A London Assembly response to the Thames Gateway Bridge consultation, August 2003

Flying into the future - The Transport Committee's response to the Government's consultation on air transport in the south-east, July 2003

Transport in Paris - A delegation's visit to Paris, July 2003

An Accident Waiting to Happen? - A Transport Committee investigation into the Chancery Lane derailment, June 2003

Getting the Public On Board - A Transport Scrutiny Update, April 2003

Mind the Gap - between what Londoners want and what Londoners get - Report of the Future Tube Priorities Investigative Committee, January 2003

Congestion Charging: the public concerns behind the politics, December 2002

Access Denied? - parking in Central London for people with mobility problems, July 2002

Alternatives to Congestion Charging, April 2002

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