

Greater London Assembly

Congestion Charging Scrutiny

Version 21 August

Background

The Greater London Assembly is charged with the scrutiny of policies being pursued by the Mayor. Accordingly, the Transport Policy and Spatial Development Committee has resolved to undertake an initial scrutiny of the Mayor's proposals for the introduction of Congestion Charging in Central London.

This initial scrutiny will focus on the fundamentals, rather than operating details. It is intended to concentrate on technical aspects of feasibility and effectiveness. In particular, it will seek to identify likely "show-stoppers" and issues which could have a significant impact on the implementation programme for the Mayor's proposed scheme, its financial viability or its effectiveness.

It is planned to complete this scrutiny by the middle of October so that it can be recognised by the Mayor in the assessment of responses to his initial consultation (with 300 selected organisation) and with the drafting of his Transport Strategy for London.

It is anticipated that the Committee will subsequently decide to scrutinise particular aspects of the Mayor's proposals for Congestion Charging together with any associated policies and measures.

The Committee has established a Panel of six members to undertake the scrutiny, and has appointed Martin Richards and Tony Travers as experts to advise it.

Objective

To undertake an initial technical review of the Mayor's proposals for Congestion Charging, to:

- 1 identify the objectives the Mayor is seeking to satisfy through Congestion Charging.
- 2 assess whether any of the objectives of the Mayor's proposed Congestion Charging scheme could reasonably be achieved by any other means.
- 3 assess the possibility of successful implementation of the proposed Congestion Charging scheme, within the time scale and budget proposed by the Mayor.
- 4 assess the likely extent of the impacts of the proposed Congestion Charging scheme on London and its people.
- 5 assess the financial viability and overall effectiveness of the proposed scheme relative to the Mayor's objectives.

It is not intended, for this scrutiny, to take evidence from representational bodies.

Structure

It is intended that there will be seven sessions of the Panel, each with a duration of between two and three hours. The first session will be with officials of the GLA and TfL. There will then be five sessions with independent technical experts (ie, not members of either GLA or TfL), focussing on particular topics. The final session will be with the Mayor.

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Timetable

The overall target is agree the Scrutiny Report for submission to the Mayor no later than the meeting of the Transport Policy and Spatial Development Committee scheduled for 7 November. To achieve that, the following dates are key:

- **Tuesday 5 September:** the Transport Policy and Spatial Development Committee consider and approve the Brief. The Brief is then finalised and witnesses confirmed.
- **Thursday 7 September:** Public Session 1, with officers of the GLA and TfL.
- **Week of Monday 11 September:** Public Sessions 2 (Enabling Procedures and Project Management), 3 (Transport Impacts), 4 (Social Impacts) and 5 (Technology and Compliance). Final details are yet to be confirmed.
- **Friday 22 September:** Public Session 6 (Costs and Revenues).
- **Friday 29 September:** Public Session 7 (The Mayor).
- **Week of Monday 16 October:** meeting of the Panel to consider draft report
- **Tuesday 7 November:** Transport and Spatial Development Committee considers draft Final Report.

Documentation

- report and presentation to Committee for 5 September on Scrutiny proposals,
- full audio recording on disk of each public session
- full transcript of each public session
- short report on each public session
- first draft report to Panel for 3 October on progress
- second draft report to Panel for meeting in week of 16 October
- final report to Committee on 7 November.

Session 1 - The Policy, and the GLA/TfL

Background

The GLA and TfL will be responsible for implementing the Mayor's proposed Congestion Charging scheme. It is important that the officers understand both his immediate objectives and his longer term goals, and appreciate the issues to be addressed in meeting them, including working within the constraints of the time and budget set for implementation of the Mayor's.

This session is intended to provide the Panel with an opportunity to:

- understand the objectives of the proposed policy, and its benefits relative to other possibilities.
- assess the potential capability of the officers of GLA and TfL to plan and manage the implementation of the proposed Congestion Charging scheme.

Objective

To investigate and analyse:

- 1 the objectives of the proposed policy, including congestion reduction, bus service improvement, environmental improvement and revenue generation.
- 2 the longer term objectives for the extension of Congestion Charging beyond Central London, to include:
 - a other congested centres - eg Croydon, Kingston,
 - b the whole of Inner London,
 - c the whole of Outer London.
- 3 the extent to which other policies/measures have been considered to achieve some or all of the Mayor's objectives for the proposed Congestion Charging scheme.

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- 4 the relationship between the proposed Congestion Charging scheme and other possible elements of the Mayor's Transport Strategy, in providing an integrated transport policy for London.
- 5 the level of confidence in the proposed digital camera based technology and arrangements for its testing in Central London prior to final commitment.
- 6 the nature of complementary policies and measures required to ensure the effectiveness of Congestion Charging, including improvements in the quality and the capacity of public transport services.
- 7 current estimates of:
 - a implementation costs,
 - b annual operating costs, including enforcement,
 - c annual revenues, including penalty revenuesand the confidence associated with these sums.
- 8 the necessary formal procedures to enable the implementation and operation of the proposed scheme, to ensure that it complies fully with statutory and regulatory requirements.
- 9 the arrangements to be made to ensure the level of compliance by road users likely to be required, from the outset, to avoid the effectiveness of the proposed scheme being seriously impaired by large scale non-compliance.
- 10 the arrangements made, and to be made, by GLA and TfL for the management of the implementation of the scheme together with all associated policies and measures (including traffic engineering and associated streetworks, traffic control, bus services).
- 11 the arrangements being made by TfL to ensure that it has the resources necessary to the implementation of the Mayor's proposed scheme, within his targeted time-scale, and within budget.

Session 2 - Enabling Procedures and Project Management

Background

The ROCOL Working Group was of the view that implementing a Congestion Charging scheme of the type proposed by the Mayor would take over three years, with operations not commencing before September 2003. This assumed that the system would be procured and financed by the public sector - that there would be no PFI/PPP arrangement, which would extend the implementation period. It also assumed that there would be no delay due to a Public Inquiry. The Mayor is proposing to adopt a much faster programme, implementing the scheme by mid 2002.

The procedures to be followed in implementing a Congestion Charging scheme are potentially complex and time-consuming. They are also new (indeed the powers provided under the Greater London Act could be amended in the Transport Bill currently before Parliament), and are thus untested.

The proposed system uses technology which has not previously been used in this particular context. While the record of public sector implementation of leading edge IT applications (and perceptions of London Transport's overall record of managing major projects) suggests that both time and cost overruns might be expected, the Mayor has set an ambitious target for starting operations. Achievement of the Mayor's target, if possible, would require highly capable project management.

This session is intended to provide Panel members with the opportunity to examine experts on the enabling procedures and on the management of complex and large projects with demanding time-scales and tight budgets.

Structure

The session will be in two parts. The first will be concerned with the procedures to be followed to ensure that the proposed scheme complies with statutory requirements, existing and anticipated. The second will be concerned with the project management requirements to ensure successful implementation, on time and within budget.

Objective

To:

- 1 determine the statutory procedures to be followed in order that implementation and operation of the proposed scheme comply with known and expected requirements (ie the Transport Bill currently before Parliament, as well as possible regulations yet to be put before Parliament).
- 2 assess the possibilities for pursuing a fast track approach through the procedures, and the associated risks, including formal challenges, such as Judicial Review.
- 3 understand the potential implications of any formal challenges for scheme implementation.
- 4 understand the main management and cost risks associated with implementing such a scheme, recognising the requirements and risks of the enabling processes
- 5 understand the primary project management requirements for the implementation of such a scheme, including the particular capabilities and structure of the management team.
- 6 assess the likely feasibility of successfully implementing the proposed scheme within the Mayor's proposed time-scale, and within budget.

Session 3 - Transport Impacts

Background

The traditional, primary, rationale for Congestion Charging is reducing demand through increasing the cost of vehicle use to (nearer) the true social cost. The evidence from the ROCOL study is that the Mayor's proposed scheme would reduce vehicular traffic (vehicle km) within the charged area, over the working day, by some 12%. The London Congestion Charging Research Programme also predicted a significant reduction in traffic flow within the charged area. However, the reduction outside the charged area would be much smaller, and traffic on some roads (mainly orbital routes) would increase, as traffic diverts around the charged area.

The models used in both studies have significant limitations, particularly in representing the links between traffic levels and journey speeds on Central and Inner London streets. Further, they will not have fully captured the changes in traffic flows on roads within Inner London (this is a greater weakness with ROCOL than the more extensive London Congestion Charging Research Programme). In addition, there are always dangers in using models to predict the effects of policies of which there is no prior experience. Despite careful research, it is not easy to forecast how individuals will respond in practice, and their response may differ between the short and longer terms, as their life-style changes or as they adapt to the "new" circumstances.

The impacts on traffic speeds are also dependent on other policies. Improving conditions for buses is likely to result in more limited beneficial changes for other vehicles, as would use of the released capacity for cyclists and pedestrians, or for environmental improvement projects, such as World Squares or local amenity measures.

Thus, assessing the likely impacts of the Mayor's proposed scheme on traffic in Central and Inner London is, in part, a matter of professional judgement.

Determining the potential for switching to public transport is directly dependent on assessing the responses of drivers, for whom a change of mode from car to public transport is only one option. Others include changing the time at which trips to the charged area are made (to avoid the charge),

changing destination, abandoning the trip, and combining previously separate trips to the charged area. It is thus prone to even more uncertainty than forecasting the net reduction in traffic. However, the ROCOL forecasts suggest that there could be a 3% increase in public transport trips to the charged area in the morning peak, including a 2% increase in bus trips.

In the short run, improvements in public transport will have to focus, mainly, on buses, in terms of both quality and capacity of services. There is little opportunity for immediate improvements in rail services, Underground or suburban.

This session is intended to provide members of the Panel with an opportunity to examine experts, to help them assess the likely impacts of the Mayor's proposed scheme on traffic, and the potential for improvements in public transport services.

Objective

To:

- 1 assess the nature and likely extent of the impacts of the proposed Congestion Charging scheme on traffic flows by area within London (Central, Inner and Outer) and by road type (radial, orbital; strategic, local), as well as by broad period of time of day.
- 2 assess the likely impact of the proposed charge on the slow modes, cycle and pedestrian, within and immediately adjacent to the charged area.
- 3 determine the ability of London bus operators to respond to the opportunities provided by, and needs arising out of, the implementation of Congestion Charging in Central London to improve the quality (including reliability) and capacity of their services, and the likely nature and extent of any such improvements.

Session 4 - Social Impacts

Background

Congestion Charging in Central London will have a variety of direct impacts on people who travel into or through the charged area. There will be some who gain; these might be bus users who benefit from improved services and less congestion, and both higher income car users and commercial vehicle operators whose time savings exceed the cost of the charge. There will also be some that lose; these might include car users for whom public transport does not meet their particular needs, and rail passengers due to increased overcrowding.

While both the London Congestion Charging Research Programme and ROCOL study reports on these aspects, identifying relevant groups which can be used for the assessment of these direct impacts has proved difficult within the constraints of data and model based analyses. Yet, it is very desirable that the main groups of losers are identified, so that due consideration can be given to the design and implementation of measures which ameliorate the adverse effects.

Congestion Charging is likely to have an indirect effect on the London economy, including housing and labour markets. Evidence from the London Congestion Charging Research Programme suggests that, over the longer term, Congestion Charging might cause population (and therefore house prices) in both Central and Inner London to increase, while those in Outer London might decrease. It noted, however, that these possible changes were very small when compared with the actual changes over recent decades.

The London Congestion Charging Research Programme found little evidence on the likely impacts of a Central London charge on jobs. Although it might be a problem for some businesses, it would only be one of a continuing series of changes. Overall, it was concluded that the evidence suggested that the effect of a charge on London's economy would be small, and would be unlikely to be adverse.

ROCOL did not study these impacts.

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This session is intended to provide Panel members with the opportunity to examine experts on the possible impacts of the proposed scheme on those who live in London, and on London's economy.

Objective

To:

- 1 assess the possible direct impacts of the proposed charge on different social groups, across different parts of London (Central, Inner and Outer), focusing on the identification of the likely winners and losers, and the extent of the impacts on the losers.
- 2 assess the possible impacts of the proposed charge on the residential property market, across sectors of that market in different parts of London (Central, Inner and Outer).
- 3 assess the possible impacts of the proposed charge on the employment market, across sectors of that market in different parts of London (Central, Inner and Outer).

Session 5 - Charge Technology and Compliance

Background

The success of Congestion Charging depends upon its acceptance by the vast majority of vehicle drivers entering the charged area during the charged period. That acceptance depends on a number of criteria including:

- a a perception that the Congestion Charging policy is reasonable,
- b a perception that the administration is accurate, efficient and fair,
- c the combination of the likelihood of being detected as a violator taken with the penalty being greater than the cost of regular compliance,
- d recognition that violators will be identified and successfully pursued.

Enforcement depends on the identification of the registration number of all vehicles entering the charged area, on matching those with a valid area licence and on identifying the name and address of the keeper of violators' vehicles.

While the basic technology is in use for security purposes and for toll, collection on Highway 401 in Toronto and Melbourne's CityLink motorway, it is unproven in the particular context of city congestion charging. Thus, its rapid implementation in London might be perceived as risky.

The pursuit of violators depends on the identification of the vehicle keepers through the DVLA records. Yet, it is reported that a significant proportion of those records are out of date or insufficiently accurate for the pursuit of keepers.

The identification and apprehension of those who deliberately avoid payment through making it impossible to identify them from the licence plate create a problem for enforcement, for which neither the London Congestion Charging Research Programme nor ROCOL found a fully satisfactory response. Providing the proportion of such offenders is low, this need not be a serious problem.

However, experience with poll tax indicates that there is a level of non-compliance beyond which people who are normally law-abiding decide not to comply, creating a snow-ball effect which can lead to a situation in which a policy is no longer enforceable, and so ceases to be effective.

This session is intended to provide members of the Panel with an opportunity to examine experts on the digital camera based technology which the Mayor is proposing to use, enforcement and the related topic of acceptability, and thus the potential for adequate levels of compliance, and the possible impacts of each of these elements on the feasibility of the Mayor's proposed scheme.

Objective

To:

- 1 assess the risks associated with using the proposed digital camera based technology linked with a database of licensed users.

- 2 identify the conditions which have to be satisfied to achieve an adequate level of compliance, in relation to:
 - a implementation costs,
 - b annual operating costs, including enforcement,
 - c annual revenues, including penalty revenues.
- 3 understand the issues involved in the accurate identification of both licensed vehicles and violators with the digital camera proposed technology, and the pursuit of violators through the vehicle records held by the DVLA.
- 4 understand the key issues which are likely to affect attitudes on the acceptability of the proposed charge, and factors which could contribute to increasing levels of non-compliance in the face of either opposition to the scheme or recognition that enforcement is inadequately effective.

Session 6 - Costs and Revenues

Background

The ROCOL study estimated the costs of implementing the proposed scheme to be between £30 and £50 million, and annual operating costs to be in the same range. Annual revenues, including those from penalties for violations, were estimated between £260 and £320 million. After allowing for annual costs, and changes in other costs and revenues, there would be net annual revenues (excluding implementation costs) of between £190 and £235 million. This analysis indicates that the financial returns would be significant.

However, the financial success of the proposed scheme is dependent on the robustness of both the cost and revenue estimates. Since there is no directly comparable scheme in operation, the estimation of costs can only be derived from desk based judgement of the necessary functions and the resources required to provide them. There must, therefore, be a margin of uncertainty associated with the current estimates.

Likewise with revenues; Session 3 addresses the transport impacts, and will seek to recognise the limitations of the traffic forecasts. Since the revenue forecasts are derived directly from the traffic forecasts, there is also a margin, possibly quite large, of uncertainty in these.

To reduce the immediate call on the GLA's finances, it would be possible to use PFI/PPP arrangements for the implementation and operation of the Congestion Charging scheme itself, and/or some of the associated measures. However, the ROCOL Working Group concluded that this would extend the time required for implementation, due to a more complex procurement process. The evidence suggests that the Mayor is planning to implement his proposed scheme using GLA funds and standard public sector procurement methods. However, it is possible for elements of the operation of the Congestion Charging scheme to be placed with the private sector, on an outsourcing contract.

This session is intended to provide Panel members with the opportunity to examine experts on costs and revenues, as well as procurement issues.

Objective

To:

- 1 identify the likely total costs (capital and revenue) of implementing the proposed scheme, including all necessary related policies and measures (such as traffic engineering and control works, improved bus services, etc), including the associated uncertainties and potential overall margins of "error".

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- 2 identify all the likely costs of operating the proposed scheme, including enforcement, as well as on-going costs necessarily associated with related policies and measures, including the associated uncertainties and potential overall margins of "error".
- 3 identify the likely annual revenues from licences and penalties, as well as on-going revenues from related policies and measures, including the associated uncertainties and potential overall margins of "error".
- 4 review the possible impacts on costs and timetable of any use of PFI and/or outsourcing in scheme implementation and operation.

Session 7 - The Mayor

Background

Given the information before him, including the findings of this Scrutiny, the Mayor has to decide:

- whether he can deliver his proposed scheme within the time he has set and within budget, and
- on the management arrangements he requires to achieve that delivery.

He also has to decide whether the likely costs, the disbenefits, are sufficiently outweighed by the likely revenues, and benefits, after taking account of the risks and uncertainties.

The purpose of this session is to provide the Panel opportunity to examine the Mayor on his Congestion Charging policy and its relation with other components of his Transport Strategy, and to also ask him for a formal response on the findings of the previous sessions of this Scrutiny and to take them into account in the formulation of his Transport Strategy.

Objective

To:

- 1 understand the Mayor's rationale for the introduction of Congestion Charging in Central London, its relationship with other elements of his anticipated Transport Strategy, and his expectations on its implementation more widely, in due course.
- 2 review with the Mayor the key issues identified in the preceding six sessions, including possible "show-stoppers", and other factors which might have a significant impact on.
 - a achieving the proposed programme, on time and within budget.
 - b the financial viability (ie, the revenues in relation to initial and on-going cost).
 - c the effectiveness of the proposed scheme, in particular relative to the Mayor's objectives.
- 3 understand the Mayor's assessment of the risks, and benefits.

The Scrutiny Panel

Members

Lynne Featherstone, Chair
John Biggs, Vice Chair
Angie Bray
Bob Neill, alternate: Roger Evans
Jenny Jones
Samantha Heath

Advisors

Martin Richards
Tony Travers

Greater London Authority

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Responses to Supplementary Questions to GLA and TfL officers

**From Lynne Featherstone,
The Chair of the Transport Policy & Spatial Development Policy Committee.**

1. Project Management

- Q 1.1 Please provide the job descriptions of:
the joint Assistant Directors of Congestion Charging, and also for their CVs and annual (equivalent) salaries.
the Project Manager, including an indication of the type of person TfL expects to be appointed to this post including his/her experience, age and level within their company.
the Team Leaders, including an indication of the experience, age and current seniority of the type of person TfL expects to appoint to these posts, and the salaries expected to be paid to the staff appointed.*

See *Project Overview* page 7 and figure 4. Draft job descriptions and team functions are attached in an Appendix. Salary levels are c. £75,000 for the Assistant Director post and c. £50,000 for Team Leader posts. The Project Manager will be procured as part of the management consultancy contract.

- Q 1.2 Please provide a statement explaining the arrangements being put in place to ensure both consistency in, and efficiency of, decision making between the two Assistant Directors, given that they will be working on a job-share basis?*

The Assistant Director role will operate as a single post reporting to the Project Director, Derek Turner. The two Assistant Directors will each work three days a week, both being present on Wednesdays, the day on which all general management meetings for the Scheme are planned to be held.

- Q 1.3 In order to clarify the respective line management responsibilities of the Assistant Directors and the Project Manager, please define the authority which the (consultant) Project Manager will have with respect to: the Team Leaders, and any contractors to TfL involved in preparations for, the design and/or implementation of congestion charging.*

See *Project Overview* pages 7 and 8 for information on the project organisation structure and the draft job descriptions which are attached in an Appendix.

- Q 1.4 How does TfL intend to allow for the participation of key stakeholders, such as the Police, London Boroughs and transport operators, in the management of the total project? Has consideration been given to the establishment of a Project Board, which could include stakeholders?*

See *Project Overview* figure 3 for the project governance structure. This has been designed to deliver a short decision chain to a Project Board chaired by the Mayor. The Mayor has already engaged in extensive stakeholder discussions and the Project Team are keen that this should continue.

Q 1.5 *Please provide a statement of the experience TfL has, and that which it would expect the consultant Project Manager to have, in the design, specification and supervision of implementing of systems consisting of different technologies and software systems and their integration on a scale comparable to that envisaged for congestion charging.*

Members of TfL Street Management have extensive experience in the design, specification and supervision of implementation of traffic engineering and control systems. Examples of major projects comparable with Congestion Charging include Red Routes, Urban Traffic Control and Bus Lane Enforcement Cameras. With respect to the Project Manager, this question is premature and any detailed response could prejudice tender procedures; however relevant experience will form an important input to the scheme.

Q 1.6 *Does TfL intend to invite tenders for the supply of the congestion charging system on the basis of detailed designs and specifications, or on the basis of a performance specification?*

See *Project Overview* page 3 for the procurement strategy. In general, we envisage the use of output specifications.

Q 1.7 *Please explain whether it is planned to let a single contract for the supply and implementation of the complete congestion charging system, or whether TfL will let a series of contracts.*

If it is intended to let a series of contracts, does TfL intend to take responsibility for managing integration? If not, how is it intended that this will be managed?

See *Project Overview* page 3 for the procurement strategy. This question is premature but, we envisage a series of contracts with the detailed arrangements for managing integration to be fully defined.

Q 1.8 *Has TfL given consideration to letting a contract to both supply and manage the operation of the congestion charging system?*

And doing this on a partnership basis?

See *Project Overview* page 3 for the procurement strategy. The question is premature but, as shown in the procurement strategy, it is intended that assets and long lead time items would be procured under a design, develop, test and manufacture contract and then provided to the operations contractor. The operations contracts would encompass partnership principles where appropriate.

Q 1.9 *Please provide an explanation of where, and how, TfL has managed to save a total of some 9 months from the ROCOL programme. Please also provide copies of any reports submitted by PricewaterhouseCoopers and other consultants on the review of the ROCOL programme.*

See *Project Overview* figure 2 which shows both the Project Overview programme and the ROCOL illustrative programme, and on page 5 the list of key points contributing to the shorter programme of the Project Overview.
See also the answer to question 1.10.

Q 1.10 *Please explain how much confidence TfL considers can reasonably be placed in the revised programme, given that only a timetable exists at present, not a full project plan, noting that the Project Plan provides the basis for ensuring consistency between critical path tasks.*

See *Project Overview* page 5 that explains what is required for the timescales set out in the *Project Overview* to be achieved.
Every week's delay in introducing a scheme results, according to ROCOL, in a £2M loss of benefits and a £4M loss in net revenue to contribute to transport improvements for London. The Project Plan / programme review is still under development. It is and will continue to be advice to the Mayor and therefore it is inappropriate for TfL to disclose this information.

Q 1.11 *Please provide a copy of the programme review due to be submitted by TfL to the Mayor in mid-September, as soon as reasonably possible once it has been presented to the Mayor.*

See the third part of the answer to question 1.10

Q 1.12 *Please explain whether the statement that resources will not be spent on contracts to implement any particular scheme, would allow for: Advertising in the OJ calls for contractors to pre-qualify or to tender, the preparation of Invitations to Tender, the dispatch of Invitations to Tender, the assessment of tenders, contract negotiations with tenderers, prior to publication of the Transport Strategy.*

TfL will not enter into any irrevocable contractual commitments for congestion charging prior to the completion of the consultation exercise on the Mayor's Transport Strategy. However TfL will and has commenced the procurement process for the provision of various goods and services to lay the basis of and to enable TfL to advise on the feasibility of and prepare for a possible congestion charging scheme. In the event that a scheme does not proceed all contracts can be terminated.

2. The Enabling Procedures

- Q 2.1 *What do GLA and TfL consider the nature and extent of the consultation process on congestion charging which is likely to prove satisfactory?
Should the consultation include London residents outside the charged area?
Should the consultation include organisations in London, outside the charged area?
Should the consultation extend beyond the GL area?*

No conclusive decisions have yet been taken on the consultation arrangements for congestion charging. TfL is currently taking advice on the structure of the consultation process that will be adopted. However the GLA expects to consult on the Transport Strategy throughout and beyond London.

- Q 2.2 *Under what circumstances, if any, do the GLA and TfL consider it would be necessary to have a second period of consultation?*

The current plans for consultation on the Transport Strategy and the details of a congestion charging scheme were set out in the discussion paper *Hearing London's Views* and in paragraphs 6,7 and 8 of the paper submitted by the GLA and TfL witnesses to the Scrutiny Panel on 7 September. In summary two periods of public consultation are currently planned: firstly in early 2001 on general principles and features, as part of the draft Transport Strategy; and secondly, following the publication of the final Transport Strategy, on the detail of the scheme and its operation.

- Q 2.3 *Under what circumstances do the GLA and TfL consider it might it be necessary for the Mayor to arrange a public inquiry?*

This question is premature and would be a matter for the Mayor. The matter also involves advice to the Mayor and hence it is inappropriate for TfL and GLA officers to comment.

Q 2. 4 *Do GLA and TfL consider it necessary to include details of any exemptions and reductions in the charge in the consultation documents?
If it is, will it be necessary to obtain the Secretary of State's prior approval?
Or, can that be obtained once the consultation responses have been analysed?*

The Mayor's proposals for exemptions and discounts are likely to be included as part of the consultation on the Mayor's Transport Strategy. In *Hearing London's Views* he identified a clear need to exempt emergency vehicles and his intention to exempt scheduled bus services and taxis. He also stated that he was very keen to provide an exemption for people with disabilities, who could face real difficulty in switching to other transport modes from the car, and sought views on how this could be done fairly and effectively.

The Secretary of State's prior approval is not required but he has the power to require exemptions or discounts by way of regulations under the GLA Act. At this stage neither the Mayor nor the Secretary of State has reached a decision on the extent of exemptions or discounts. However the Government has indicated that secondary legislation will provide for an exemption for emergency vehicles and some form of exemption for disabled persons.

Q 2. 5 *Do GLA and TfL consider it possible that effective enforcement might be compromised by the Human Rights Act?
If it is, are GLA and TfL aware whether the Government is planning to introduce legislation to ensure that congestion charging, and other traffic measures which depend on tracing and pursuing the keepers of vehicles, can be enforced effectively?*

TfL is confident that if a congestion charging scheme is implemented the scheme and its implementation will be consistent with all legal requirements and obligations. TfL and its legal advisors will review the details of a scheme for Human Right Act compliance when any detailed orders are in the process of development

Q 2. 6 *Does TfL intend to initiate implementation of the congestion charging scheme following publication of the Transport Strategy, rather than on completion of consultation on the congestion charging order? If the response is affirmative, then please provide an explanation of.,
the impact that might have on perceptions of the meaning of the consultations, and thus the potential for challenges to the process.
the types of contracts which might be entered into and works initiated prior to completion of consultation on the congestion charging order.
the extent to which the (subsequent) consultation process could influence the design of the scheme, and how might that be allowed for in any contracts previously let.*

Refer to page 5 of the *Project Overview* (first two bullet points in the centre of the page).

It will be seen that there will be two distinct public consultation exercises.

The first on the Transport Strategy would establish the principles of a scheme.

Thereafter the second consultation exercise would be restricted to details of a Scheme.

It will also be seen (second bullet point) that some aspects of procurement are scheduled to take place in parallel with a second consultation exercise on scheme details. However no contracts will be entered into or suitable contract break clauses will be provided for in the contracts so that any scheme that is proceeded with is consistent with any decisions which are made in the light of the consultation exercises.

TfL does not believe that there will be any reason for any adverse perceptions of the consultation process nor that there will be any legitimate ground for challenge.

No irrevocable contractual commitments relating to the congestion charging scheme itself will be entered into prior to the completion of the consultation exercise. However it is expected that contracts for the provision of consultancy services in relation to the procurement process and feasibility studies will be entered into prior to the consultation periods.

Q 2. 7 *Please provide:
a record of legal advice provided to GLA TfL on progressing towards implementation of congestion charging.
copies of all reports on the responses to the Discussion Document published by the Mayor in August, as soon as reasonably possible after they have been finalised.
copies of reports on consultations with representative organisations such as C81 and LCCI, as soon as reasonably possible after they have been finalised.*

Legal advice to TfL is the subject of client professional legal privilege and TfL do not consider it is appropriate to release this information.

As the Mayor has made clear, a summary report of the analysis of the written responses will be made available to the Assembly at the same time as the draft Transport Strategy.

All written responses will be included in the analysis and, unless indicated as confidential by the respondent, will be available for inspection.

3. The Transport Impacts

Q 3.1 *Could TfL please provide the paper on the effects of the charge on traffic outside the charged area, offered on Thursday 7 September?*

The traffic effects were discussed in the paper submitted on 7 September by the GLA and TfL witnesses - paragraphs 21 to 23. TfL agreed to provide further information on this issue, but this is not yet available.

Q 3.2 *It would be helpful if TfL could also provide a statement on the determination of priorities for re-engineering the road network outside Central London.*

Primary traffic management would comprise predominantly measures along the Inner Ring Road and on main roads outside the charging area to handle revised patterns of traffic and avoid diversion to local roads. Secondary traffic management would comprise other measures to take advantage of reduced traffic levels or to provide additional management of traffic within residential areas.

Q 3.3 *Please provide a statement on how the GLA and TfL expect to establish the criteria on which decisions will be made on the allocation between the different demands for use of the "additional" capacity in Central London, taking account of the interests of business, and commercial vehicle operators in increased efficiency through congestion reduction, as well as the need to ensure improved bus operating conditions and other interests, including pedestrians, cyclists and the environment, as well as plans for World Squares.*

This question is premature pending the Mayor's decision on the Transport Strategy and more detailed studies. It will be for the Mayor in his draft Transport Strategy to indicate the priorities by which released capacity arising from a central London congestion charging scheme would be allocated.

Q 3.4 *Please provide a statement explaining how TfL currently anticipates managing the possible effects of peaks immediately before the commencement of the charge period, and avoiding queues outside the charged area towards to the end of the charged period.*

This question is premature pending the Mayor's decision on the operational hours of a scheme and more detailed studies.

Q 3.5 *How does TfL expect to mitigate any adverse local traffic and consequential environmental effects in the area immediately outside the charged area?*

This question is premature pending more detailed studies.

4. The Social Impacts

Q 4.1 *Please provide such information as is available on the possible local effects of congestion charging on air quality, recognising that there may be increased traffic flows on some roads outside the charged area.*

The ROCOL studies concluded that the illustrative scheme would be unlikely to improve air quality in the charging area. As the majority of displaced traffic is likely to be cars, it is unlikely that there would be a discernible impact on the local levels of statutory pollutants. This assumption would, nevertheless, be subject to further analysis if a scheme were to proceed.

Q 4.2 *Please provide a statement on what further research is planned or envisaged on the effects of the charge on lower income groups, and on possible measures which might serve to mitigate any adverse effects.*

Consultants are currently considering the possible impacts on different income groups of a central London congestion charging scheme. Were a scheme to proceed, its impacts would be monitored.

Q 4.3 *Given that ROCOL did not include any extensive research on the effects on the economy of London, and that the London Congestion Charging Research Programme work was based largely on desk studies, please provide a statement on what further work is planned, or envisaged on the possible impacts. In particular, how is it intended that the potential effect of the charge on the retail trade within the charged area, and its competitiveness, will be assessed?*

Consultants are currently considering the possible economic impacts of a central London congestion charging scheme. Were a scheme to proceed, its impacts would be monitored.

5. Complementary Measures

- Q 5.1 *Please provide a note on any studies on the potential for London rail passengers to transfer to bus if the quality of bus services is improved. If there have been such studies, it would be helpful if the GLA and TfL could explain whether the measures they have described to the Panel to encourage the switch from rail to bus would fully offset the anticipated switch from car to rail. It would also be helpful if copies of the reports of any such studies could be made available to the panel.*
- Q 5.2 *What are the main steps involved in creating a new bus service? And what is the usual elapsed time required before the buses commence running?*
- Q 5.3 *Please provide any information TfL may have on:*
- the scale and nature of any changes in bus passenger traffic,*
- the increases in bus journey times and reliability, consequent upon the introduction of Red Routes.*
- Q 5.4 *Please provide a statement explaining the expected basis of any objective measures of improvement to bus services to determine whether the improvements are sufficient to provide an adequate complement to the congestion charge.*
- Q 5.5 *Please provide a statement explaining how it is expected that improvements in bus services will be targeted to ensure they reasonably match the main corridors within which car users or rail users are likely to switch to bus.*

We are preparing a response to these questions.

6. The Charge Technology and Compliance

Q 6.1 *Please provide details of the proposed plans for testing the digital camera technology, and arrange, in due course, for the results of those tests to be provided to the Panel.*

An assessment programme is currently being devised. It would generate commercially sensitive information which would be inappropriate to release.

Q 6.2 *How does the camera-based technology used for the enforcement of bus lanes differ from that proposed for the congestion charging?*

The cameras currently being used for the enforcement of bus lanes are video cameras using 'analogue technology' whereas the technology being considered for the enforcement of a congestion charging scheme would employ digital image recognition technology.

Q 6.3 *Is it anticipated that Home office type approval for the technology? If so, how long will obtaining approval require?*

The GLA Act governs type approval for congestion charging.

Q 6.4 *Introduction of the charge in the winter, when lighting, weather and dirt might be such as to test the reliability and accuracy, and thus credibility, of the system to its fullest from day 1, might be seen as taking avoidable risks. Please provide a statement explaining why December is seen as a suitable time, despite the potentially extreme conditions.*

It would be for the Mayor to decide when to introduce a scheme. The detailed design of any scheme would take account of its need to perform in all likely conditions throughout the year.

7. Finances

Q 7.1 *Please provide a statement of each budget item which relates directly and indirectly to the implementation and operation of the proposed congestion charging scheme. These are expected to include the:*

*direct capital costs of the charging scheme,
the direct costs of operating the congestion charging scheme,
the costs of the associated traffic engineering, signing and control works,
the costs of the complementary bus improvement measures, including the various phases of the London Bus Initiative, as well as (other) bus priority measures,
as well as any other items the GLA and TfL consider appropriate.*

As explained in the paper submitted to the Scrutiny Committee on 7 September, the ROCOL report estimated that the implementation of the scheme itself would cost £30M to £50M and suggested that the associated traffic management and complementary transport measures might cost as much as £100M. Operating costs for the ROCOL scheme were estimated at £30M to £50M per year.

Under the transport expenditure plans announced by Government in July this year a total of £3.2 billion of transport grant was allocated to TfL for the period 2001/02 to 2003/04. TfL has provisionally budgeted £250M over this period for the design, implementation and initial operation of a central London congestion charging scheme and associated traffic management and transport measures.

Substantial other funds are being considered for measures which would in particular improve enforcement and assist buses and encourage the use of public transport in London generally to complement a congestion charging scheme.

It is premature to provide further details in advance of the publication of the draft Transport strategy.

Appendix - Draft Job Descriptions / Team Functions

ASSISTANT DIRECTOR - CONGESTION CHARGING

Reports to: Interim Director, Street Management
-Transport for London

Direct subordinates: There will be 6-7 direct reporting lines.

Main purpose of job

Establish and operate the Congestion Charging function. Be the client for the project to develop and successfully implement an operational strategy for the London Congestion Charging Scheme, contributing to, and with reference to, the Mayor's Integrated Transport Strategy, as it emerges.

Key duties and accountabilities

- Managing the project team tasked with the overall design and delivery of the operational congestion charging scheme through the Project Manager.
- Development of an operational strategy for the overall delivery of the congestion charging scheme.
- Provide a senior input into Transport for London Street Management's business and budget planning. To exercise contractual and financial delegations.
- Managing the staff of the division, with particular emphasis on change management and team-building.
- Leading on the development of good working relations with key political and public stakeholders. To act as a senior client with internal and external contractors and consultants.

Management and financial responsibilities

The Division (30-50 staff and project management consultant support), for which the post-holder will be responsible, will undertake the following business processes with regard to congestion charging development, design, implementation and operation within Transport for London Street Management:

- Database and systems development
- Scheme development including the identification of operational and technical components using a detailed traffic model
- Detailed design of the scheme including:
 - cameras and other enforcement aids
 - central processing capability such as the enforcement database
 - communication links between roadside units and central unit
 - traffic management facilities
 - writing scheme orders
- Contract documentation and tender process
- Operational procedures development and implementation
- Development of consultation strategy for congestion charging with public and key stakeholders.

The post will have responsibility for expenditure of in excess of £100 million.

Person Profile

Qualifications and experience

The post-holder must be able to demonstrate experience in the following areas:

- Extensive, large multi-disciplinary project management and implementation in a public realm
- Management of consultants and service providers

- Managing the development and delivery of large scale and complex technical systems
- Partnering experience e.g. with boroughs, consultants and service providers
- Record of delivering on time and within budget
- Strategic planning and project delivery
- Representation of organisations internally and externally, to wide groups of stakeholders up to Director level
- Management of staff at a senior level
- Senior operational responsibility for traffic management
- Experience of developing and implementing complex traffic management schemes and systems
- Experience of dealing with public, politicians and media

Preferable qualifications/experience

- Graduate preferable
- Local authority engineer in a major urban area
- Chartered Engineer preferable

Knowledge (including key skills and technical specific elements)

The post-holder is expected to demonstrate the following knowledge:

- Good understanding of the transport issues affecting roads in London
- Strong leadership skills
- Understanding of complex/innovative contractual arrangements
- Understanding of relevant legislation (e.g. GLA1999, RTRA 1984, HA1980)
- Exceptional team manager
- Organisational skills, for self and team members
- Political awareness, understanding and handling

Personal Competencies and qualities required

The post-holder must demonstrate the following competencies:

Decision making

- Excellent decision making and problem solving ability

Building relationships

- Excellent influencing and networking skills
- Relationship management and consultative style
- Very good presentational and representational skills

Change management

- Excellent manager of change with appropriate controls in place to manage risk

Drive to achieve

- Excellent strategic thinker
- Output and outcome orientated
- Dedication and strong work ethic, driven to achieve success

Project Manager

A firm of Management Consultants will have the day to day responsibility for the delivery of the CCS. The selected firm will provide the CCS Project Manager as part of their overall team

The PM will be responsible for ensuring that all of the necessary project management and project co-ordination processes are in place to ensure the effective management of the project. The Project Manager will provide management information throughout the project to inform both the internal and external stakeholders on this highly visible project.

The Project Manager will be supported by a dedicated Project Support Office (also provided by the Management Consultancy) which will take responsibility for:-

Producing project management information; Document management; Detailed project planning and critical path analysis; Management of risk and key issues; Overall management and co-ordination of the procurement process for the scheme; Project cost control.

The Project Manager will manage the project with the support of six Team leaders.

Public Relations, Communications and Media Relations Team Leader

This team and its Team Leader will be provided by an external communications consultancy.

The Team Leader will be responsible for the day to day management of the project's public relations and stakeholder communications, implementing the project's stakeholder management strategy, which is currently being formulated.

The team will work closely with the Assistant Director to manage both reactively and proactively the impact of the project in the media and in London as a whole. The primary role is to ensure that there is efficient and timely communication to all stakeholders, to interpret and communicate stakeholders' views and to ensure that the project team are fully aware of the impact that changes to the scheme's scope could have on stakeholders' perception/acceptance of the project.

Scheme Integration Team Leader

The Scheme Integration team is responsible for managing three core aspects of the project.

Design Authority - The Scheme Integration team will be responsible for ensuring that each element of design meets the project objectives, and for design co-ordination between the teams.

During the concept definition phase of the project the team will develop the detailed definition of the scheme, working closely with the GLA to ensure that the current consultation processes are fully informed with sufficient details. Once the scope has been fixed in both policy and technical terms, the team will be responsible for managing the design change process.

With their broad understanding of the entire scheme this team will facilitate co-ordination of the other workstreams to ensure that there is a full understanding of the scope of the project and to ensure that key linkages between workstreams are in place.

Modelling - Traffic and transport models will be used to inform the development and design of a scheme and the consultation processes.

Monitoring - It is expected that there will be an extensive programme of impact monitoring which will be managed by this team.

Operations Team Leader

This team is responsible for the design of processes for the front (sales operations) and back offices and for the enforcement of the scheme.

Having designed the operational processes and with a full understanding of the likely volume of transactions (informed through the modelling exercises) for each process, the team will prepare the output specifications for the procurement of the front and back office operator and the enforcement operator. The team will work closely with the project office (who will co-ordinate the procurement process) to prepare the tender documentation and will contribute fully to the pre-qualification and tender processes.

Once the operators have been appointed, the Operations team will act as the client for operations through detailed design, prototyping and testing of the individual and system wide processes. The team will work with the Systems Integration team to ensure that the operational assets, e.g. databases and communications infrastructure, are compatible with the operator's systems.

The TL will be responsible for signing-off the systems when they are ready for operation. This team is also responsible for the marketing of the scheme to ensure that users are fully aware of the operational procedures such as where tickets can be purchased, how the post payment system works, the hours of operation and the level of fines.

The design of the enforcement operations will involve further specific responsibilities:

The design must ensure that all the processes are within the legislative framework for congestion charging. This will necessitate a close working relationship between a dedicated legislation co-ordinator within the team and the Department of Environment Transport and the Regions Division which is responsible for drafting the relevant secondary legislation.

The team will also need to work closely with the DVLA to design the most appropriate process for accessing the database of vehicle owner details. In doing this the team must ensure that the process can cope with the volume of requests and that the DVLA database is sufficiently accurate to provide the necessary level of confidence.

Guidance from the office of the Data Protection Commissioner will be required on data exchange and use.

The adjudication process for appeals against penalty charges is a key part of the enforcement process. It is currently felt that the appeals process should be operated in conjunction with the existing appeals organisation developed by London Boroughs for onstreet parking enforcement. The provision of a single focus to deal with all de-criminalised traffic enforcement issues, for parking, bus lanes and congestion charging, could provide a single point of reference for the public.

Liaison with the Association of London Government's Transport and Environment Committee and the design of the additional processes associated with appeals will be a key part of this enforcement team's work.

Systems Integration Team Leader

This team and its Team Leader will be provided by an external management consultancy.

The Systems Integration Team Leader and supporting team will be provided by the Management Consultants and will be responsible for the overall clienting of the Systems Integration (SI), including the procurement of the following TfL assets and services:

Systems Integration - to include all of the system's strategic databases and the communications infrastructure that links the core components of the system - these are likely to be procured through the same supplier; and

The hardware to be installed in retail outlets for the purchasing of tickets.

The interim project team will develop the Systems Integration Strategy (SIS) and the long-term SI team will be responsible for taking ownership of the SIS and continuing the establishment of the systems development environment (used to test configurations and connectivity of components).

It is currently envisaged that there will be a two-month hand-over between the interim SI team and the long-term SI team so as to ensure a full hand-over of the strategy. This period will be used to brief the new SI team, review the SIS work to date, complete the SIS in order that a frozen systems design can be agreed to be taken forward for procurement.

The long-term SI team will then be responsible for the detailed technical management of the procurement process working closely with the project office. The team will write the output specifications for the SI, databases and communications infrastructure contract, retail outlet assets contract and contribute to the output specifications for the other system assets e.g. camera infrastructure and front & back office operations.

The SI team will be responsible for the clienting of the chosen Systems Integration supplier through design, development, prototyping, implementation and testing. The SI team will also be responsible for designing and facilitating all of the systems testing (both individual components and pan-systems tests). The SI team has ultimate responsibility to prove that the end to end technical systems process works and is sufficiently robust for the commencement of operations.

Enforcement Team Leader

The Enforcement Team leader will be responsible for the provision of the enforcement infrastructure. The conceptual design of a scheme has up to 150 Automatic Number Plate Reader (ANPR) units as the primary method of enforcement with secondary enforcement provided by street patrols using specially trained and equipped enforcement staff.

The interim project team is undertaking a two-month assessment of current ANPR systems to assess their operational performance in a variety of central London circumstances. The primary objective of these assessments is to confirm that ANPR units can produce the efficiency of operation required for the CCS in London. The testing will also inform the Systems Integration Strategy work by demonstrating the different systems connectivity protocols.

Using the results of the camera assessment tests the enforcement team will write the output specification for the ANPR units and any other secondary enforcement infrastructure. They will work closely with the project office (who will co-ordinate the procurement process) to prepare the tender documentation and contribute fully to the pre-qualification and tender processes.

Once the ANPR provider (or providers) has been appointed the Enforcement team will act as the client through detailed design, configuration with the databases, implementation and system testing. The team will work with the Systems Integration team to ensure that the cameras are fully integrated with each element of the system.

Traffic Management Team Leader

This team is responsible for the design and implementation of all traffic management measures necessary to implement the scheme. During the conceptual design phases of the project the team will work closely with the Scheme Integration team, and specifically their modelling resources, to fully understand the direct impact of the scheme on the Inner Ring Road and the associated road networks.

Once the impacts on the road infrastructure are fully understood the Traffic Management team will procure the detailed design of the necessary road improvements. This may entail full-scale junction remodelling, minor junction remodelling, road closures or re-phasing of traffic control systems.

The majority of the design and implementation resources for this work will be provided through TfL Street Management's existing agreements with designers and term-maintenance contractors who maintain and re-model the Greater London Road network. The traffic management work necessary for the successful implementation of the congestion charging scheme must be undertaken in close co-ordination with the other traffic management initiatives that TfL Street Management is undertaking as part of business as usual and for other initiatives e.g. London Bus Initiative. Therefore, the traffic management work will be co-ordinated through the Area Teams, primarily North Central and South Central, to ensure that the design and on-street works are undertaken with the entire programme of activities in mind.

This team will be directly responsible for the provision of all of the signage for the scheme and the drafting and publication of the scheme specific Traffic Regulation Orders.

Appendix D



Greater London Authority
Romney House
Marsham Street
London SW1P 3PY
Switchboard 020 7983 4000

our ref
your ref
Date 14/09/2000

Tim Fairclough
Transport Strategy Department
Government Office for London
Riverwalk House
157/161 Milbank
London SW1 P 4RR

Dear Mr Fairclough

Re: Assembly Scrutiny into the Mayors Proposed Congestion Charge

As you may know the Assembly has asked the Transport Policy and Spatial Development Policy Committee to consider the Mayors proposal on the introduction of a congestion charge. I am writing to you as the Chair of that committee.

I understand that a member of our Secretariat contacted you on Monday 4th of September inviting you to attend one of the evidential hearings that the committee is holding. I read out the statement that you provided for the committee. I understand that you felt it inappropriate to appear before the Scrutiny panel but that you are willing to respond to written questions. Having taken expert advice we have therefore formulated the attached set of questions and are seeking a response to them.

Clearly the introduction of a congestion charge is of an immense interest and importance to the people of London. It would be unfortunate if the Assembly were not to hear the views of the Government Office for London in those circumstances.

It would be helpful if we could receive a response from yourselves by Monday 25th September 2000. This will assist the Committee to formulate questions that will be raised with the Mayor at the end of the month. Thank you in anticipation and I look forward to your response.

Yours sincerely

Lynne Featherstone
Chair - Transport Policy and Spatial Development Policy Committee
(At the first major review that the Assembly has undertaken)

GOVERNMENT OFFICE
FOR LONDON



Lynne Featherstone
Chair
Transport-Policy- and Spatial
Development Policy Committee
The Greater London Assembly
Romney House
Marsham Street
London
SW1P 3PY

10th Floor
Riverwalk House
157-161 Millbank
London SW1P 4RR

Tel: 020 7217 3247
Fax: 020 7217 3473
E-mail:
tfairclough.gol@go-regions.gov.uk

22 September 2000

Dear Ms Featherstone

ASSEMBLY SCRUTINY INTO THE MAYOR'S PROPOSED CONGESTION
CHARGE

Thank you for your letter of 14 September 2000.

Answers to the questions you have raised are set out in the attached note.

Yours sincerely

Tim Fairclough
Transport Branch
Government 1 GLA Liaison Unit



INVESTOR IN PEOPLE

The Greater London Assembly - Scrutiny of Congestion Charging

Questions agreed by the Transport Policy and Spatial Development Policy Committee to the Government Office for London,

Enabling Procedures and Project Management

- 1 Are you aware of any likely clauses in the Transport Bill which would affect the procedures which must be followed for the implementation of Congestion Charging in London?

No. But the GLA Act provides that a small number of aspects covering scheme implementation will depend on regulations made under the Act by the Secretary of State. These will cover scheme enforcement, minor accounting practices and exemptions to apply nationally.

- 2 Is it necessary for the Mayor to consult on the principle of charging as well as the detail of the scheme design?

The GLA Act leaves the scope of the consultation and the level of detail for the Mayor to decide.

- 3 What is the nature and extent of the consultation process statutorily required?

- Is it necessary to consult on a fully detailed scheme, or is the document published by TfL in August sufficient?

The nature and extent of the consultation process required by the GLA Act is for the Mayor to decide. He must demonstrate that he has acted reasonably in the consultation he has undertaken. He should take his own legal advice.

- 4 Having consulted, to what extent, if any, is the Mayor required to take heed of representations made to him?

The Mayor must demonstrate that he has acted reasonably in the consultation he has undertaken. He should take his own legal advice.

- 5 Can the formal congestion charging consultation procedures be commenced before publication of the Transport Strategy?

Yes.

- If not, must they wait until after finalisation of that Strategy?

N/A.

- Or can they be conducted in parallel with consultation on the Strategy?

Yes.

- 6 Is it necessary to include details of any exemptions and reductions in the charge in the consultation documents?

It, would be reasonable for the Mayor to set out initial thoughts and invite comments

- If it is, will it be necessary to obtain Secretary of State's prior approval?

No.

- Or, can that be obtained once the consultation responses have been

The Secretary of State's consent is not required The Mayor must conform to any secondary legislation on exemptions The Government has said that this will provide an exemption for emergency vehicles and some form of exemption for disabled persons The Mayor may make additional exemptions as he sees fit.

- 7 Is it possible that effective enforcement might be compromised by the Human Rights Act?

We will ensure that the regulations that will be drafted to provide for the effective enforcement of charging schemes will be compatible with Human Rights legislation.

- If it is, are you aware whether the Government is planning to introduce legislation to ensure that congestion charging, and other traffic measures which depend on tracing and pursuing the keepers of vehicles, can be enforced effectively?

N/A



Greater London Authority
Romney House
Marsham Street
London SW1P 3PY
Switchboard 020 7983 4000

our ref
your ref
Date 14/09/00

Derek Turner
Director, Street Management
TfL
13th Floor
42-50 Victoria Street
London SW1 H, ONW

Dear Derek,

Re: Assembly Scrutiny of the Congestion Charging - Proposals of the Mayor

As chair of the Transport Policy and Spatial Development Policy committee I would like to thank you for your attendance at the Congestion Charging Scrutiny panel on Thursday 7th September 2000.

From speaking to several members of the committee, it is clear that they found your evidence extremely interesting and enlightening. The panel has the intention of completing their review within a very short time scale in order that, lessons learnt can be fed back to the Mayor and add value to his Congestion Charging proposals.

During the session we jointly identified a number of points and information that will assist in taking this review forward. In addition to that, a number of questions have arisen subsequently which I would be extremely grateful if you could address. Please find attached the full list of questions; which incorporate both aspects and will be of immense help to the panel. It is intended to hold an evidence session with the Mayor at the end of the month, and it would be helpful if your response could be available by 25th September. Should you have any further queries please liaise with J Kistasamy on 020 7983 4213 who would be happy to help.

May I again thank you for your attendance at the first major scrutiny review that the Assembly has undertaken.

Yours sincerely

Lynn Featherstone
Chair - Transport Policy & Spatial Development Policy Committee

1 Project Management

1.1 Please provide the job descriptions of:

- the joint Assistant Directors of Congestion Charging, and also for their CVs and annual (equivalent) salaries.
- the Project Manager, including an indication of the type of person TfL expects to be appointed to this post including his/her experience, age and level within their company.
- the Team Leaders, including an indication of the experience, age and current seniority of the type of person TfL expects to appoint to these posts, and the salaries expected to be

1.2 Please provide a statement explaining the arrangements being put in place to ensure both consistency in, and efficiency of, decision making between the two Assistant Directors, given that they will be working on a job-share basis?

1.3 In order to clarify the respective line management responsibilities of the Assistant Directors and the Project Manager, please define the authority which the (consultant) Project Manager will have with respect to:

- the Team Leaders, and
- any contractors to TfL involved in preparations for, the design and/or implementation of congestion charging,

1.4 How does TfL intend to allow for the participation of key stakeholders, such as the Police, London Boroughs and transport operators, in the management of the total project?

- Has consideration been given to the establishment of a Project Board, which could include stakeholders?

1.5 Please provide a statement of the experience TfL has, and that which it would expect the consultant Project Manager to have, in the design, specification and supervision of implementing of systems consisting of different technologies and software systems and their integration on a scale comparable to that envisaged for congestion charging.

1.6 Does TfL intend to invite tenders for the supply of the congestion charging system on the basis of detailed designs and specifications, or on the basis of a performance specification?

1.7 Please explain whether it is planned to let a single contract for the supply and implementation of the complete congestion charging system, or whether TfL will let a series of contracts.

- If it is intended to let a series of contracts, does TfL intend to take responsibility for managing integration? If not, how is it intended that this will be managed?

1.8 Has TfL given consideration to letting a contract to both supply and manage the operation of the congestion charging system?

- And doing this on a partnership basis?

1.9 Please provide an explanation of where, and how, TfL has managed to save a total of some 9 months from the ROCOL programme. Please also provide copies of any reports submitted by PricewaterhouseCoopers and other consultants on the review of the ROCOL programme.

1.10 Please explain how much confidence TfL considers can reasonably be placed in the revised programme, given that only a timetable exists at present, not a full project plan, noting that the Project Plan provides the basis for ensuring consistency between critical path tasks.

1.11 Please provide a copy of the programme review due to be submitted by TfL to the Mayor in mid-September, as soon as reasonably possible once it has been presented to the Mayor.

1.12 Please explain whether the statement that resources will not be spent on contracts to implement any particular scheme, would allow for:

Congestion Charging Scrutiny - Questions for Written Response by GLA and TfL

- advertising in the OJ calls for contractors to pre-qualify or to tender,
- the preparation of Invitations to Tender,
- the dispatch of Invitations to Tender,
- the assessment of tenders,
- contract negotiations with tenderers, prior to publication of the Transport Strategy.

2 The Enabling Procedures

- 2.1 What do GLA and TfL consider the nature and extent of the consultation process on congestion charging which is likely to prove satisfactory?
- Should the consultation include London residents outside the charged area?
 - Should the consultation include organisations in London, outside the charged area?
 - Should the consultation extend beyond the GL area?
- 2.2 Under what circumstances, if any, do the GLA and TfL consider it would be necessary to have a second period of consultation?
- 2.3 Under what circumstances do the GLA and TfL consider it might be necessary for the Mayor to arrange a public inquiry?
- 2.4 Do GLA and TfL consider it necessary to include details of any exemptions and reductions in the charge in the consultation documents?
- If it is, will it be necessary to obtain the Secretary of State's prior approval?
 - Or, can that be obtained once the consultation responses have been analysed?
- 2.5 Do GLA and TfL consider it possible that effective enforcement might be compromised by the Human Rights Act?
- If it is, are GLA and TfL aware whether the Government is planning to introduce legislation to ensure that congestion charging, and other traffic measures which depend on tracing and pursuing the keepers of vehicles, can be enforced effectively?
- 2.6 Does TfL intend to initiate implementation of the congestion charging scheme following publication of the Transport Strategy, rather than on completion of consultation on the congestion charging order?
- If the response is affirmative, then please provide an explanation of:
 - the impact that might have on perceptions of the meaning of the consultations, and thus the potential for challenges to the process.
 - the types of contracts which might be entered into and works initiated prior to completion of consultation on the congestion charging order.
 - the extent to which the (subsequent) consultation process could influence the design of the scheme, and how might that be allowed for in any contracts previously let.
- 2.7 Please provide:
- a record of legal advice provided to GLA/TfL on progressing towards implementation of congestion charging.
 - copies of all reports on the responses to the Discussion Document published by the Mayor in August, as soon as reasonably possible after they have been finalised.
 - copies of reports on consultations with representative organisations such as CBI and LCCI, as soon as possible after they have been finalised.

3 The Transport Impacts

- 3.1 Could TfL please provide the paper on the effects of the charge on traffic outside the charged area, offered on Thursday 7 September?

Congestion Charging Scrutiny - Questions for Written Response by GLA and TfL

- 3.2 It would be helpful if TfL could also provide a statement on the determination of priorities for re-engineering the road network outside Central London.
- 3.3 Please provide a statement on how the GLA and TfL expect to establish the criteria on which decisions will be made on the allocation between the different demands for use of the "additional" capacity in Central London, taking account of the interests of business, and commercial vehicle operators in increased efficiency through congestion reduction, as well as the need to ensure improved bus operating conditions and other interests, including pedestrians, cyclists and the environment, as well as plans for World Squares.
- 3.4 Please provide a statement explaining how TfL currently anticipates managing the possible effects of peaks immediately before the commencement of the charge period, and avoiding queues outside the charged area towards the end of the charged period.
- 3.5 How does TfL expect to mitigate any adverse local traffic and consequential environmental effects in the area immediately outside the charged area?
- 4 The Social impacts**
- 4.1 Please provide such information as is available on the possible local effects of congestion charging on air quality, recognising that there may be increased traffic flows on some roads outside the charged area.
- 4.2 Please provide a statement on what further research is planned or envisaged on the effects of the charge on lower income groups, and on possible measures which might serve to mitigate any adverse effects.
- 4.3 Given that ROCOL did not include any extensive research on the effects on the economy of London, and that the London Congestion Charging Research Programme work was based largely on desk studies, please provide a statement on what further work is planned, or envisaged on the possible impacts. In particular, how is it intended that the potential effect of the charge on the retail trade within the charged area, and its competitiveness, will be assessed?
- 5 Complementary Measures**
- 5.1 Please provide a note on any studies on the potential for London rail passengers to transfer to bus if the quality of bus services is improved. If there have been such studies, it would be helpful if the GLA and TfL could explain whether the measures they have described to the Panel to encourage the switch from rail to bus would fully offset the anticipated switch from car to rail. It would also be helpful if copies of the reports of any such studies could be made available to the panel
- 5.2 What are the main steps involved in creating a new bus service? And what is the usual elapsed time required before the buses commence running?
- 5.3 Please provide any information TfL may have on:
- the scale and nature of any changes in bus passenger traffic,
 - the increases in bus journey times and reliability, consequent upon the introduction of Red
- 5.4 Please provide a statement explaining the expected basis of any objective measures of improvement to bus services to determine whether the improvements are sufficient to provide an adequate complement to the congestion charge.

Congestion Charging Scrutiny - Questions for Written Response by GLA and TfL

5.5 Please provide a statement explaining how it is expected that improvements in bus services will be targeted to ensure they reasonably match the main corridors within which car users or rail users are likely to switch to bus.

6 The Charge Technology and Compliance

6.1 Please provide details of the proposed plans for testing the digital camera technology, and arrange, in due course, for the results of those tests to be provided to the Panel.

6.2 How does the camera-based technology used for the enforcement of bus lanes differ from that proposed for the congestion charging?

6.3 Is it anticipated that Home office type approval for the technology? If so, how long will obtaining approval require?

6.4 Introduction of the charge in the winter, when lighting, weather and dirt might be such as to test the reliability and accuracy, and thus credibility, of the system to its fullest from day 1, might be seen as taking avoidable risks. Please provide a statement explaining why December is seen as a suitable time, despite the potentially extreme conditions.

7 Finances

7.1 Please provide a statement of each budget item which relates directly and indirectly to the implementation and operation of the proposed congestion charging scheme. These are expected to include the:

- direct capital costs of the charging scheme,
- the direct costs of operating the congestion charging scheme,
- the costs of the associated traffic engineering, signing and control works,
- the costs of the complementary bus improvement measures, including the various as well as any other items the GLA and TfL consider appropriate.



Management

Lynn Featherstone
Chair - Transport Policy and
Spatial Development Policy Committee
Greater London Authority
Romney House
Marsham Street
LONDON SW1 P 3PY

27 September 2000

Dear Lynne

Assembly Scrutiny of Congestion Charging

Thank you for your letter dated 14 September, received here on 18 September. I am pleased that the members of your panel have found the evidence that we presented of interest.

With your letter you asked for further information on various aspects of congestion charging in a series of questions. Similar questions were posed to the GLA. I am responding on behalf of TfL and GLA.

In order to provide you with a comprehensive explanation of how we see a scheme developing as part of the Mayor's Transport Strategy, and to answer many of the questions attached to your letter, I enclose ten copies of a *Project Overview* for you and members of your panel.

Many of the questions you raise relate to issues where TfL does not yet have a concluded view or final answer. Furthermore our legal and technical advisors have pointed out that there are questions which raise issues which are privileged and or where to disclose any further information may prejudice advice to the Mayor or constitute a breach of public procurement regulations. There are also matters where the relevant information is still being assembled or prepared.

The attached table explains our position on each of the questions and provides cross-references to the *Project Overview* and, where available, further information.

I trust this is satisfactory.

DEREK TURNER
INTERIM DIRECTOR OF STREET MANAGEMENT

Transport for London
Street Management Directorate

Congestion Charging Scheme

PROJECT OVERVIEW

26 September 2000

Congestion Charging Scheme - Project Overview

Consultation on the introduction of a Congestion Charging Scheme (CCS) in central London is one of the Mayor's priority election commitments. Policy setting for the scheme is underway, led by officers in the Greater London Authority, through the preparation of the Mayor's Transport Strategy. The strategy will be issued in draft to the Assembly for consultation in November 2000 and for public consultation in January 2001. The Mayor's formal Transport Strategy is expected to be finalised in June 2001.

Transport for London would be the charging authority for the scheme, and responsible for its implementation. In order to support the consultation process, examine and confirm the feasibility of the scheme, and prepare for its implementation, Transport for London Street Management (TfL SM) is:

- Establishing a Congestion Charging Division and mobilising a project team; and
- Preparing a "Project Definition and Strategic Plan" for the scheme.

The Project Definition and Strategic Plan is a working document for the project team and will be used to inform the consultation process. This Project Overview summarises the scheme and the plans for its development and implementation.

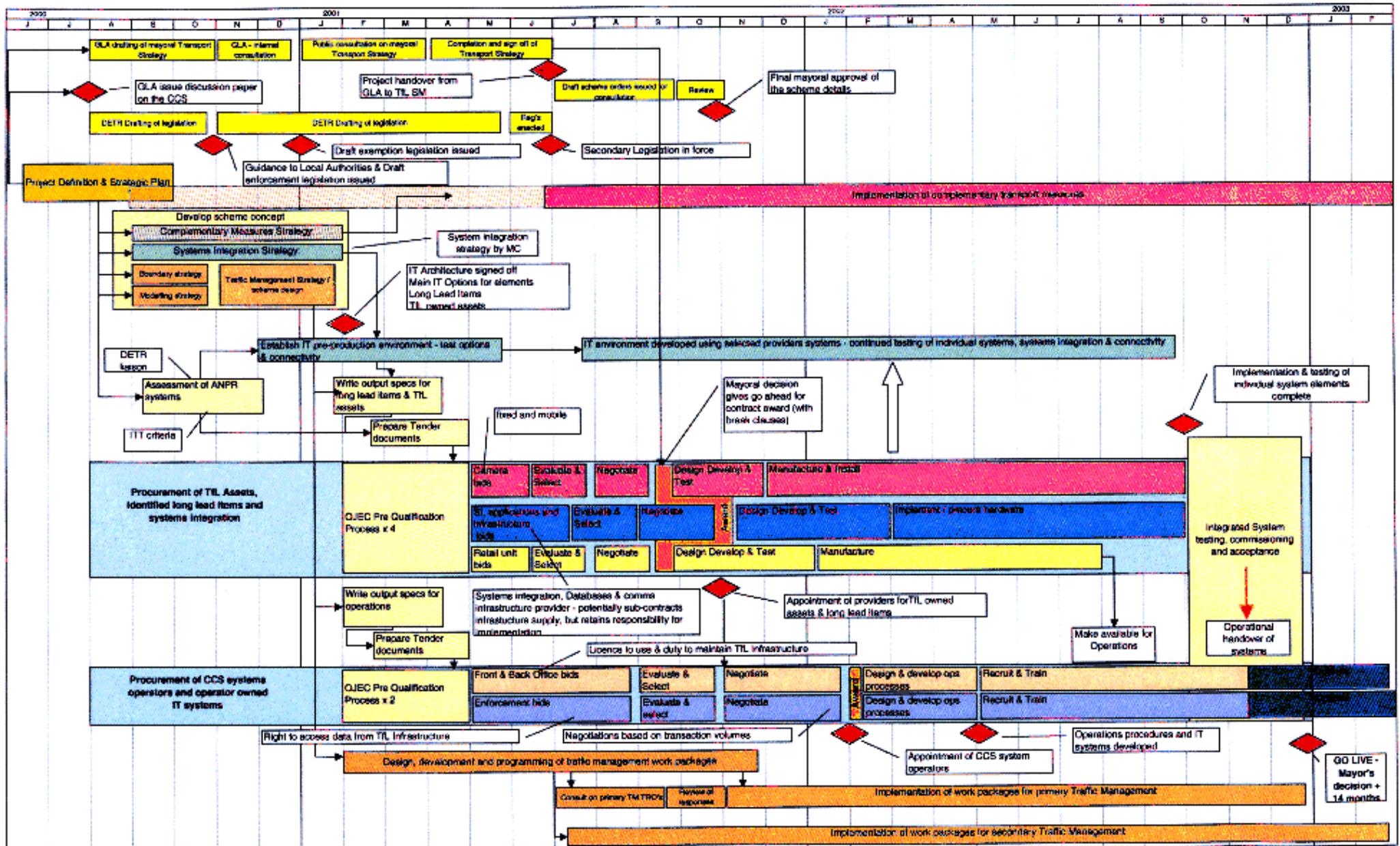
The prospective scheme

It is envisaged that implementation of the Mayor's integrated Transport Strategy will provide people with a choice of easy and affordable access to a full range of transport services, including attractive and sustainable alternatives to the car. Congestion Charging is likely to be a key element in the delivery of this strategy. It would support the Mayor's economic and environmental goals by reducing congestion in central London and beyond and by facilitating more effective operation of public transport. It would also support his social and accessibility goals. The Road Charging Options for London (ROCOL) report says that congestion charging ...

"... could bring together elements in a way that other measures could not:

- *It could reduce traffic levels by a much greater extent than other available measures;*
- *As long as the revenue was truly additional, it could finance improvements to public transport, giving London and the Mayor greater control over London's destiny; and*
- *Surveys undertaken as part of our studies suggest that London residents regard charging people for driving or parking their cars in parts of London as the most acceptable method of raising funds for public transport investment. "*

Figure 1: Procurement Strategy and Timetable



The key features of the scheme as currently envisaged in the discussion document "*Hearing London's Views*", which was based on the ROCOL report, are as follows:

- Drivers of vehicles in the charging area would be required to purchase a licence which would entitle them to use their vehicle in central London during the charging period;
- The process for purchasing a licence will record the vehicle's registration number in an enforcement system;
- A suggested daily licence fee of £5 or cars with possible variations for other vehicle types and weekly, monthly and annual equivalents;
- Licences could be purchased at a range of retail outlets, by post or phone, or through the Internet;
- Charging would apply for a defined period throughout the week, currently envisaged as Monday to Friday, 7am to 7pm, with a grace period for post payment;
- The enforcement area is bounded by the Inner Ring Road (charges apply inside, not on the boundary);
- Limited exemptions and discounts will apply;
- Number plates will be read by digital cameras and checked against the enforcement system;
- Penalties for vehicles in the area and not licenced will be issued to registered vehicle keepers;
- Vehicle keeper details will be retrieved from the DVLA;
- An appeals process similar to the system for decriminalised parking violations will be implemented;
- Improvements to public transport to precede implementation to provide alternatives to the car (known as complementary transport measures); and
- Traffic management will be improved to cope with displaced traffic around the charged area.

Implementation objectives

Early implementation of congestion charging would secure substantial transport and economic benefits¹ for London, and allow other Mayoral initiatives to proceed. The scheme's implementation objectives, in priority order, are therefore as follows:

1. Timing: to inaugurate a congestion charging scheme by the end of December 2002;
2. Quality: to implement a scheme that can perform to the required level of service; and Cost: to achieve the implementation and operation of the scheme at the lowest cost consistent with best value concepts.
3. Cost: to achieve the implementation and operation of the scheme at the lowest cost consistent with best value concepts.

Procurement strategy and timetable

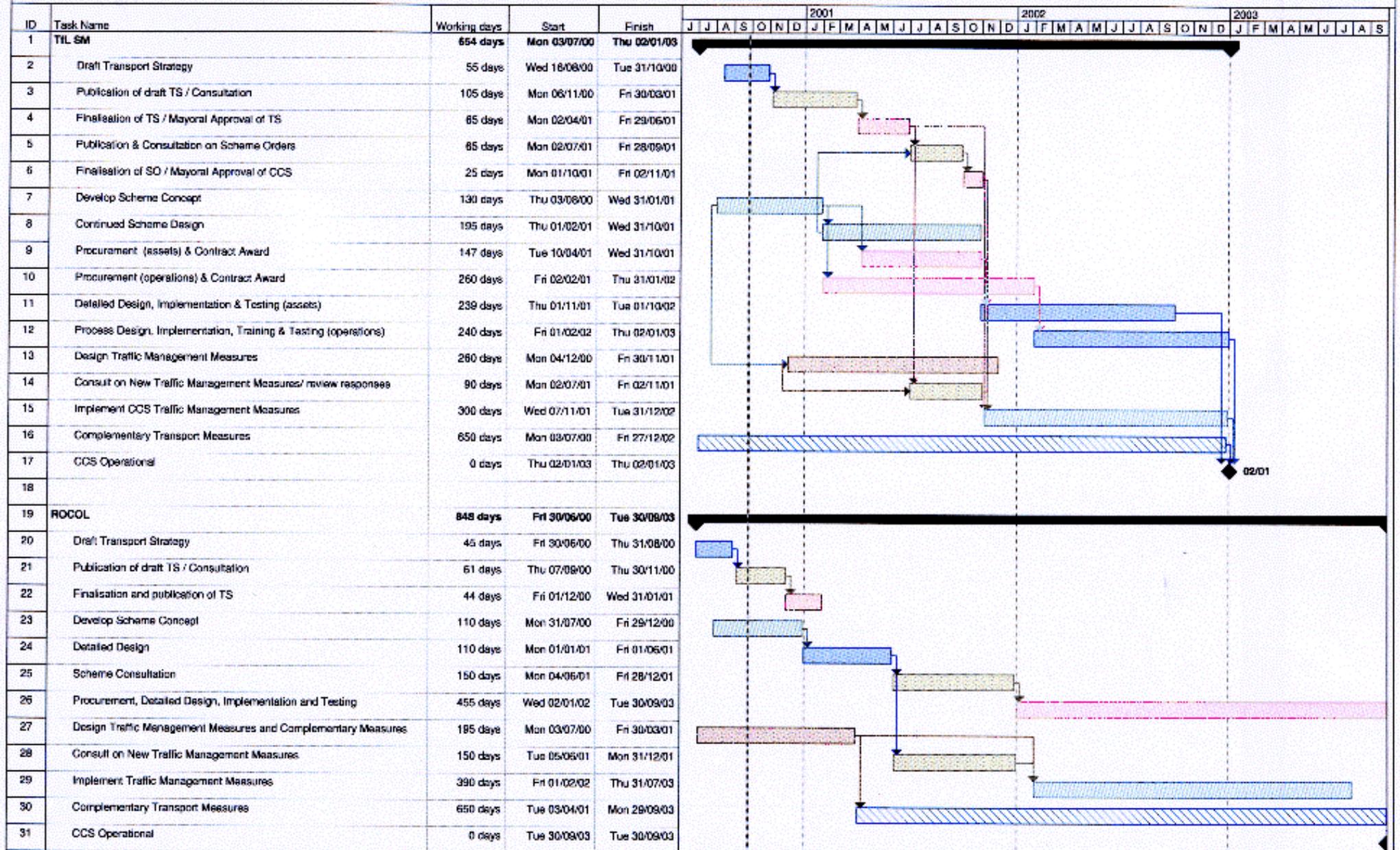
The procurement strategy for the scheme has been designed specifically to meet the required timescale. Counsel opinion on the propriety of the strategy is positive.

The strategy and outline timetable are shown in Figure 1. The key features are:

- Early removal of implementation risk to the scheme through:
- The development of systems and engineering strategies (including systems integration and area boundaries); and
- Technology system trials (e.g. Automatic Number Plate Recognition (ANPR) systems);
- TfL SM in direct control over implementation risks;

¹ The ROCOL report indicates potential social benefits in the order of £2M per week and additional revenue opportunities of the order of £4M per week.

Figure 2: Comparison between TfL SM prospective programme and ROCOL programme for the CCS



- Establishment of pre-production IT environment for early testing of options and connectivity leading to a fully integrated system-wide acceptance of the solution;
- Early procurement of TfL SM assets and long lead items immediately following the formal Mayoral approval of the Transport Strategy (envisaged to be end of June 2001);
- Front Office, Back Office and Enforcement Operations provided by external suppliers using existing "off the shelf" technology; Traffic Management designed and delivered through existing TfL SM operational teams; and
- Complementary Transport Measures co-ordinated within the Congestion Charging Division, but delivered by other relevant parts of TfL (e.g. London Bus Initiative) and, where appropriate, the London Boroughs.

The prospective programme to achieve an operational scheme by the end of December 2002 is 9 months shorter (30 rather than 39 months) than the illustrative programme suggested in the ROCOL report. Figure 2 shows a comparison of the two programmes. The key points that contribute to the shorter programme are:

- Consultation on the Transport Strategy will establish the principles of a CCS enabling Scheme Order and Traffic Order consultations to focus on the details - this allows consultation and scheme design to be overlapped;
- Procurement is scheduled in parallel with both consultation and scheme design - bringing forward the involvement of asset and operation suppliers (without reducing the overall time for design, implementation and testing and without requiring implementation contracts to be awarded before the Transport Strategy is signed off);
- The period for implementation of core traffic management measures is shorter as the primary roads for the scheme are on the Greater London Road Network (GRN) and are therefore within TfL SM control; and
- Work on complementary transport measures such as the London Bus Initiative has been ongoing since July - bringing forward the timetable implementation of these measures.

On this basis, the time objective is challenging but achievable provided that:

- The envisaged scheme receives support at its consultation stages;
- The assumed periods for consultation and consideration of responses on both the Transport Strategy and Scheme and Traffic Orders can be maintained and are not extended or delayed;
- Legal challenges to the scheme do not result in a judicial review or litigation;
- It is determined that no public inquiry is necessary;
- Existing "off the shelf" technology is implemented to support the scheme - no new technologies are required to be developed;
- Political, strategic and management decisions are taken in line with the governance arrangements outlined below - delays will impact the implementation date;
- The physical boundaries of the charging area are defined by GRN roads;
- The minimum necessary traffic management and complementary transport measures are in place prior to the inauguration of the scheme; and
- Sufficient resources are applied.

Figure 3: Project Governance Structure

Internal Stakeholders to be informed/consulted	Core Project Governance Structure	Members	Meeting frequency	Meeting objectives
<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px; margin: 2px;">TfL Board</div> <div style="margin-left: 10px;">}</div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px; margin: 2px;">Executive Mgt Committee</div> <div style="margin-left: 10px;">}</div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px; margin: 2px;">Street Management</div> <div style="margin-left: 10px;">}</div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px; margin: 2px;">TfL CEO AM</div> <div style="margin-left: 10px;">}</div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px; margin: 2px;">CCS TfL SM Mgt liaison group</div> <div style="margin-left: 10px;">←</div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px; margin: 2px;">GLA CCS team</div> <div style="margin-left: 10px;">←</div> </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin: 2px;">CCS TfL SM Team Leader liaison group (2 weekly)</div> <div style="margin-left: 10px;">←</div> </div> </div>	<div style="display: flex; flex-direction: column; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">CCS Project Board</div> <div style="margin-bottom: 10px;">↑</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">CCS Management</div> <div style="margin-bottom: 10px;">↑</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">CCS Progress meeting</div> <div style="margin-bottom: 10px;">↑</div> <div style="border: 1px solid black; padding: 5px;">CCS Project Co-ordination</div> </div>	<div style="display: flex; flex-direction: column; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Chair = KL DW, PM, LS, AM, DT, MD&MMC, KG, RO'N, PMan</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Chair = DT MD&MMC, PMan PH, KO, RC, ZK</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Chair = DT MD&MMC, PMan + SI TL</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Chair = MD&MMC PMan + TLs x6</div> <div style="border: 1px solid black; padding: 5px;">Chair = PMan TLs x6</div> </div>	<div style="display: flex; flex-direction: column; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Monthly reducing to two monthly</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">As part of the SM monthly management meeting</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Two-weekly</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Two-weekly Wednesday am</div> <div style="border: 1px solid black; padding: 5px;">Alternate Wednesdays between progress meetings</div> </div>	<div style="display: flex; flex-direction: column; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">A full executive update on the project scope, progress, programme, risks and issues</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Regular agenda item to update the rest of the SM Mgt team on project progress and to co-ordinate with the other functions</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">High level review of project progress/key issues - review monthly report</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Detailed review of progress vs programme, risks/key issues, co-ordination issues, decision papers etc</div> <div style="border: 1px solid black; padding: 5px;">Weekly co-ordination meeting</div> </div>

KL=Ken Livingstone, DW=Dave Wetzell, LS=Lyn Sloman, PM=Paul Moore, AM=Anthony Mayer, DT=Derek Turner, KG=Keith Gardner, RO'N=Redmond O'Neil, MD=Michèle Dix (AD CCS), MMC=Malcolm Murray-Clark (AD CCS), PMan=CCS Project Manager, PH=Peter Heather (AD Street Management Services), KO=Ken Oastler (AD Traffic and Technology), RC=Robert Chapman (AD Support Services), ZG=Zyg Kowalczyk (AD London Bus Initiative), TLs=CCS Team Leaders, SI TL=Scheme Integration Team Leader

Costs

Project implementation and operation costs have not, at this stage, been developed further than the estimates included in the ROCOL report. The total budget for 2001-04 is estimated at £250 million, assuming scheme inauguration at the end of December 2002. This includes for complementary measures and traffic management investment, for some elements not allowed for in the ROCOL report and for the earlier commencement of operations.

More detailed estimates will be available when the implementation strategy is approved at the end of January 2001.

Organisation

To achieve the timescale, expedient decision making will be critical. A governance structure for the scheme has been designed to deliver this through a short decision chain to a Project Board chaired by the Mayor. The governance structure is shown in Figure 3.

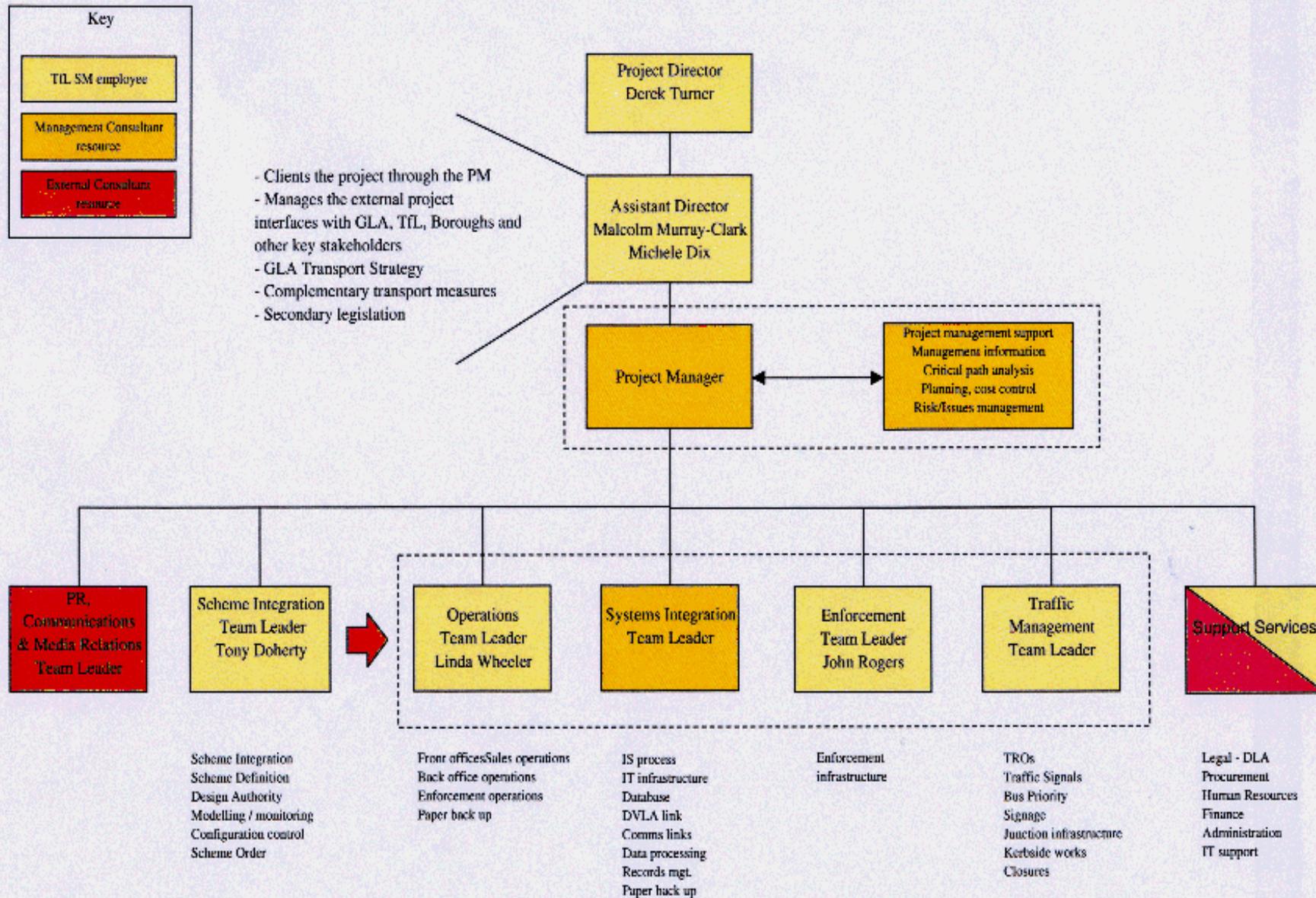
It is envisaged that overall responsibility for the implementation of any scheme will be passed from the Greater London Authority to TfL SM after Mayoral approval of the Transport Strategy at the end of June 2001.

The TfL SM project team to deliver the currently envisaged scheme has been sized at around 35 specified roles, plus consultancy support where required. The organisation of the project team is represented in Figure 4.

Key features of the project organisation are as follows:

- Clear single point responsibility for each aspect of the scheme from the top down;
- Overall project direction and interfaces with external stakeholders managed by a TfL Street Management Assistant Director. This position will be job shared between two very experienced transportation professionals who will start in early October and who have been closely involved in the development of scheme strategy to date;
- Project management and systems integration clienting by a firm of external Management Consultants (interim team in place - OJEC process to appoint the permanent team at end of October);
- Technical scheme design, integration and "clienting" by in-house teams (Team Leader posts to be filled by November);
- Specialist public relations, stakeholder communications and media relations will be managed by external consultants (interim team in place - OJEC process to appoint the permanent team in November); and
- Legal support and advice provided and co-ordinated by DLA.

Figure 4: Project Organisation Structure



Risk management

The successful completion of the scheme will require active management of the wide-ranging risks that it faces. This process has been started and plans to manage the risks are being developed. Key mitigating actions are as follows:

- Active liaison with DETR for timely legislation;
- Detailed analysis of enabling legislation;
- Vetting of procedures and review of documents by legal advisors;
- Clear strategy with legal advisors and relevant public authorities;
- Consultation with and opinions from leading counsel;
- Pro-active communication of consultation process (eg Transport Strategy for principles; Scheme Orders for details);
- Focus on development (to support consultation / feasibility) until decision made as to whether and how to proceed;
- No contractual obligations before consultation completed or such obligations to be conditional on the outcome of the consultation process;
- Analysis of the technical and financial impacts of exemptions in order to inform both consultation and the scheme design;
- Continue to demonstrate responsiveness to consultation feedback;
- Pro-active communications and public relations;
- Flat governance structure (Project Board) defined and approved;
- Develop boundary strategy on GRN roads;
- Early liaison with TfL and other transport bodies;
- Early identification (in Transport Strategy) of the impacts of CCS on other modes of transport and prioritisation of the complementary measures;
- Early liaison with Boroughs and integration with other transport and traffic initiatives;
- Detailed planning of traffic management design and implementation work (including resources);
- Early assessments to test camera technology;
- Early establishment of an IT pre-production environment which will provide for systems proving, integration and acceptance testing; and
- Early policy decision required on the treatment of VAT.

Conclusion

This Project Overview summarises the sound basis for the successful implementation of the CCS. The key features are:

- A clear project scope and objectives;
- A focus on the integration of tested and/or proven systems, rather than development of new bespoke technology;
- A single point responsibility for delivery at all levels in the project organisation;
- A flat project governance structure - timely decision making to support the achievement of the timescale objective;
- A procurement strategy to support the timescale objective;
- The early identification and proactive management of projects risks; and
- The involvement of relevant skills and expertise from both internal and external organisations.

Greater London Assembly

Congestion Charging Scrutiny

Session 7 - The Mayor 29 September 2000

Paper submitted by the Mayor of London

1. Introduction

- 1.1 I have been following with interest the progress of the Assembly's first scrutiny. You have interviewed a wide range of witnesses and covered a lot of ground on an issue which will be very important to the future transport strategy. Your final report will be a valuable contribution to the debate on how we improve transport for the benefit of London.
- 1.2 I am delighted that the majority of the witnesses appearing before you have expressed broad support for the concept of charging. Understandably some witnesses had concerns about particular aspects of a potential scheme and that there was a general desire to know more on the detail of our plans. I can also understand that members of the Scrutiny Panel found some of the evidence confusing or conflicting.
- 1.3 In this paper, therefore, I want to set the scene for the issues on which I expect you will want to question me. I would also like to allay the concerns expressed by certain witnesses and to explain where we are with the development of the draft transport strategy and a role for a central London congestion charging scheme.

2. Transport strategy

- 2.1 The transport strategy will convert policies into programmes and projects. The transport strategy will define objectives and priorities. It will create the context for any congestion charging scheme which may be included. It will set out investment and operational objectives; priorities for and relationships between established programmes and new initiatives. It will define key indicators of performance and progress.
- 2.2 GLA staff are currently working hard on producing a draft version of the transport strategy which I aim to present to the Assembly at the meeting on 1st November for their consideration. The Assembly will have five weeks to react to the policies and proposals set out in the draft transport strategy and to present their views. I shall take account of the Assembly's reactions when revising the draft.
- 2.3 I will then aim to publish the draft transport strategy in early January 2001 as the start of the formal public consultation. The consultation will extend throughout London and beyond and I intend that it will run through to the end of March 2001. The Assembly will have a further opportunity to comment on the transport strategy at this time. I am anticipating a large number of responses to the draft transport strategy and want time to consider and analyse these carefully. My wish is to publish a final version of the transport strategy in the summer of 2001.

- 2.4 Consultation on the draft transport strategy will provide the opportunity for comment on the principle of congestion charging and allow judgements to be made on the potential impacts and operational features of a proposed scheme.
- 2.5 With my discussion paper *Hearing London's Views*, I have already begun the process of engaging with key stakeholders. A full analysis of reactions to the discussion paper will be prepared and I aim to present a summary to the Assembly on 1st November. I am very pleased that so many organisations and individuals have responded.
- 2.6 Once the transport strategy is finalised and the principles of charging are established we would be able to consult on the details of a scheme. Our current expectation is that the consultation process on the detail of a central London scheme would be complete by Autumn 2001. This would allow us to implement a scheme by the end of 2002.
- 2.7 The question of a public inquiry was discussed by one of your witnesses. I am aware of the requirements of the GLA Act for public consultation in relation to the transport strategy. I have also committed to consult on the details of the charging scheme order. I am aware that the Act allows for a public inquiry to be held in relation to the detailed charging scheme order. This is only one of a number of alternatives for assessing the scheme. I will decide in due course whether a public inquiry is required in addition to the public consultation to which I have already committed.
- 2.8 Other witnesses questioned whether our consultation proposals were genuine. As I hope I have explained, we are planning to consult extensively on the transport strategy and then separately on the details of any charging scheme order.

3. Why am I considering congestion charging in central London.

- 3.1 I am considering introducing a congestion charging scheme for central London because congestion is bad for London - it makes it a poorer place in which to live or work, to visit, or to do business.
- 3.2 Congestion charging would be an important element of the transport strategy:
- **it would reduce congestion within and beyond the charging area;** as a result there would be fewer traffic queues at junctions; road users would have quicker and more reliable journey times
 - **it would allow other initiatives to be more easily introduced;** for instance the full World Squares master plan
 - **it would be more effective in reducing through traffic than other measures;** for example, parking controls can reduce terminating traffic, but mean increased through traffic
 - **it is flexible:** for example, the operational hours or the levels of charge could be adjusted; so we can learn from experience
 - **it is relatively quick to introduce;** I want London to benefit from congestion relief as soon as possible

- 3.3 Congestion charging would be part of a wider integrated strategy including bus service improvements and fares restructuring. Other initiatives can also make a big impact on congestion - especially on-street parking management and enforcement and better control of road works.
- 3.4 Central London is the location of some of London's most intense congestion. With over one thousand vehicles per minute entering central London at peak times, it is by far the greatest traffic generator within South East England, which in turn is probably the most congested region of Europe.
- 3.5 Some witnesses have suggested that we should consider congestion charging on main roads, or in outer London town centres. But central London offers the unique advantage that it is well served by public transport and can sensibly accommodate a shift from cars. All previous studies of congestion charging in London - from the Smeed Report in 1964 to the ROCOL Report in 1999 - have focussed on central London. With the powers of the Greater London Authority Act 1999, we can turn ideas into action.
- 3.6 At least one witness queried whether the key objective of congestion charging would be to raise revenue or to reduce congestion. As I have said on numerous occasions, my primary purpose is to use congestion charging as a means of reducing congestion. Nothing else would be as effective, or as flexible or could be introduced within such a time scale.
- 3.7 To avoid any doubt on this point, it is all about encouraging people to think before using their cars. As another Mayor once said "Of course, you can come downtown, just don't bring a ton of metal with you".
- 3.8 The ROCOL Report suggested that a Mayor would wish to consider congestion charging because "it could bring together elements in a way that other measures could not:
- it could reduce traffic levels by a much greater extent than other available measures;
 - as long as the revenue was truly additional, it could finance public transport, giving London and the Mayor greater control over London's destiny; and
 - surveys undertaken as part of our (ROCOL) studies suggest that London residents regard charging people for driving... as the most acceptable method of raising funds for public transport improvements".

4. When would I want it introduced?

- 4.1 TfL and their consultants have developed a programme that could see a scheme operational by the end of 2002. While their timetable cannot be guaranteed, I can see arguments to introduce a scheme as soon as possible. Every day that we lose is another day of frustration, unreliable buses, missed appointments, getting home late. Reduced traffic congestion within central and Inner London will make a big difference to the lives of all who live and work there. The ROCOL study estimated that delaying the introduction of a congestion charging scheme would mean the loss of £2 million per week in traffic benefits and £4M per week in net revenue.
- 4.2 I am considering including a proposed timetable for the introduction of a congestion charging scheme in my draft transport strategy.
- 4.3 Several of your witnesses raised various concerns about risks to the project. These related particularly to the complexity of the project; when could it be achieved; and, whether a substantial change in bus services could accompany the scheme.

- 4.4 Scheme integration and the delivery of improvements to public transport alternatives for car users would of course be critical to such a project. There would have to be integration both within and between contracts related to any charging scheme; and integration between the design of a scheme, public transport operations and associated programmes of traffic management. This has been acknowledged in the planning work which has been done in TfL.
- 4.5 On project time scales I am not afraid of a challenging timetable; that way we would all benefit sooner rather than later. I am considering proposing a date for the start of a congestion charging scheme in the draft transport strategy. On buses I believe I have already demonstrated my determination to get things done. I have begun with management. I now want to improve conditions for bus drivers and increase the use of conductors. I want to see bus priorities, properly enforced, protecting bus operations from congestion. I want to see fares initiatives introduced which make public transport a more attractive to car users.

5. How would I expect a scheme to operate?

- 5.1 I will set out my views on congestion charging in the draft transport strategy. This will take account of the responses to the discussion paper *Hearing London's Views*.
- 5.2 As I made clear in the discussion paper, my current thoughts are for a charging area based on the area within the Inner Ring Road - Marylebone Road Euston Road, Pentonville Road, Tower Bridge, Elephant and Castle, Vauxhall Bridge, Victoria, Hyde Park Corner.
- 5.3 Any system must be convenient and reliable. That is why I am very much attracted to the proposals put forward by the independent ROCOL group, using a database of accepted vehicle registration numbers and automatic number plate readers to identify vehicles where no charge has been paid.
- 5.4 Operational hours of 7.00am to 7.00pm and a charge of £5 for cars and vans and £15 for heavy lorries were selected by the ROCOL group. I will be particularly interested to hear the responses to the discussion paper on these matters.
- 5.5 Exemptions and discounts present perhaps the most difficult decision. As I made clear in *Hearing London's Views*, in order to maximise the effectiveness and fairness of a central London congestion charging scheme, the number of exemptions and discounts should be kept to a minimum. What might be desirable concessions need to be weighed against likely impacts on others and possible avenues for fraud or evasion. I will therefore be particularly interested in the reactions to the discussion paper on these matters.
- 5.6 The discussion paper explains that I would want to exempt emergency vehicles, scheduled buses and taxis; and that I would like to do something to cater for those people with disabilities who could face real difficulties in switching from car to public transport. The discussion paper also sought views on the merits of a discount for powered two wheelers
- 5.7 Full exemptions would in effect be a zero charge as there are technical advantages to having vehicle registration numbers on the system. Obviously, though, there would be scope within the enforcement processes to deal with, say, an ambulance from outside London which had to come into the charging area to take a patient to a hospital.

- 5.8 Your witnesses expressed a number of concerns about possible adverse impacts of a scheme. The economic impact on businesses, especially small businesses; the effect on lower income households; the consequences for traffic and environmental conditions on the Inner Ring Road and in localities just outside the charging area; potential problems at the start or close of the charging period; property prices; the condition and operation of Tower Bridge: these were all mentioned.
- 5.9 All of these issues will be addressed as a scheme is developed; some of them are already being examined. I will ensure that everything is fully explored.
- 5.10 In general terms however I want to make three general points here regarding these matters. First, I want to confirm that any scheme would be extensively monitored both in the short term and in the long term so that we can make any adjustments that are necessary. Second, we intend to use the net revenues to mitigate any particularly adverse effects that might arise. Third, any scheme would be designed with boundary effects in mind. We would expect there to be substantial traffic management measures around the charging area to ensure that the impacts of any additional orbital traffic were adequately mitigated. We also expect there to be significant reductions in radial traffic that could provide substantial relief to local communities on the fringe of the charging area.

6. What do I expect a charging scheme to achieve?

- 6.1 The work for the ROCOL group suggests that a daily charge of the order of £5 could reduce traffic levels within the charging area by about 10 to 15%. This would produce a significant reduction in congestion with easier and more reliable journeys.
- 6.2 ROCOL and other studies have predicted that the benefits will extend beyond the charging area.
- 6.3 Several of your witnesses dwelt on the issue of how we should seek to allocate the benefits to road users. There are arguments that those who have paid, particularly commercial and business vehicles where transfer to public transport is not practical, should see as much benefit as possible. There are other arguments that there should be a substantial shift of emphasis to pedestrians, cyclists and buses, as environmentally more sustainable means of transport. Once again we will make proposals in the draft transport strategy after assimilating the reactions to the discussion paper. The views of London Boroughs will be particularly important here.

7. How will we manage the project?

- 7.1 A new Division - Congestion Charging Division - has been created in TfL's Street Management Directorate. If it is decided to proceed with a congestion charging scheme the Directorate will be responsible for developing and implementing the scheme. The Division will be supported by specialists and management consultants, together with the full resources of TfL. It will be under the direction of Derek Turner, who has an established track record of introducing traffic initiatives within London on time and within budget.
- 7.2 PricewaterhouseCoopers are currently supporting TfL on developing a project plan for a scheme. Development work for a scheme would proceed in parallel with the development of the transport strategy - so that it could be introduced as soon as possible.

- 7.3 Obviously, this could suggest that we have already made up our minds on how to get to grips with congestion. But I want to assure the Assembly and Londoners in general that we are open to all reasonable and practical suggestions. If somebody can show us how to secure permanently reduced congestion without resorting to some form of congestion charging, I would be delighted to hear from them.
- 7.4 Some of your witnesses have commented on the management of the project and the appointment of a joint Head of the Congestion Charging Division in TfL. The appointees have substantial experience of complex transport projects and their management along with many years experience of the particular issues affecting transport in central London. They may have overlooked the role of the specialist project management support that would be provided. I am determined that, if we proceed with congestion charging, it will be a project to the credit of London. We are all too aware that the eyes of the world would be on us.
- 7.5 One witness referred to the role of the Secretary of State and the necessity for secondary legislation. I have received assurances from Ministers that we will have the co-operation of Government to make any scheme a success. TfL officers are in constructive discussion with DETR officials over the detail of the necessary legislation.

THE INSTITUTE FOR FISCAL STUDIES

AN E•S•R-C RESEARCH CENTRE

DIRECTOR: ANDREW DILNOT

RESEARCH DIRECTOR: RICHARD BLUNDELL

7 RIDGMOUNT STREET

LONDON WC1E 7AE

TEL: +44 (0) 20-7291 4800

FAX: +44 (0) 20-7323 4780

E-MAIL: mailbox@ifs.org.uk

INTERNET: <http://www.ifs.org.uk/>

Jay Kistasamy
Greater London Authority
Romney House
Marsham Street
SW1P 3 PY

24 October 2000

Dear Jay Kistasamy,

Greater London Assembly - Scrutiny of Congestion Charging

I enclose a copy of a note *The Distributional Effects Of The Proposed London Congestion Charging Scheme* which I would like to submit as written evidence to the Scrutiny Panel. The note was produced at the request of Martin Richards who arranged for me to discuss an earlier draft with members of the Panel, and who also told me that you were the relevant person to whom the final version should be sent in the first instance.

Yours sincerely,

Dr. Ian Crawford

REGISTERED OFFICE
7 RIDGMOUNT STREET
LONDON WC1E 7AE
REGISTERED IN LONDON
NUMBER 954616
LIMITED BY GUARANTEE
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VAT NUMBER: GB 394 5830 17



THE DISTRIBUTIONAL EFFECTS OF THE PROPOSED
LONDON CONGESTION CHARGING SCHEME

Ian A. Crawford

*The Distributional Effects of the Proposed London Congestion
Charging Scheme*

Ian A. Crawford

This note uses the 1991 London Area Transport Study to estimate the distribution of charging liabilities amongst households living within the M25 arising from the proposed London congestion charging scheme (1).

Different households will have differing liabilities to the charging scheme according to the many and varied factors which together determine their travel patterns - where they live, where they work, where their children go to school, whether they have a car or van, the number of members in the household, and so on. And one thing which can be guessed about the final effects of the scheme on households will be that these effects will be extremely heterogeneous. Many households will be, on the face of it, unaffected by the charge. Many others, if their present travel patterns persist, may be faced with very large bills.

The aim in this study is to analyse the potential progressivity or regressivity of the scheme. In other words, to look at the link between the level of charges which households are likely to face, and their ability to pay those charges.

The plan of the note is as follows: it first discusses the way in which the distributional effects of a tax or charge can be measured, it then describes the data used to make this calculation, it then presents the results with a discussion.

1. Measuring the burden

Charges and taxes are defined as *progressive* if the average charge/tax rate (which is the total charge/tax paid as a proportion of income) increases with income, or if the marginal charge/tax rate is higher than the average rate at all levels of income, which amounts to the same thing. Charges and taxes are defined as *regressive* if the average rate falls with income. An average charge rate which rises with income means that the total charge levied takes a larger share of a richer household's income than a poorer household's income. The notion of progressivity/regressivity links the level of a household's liability to the charge, with their ability

¹ I am very grateful to James Banks, Martin Richards, Tony Travers and to members of the GLA's Scrutiny Panel for helpful discussions, and to Charles Buckingham of the Greater London Authority for his help in gathering the trip data from the 1991 London Area Transport Survey. The income data were drawn from the Family Expenditure Survey and were made available by the ONS through the ESRC Data Archive and have been used by permission of the controller of HMSO. Neither Martin Richards, Tony Travers, Charles Buckingham, the GLA, the ONS nor the ESRC Data Archive bear responsibility for the analysis or the interpretation of the data reported here. The views expressed here are those of the author and not of the IFS which has no corporate view. The author is responsible for all errors. This study has been funded by the ESRC as part of the research programme of the ESRC Centre for the Microeconomic Analysis of Fiscal Policy at IFS.

to pay as measured by household income. A poll tax is an example of a regressive tax scheme in which the tax level is independent of the ability to pay. By way of contrast, the current system of direct income taxation, with its tax-free allowances and with marginal tax rates which increase with income, is an example of a progressive tax scheme.

2. Data

The 1991 London Area Transport Study (LATS) covered the area within the M25 motorway. The survey involved over 1,000,000 roadside and 60,000 household interviews, 250,000 interviews on the then British Rail and 280,000 interviews on the London Underground. These data describe the use of all modes of transport and provide information about the origins and destinations of journeys, purpose of travel, trip length and frequencies. The survey also described the people making the journeys, giving information about: gender, ethnic origin and banded household income.

On the basis of the LATS data the number of trips by members of households using modes of transport which will attract the proposed charge and which terminate inside the proposed charging zone during the proposed charging periods on a typical weekday can be calculated by household income band. Note that it has not been possible to take account of journeys which start and end outside the proposed zone, but which may pass through it en route. Note also that, because the 1991 data are the most recent available, no account can be taken of any changes in travel patterns which may have taken place since then. Trip data are based on "main mode", i.e. the mode on which the longest distance was traveled as part of a multi-stage journey. The figures will not, therefore, relate very well to single-mode-based counts of trips entering central London. However, the extent to which this is true varies according to mode. Car and walk trips are more likely to be single-mode. In performing this analysis, it was also clear that the number of trips was affected by the comparative absence of trips terminating in the congestion charging area between the hours of

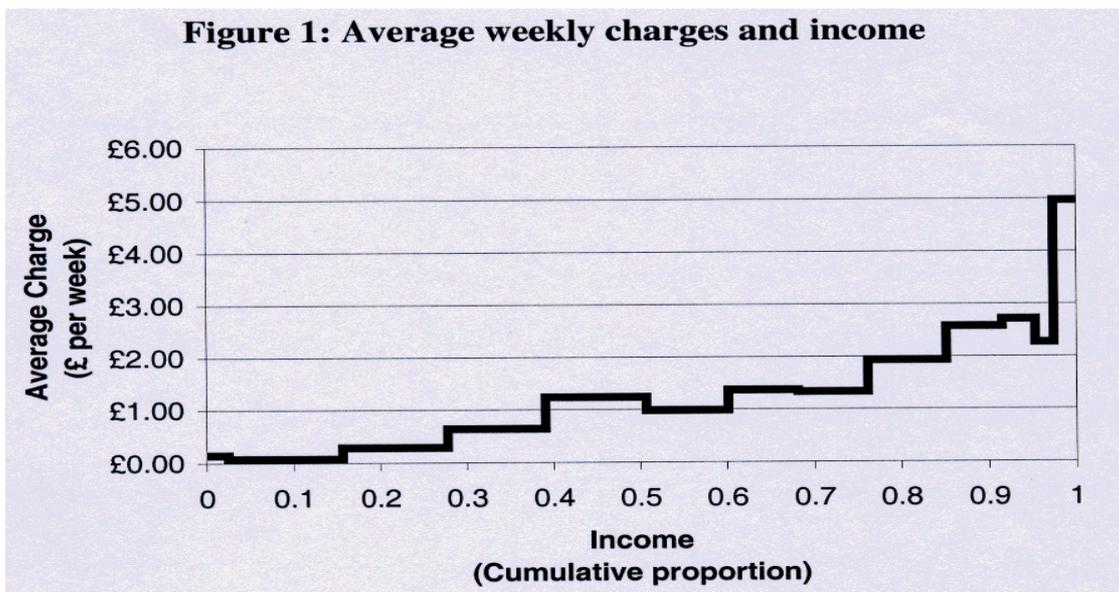
06.00-07.00 and 19.00-20.00. However, the source data has been confirmed as according with published sources (2) for the period 07.00 - 21.00.

In order to calculate the average incomes of households within each band, the income banding data are compared with household incomes from a corresponding geographical sub-sample of the Family Expenditure Survey for 1991 (3). The average income data have been updated to current 2000 values using an index of household income (4). Households with incomplete income data in the LATS are excluded from the results.

3. Results and Discussion

Figure 1 shows how the average charge paid per-week would vary with income. The income data are shown according to the household's position in the income distributions (5).

Figure 1: Average weekly charges and income



The graph shows that, for example, households whose income places them between the 50% and the 60% percentiles of the income distribution would pay about £1 per

2 London Research Centre, (1994) *Travel in London*, The Stationery Office: London

2 Households were selected from the FES according to whether they were resident in Greater London.

3 Economic Trends, Annual Supplements, various years, HMSO.

4 The "steps" occur because the income data are banded and the underlying picture, whilst having the same overall shape, is likely to be much more smooth.

week on average. Households close to the bottom would pay very little on average, and households right at the top of the income distribution would pay around £5 per week on average. This pattern is mainly driven by the tendency of both vehicle ownership rates and vehicle utilisation rates to increase with household income (6). It is important to note that these figures are averages for households within different slices of the income distribution. Within these groups of households which are banded together by income, there is likely to be a great deal of variation in their individual liabilities so that, for example, whilst the average liability amongst households who are just below the median income will be about £1, many non-car-owning/car-using households in this part of the income distribution would have no liability, whilst many others may face charge levels which are very much higher. The graph does not capture this variation within different income bands. What it does show is that, on average, households towards the top of the income distribution would face higher liabilities to the proposed charge than households towards the bottom. Whether or not the charge is progressive or regressive, however, depends upon whether the average level of the charge facing households increases faster, or less fast, than the ability to pay as we consider households in successively higher income bands.

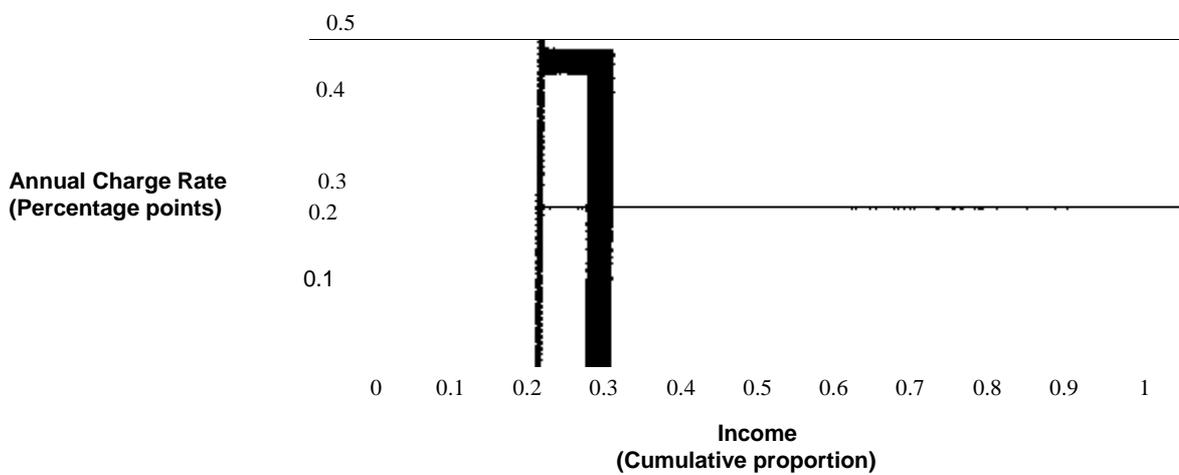
Figure 2 indicates the progressivity/regressivity of the charge. It shows how the average charge rate changes with income (7). The results from the very bottom of the income distribution indicate that, on average, there will be relatively high average charge rates for the households within the lowest 2.5% of incomes compared to households just above them in the income distribution. Although this may be a true picture of the average charging liabilities of poorer households, vehicle ownership rates right at the bottom of the income distribution are very low, particularly so in London, and so it may be the case that what these data are showing is more to do with contamination of the data due to misclassification by income. This is a characteristic

6 It is worth noting that households at the top of the distribution of household incomes also tend, on average, to have more adult members than households lower down. Overall 70% of the UK household population have cars. Amongst households in the poorest 10% of the UK income distribution 25% have cars, rising to 98% in the richest 10% of the income distribution. In Greater London car ownership rates are somewhat lower than the rest of the UK at 60%, but also rise with income: 18% of households in Greater London who would be in the poorest 10% nationally, have cars. This proportion rises to 94% for households in the richest 10%. (Source: the Family Expenditure Survey 1996/7 and 1997/8).

7 Again the "steps" are caused by the banded income data in the LATS survey and the underlying true picture, whilst retaining the same overall shape, will be smooth and is very unlike to have such discontinuities

of many data on the income distribution and is often largely driven by the very low incomes reported by many households with income from self-employment⁸. Setting this aside, figure 2 reveals increasing average charge rates up to about the middle of the income distribution. That is, on average, the average charge increases with ability to pay as we move from poorer households to households in the middle of the income distribution. After this point the average charge rate broadly drops as we move higher up the income distribution.

Figure 2: Average charge rate and income



Ignoring the very bottom end of the distribution the roughly hump-shaped distributional effect (lower average charge rates at the top and bottom, with the highest charge rates concentrated in the middle of the income distribution) is generally in line with what we might expect given the typical pattern of variations in vehicle ownership and usage with household income (9). Again it is important to remember that households within each range of the income distribution may face charge rates which are quite different from those of other households within the same income band, and that this graph presents the way in which the average of these different rates varies with income.

⁸ Goodman, A. P. Johnson and S. Webb (1997), *Inequality in the UK*, Oxford University Press: Oxford.

⁹ Blow, L and I. Crawford (1997), *The Distributional Effects of Taxes of Private Motoring*, Institute for Fiscal Studies: London.

discussed earlier. It should also be noted that (setting aside the issues of timeliness and other drawbacks of the data) these calculations only indicate the initial pattern of *liabilities* to the proposed charging scheme. They do not take into account the likely effects on travel behaviour which the scheme is likely to cause. These could take a number of large number of forms: for example, the overall level of travel may decline, travel patterns may alter due to substitution between modes toward those which do not attract the charge, and in the longer term the planning role of local boroughs and the location decisions of households and firms may be affected by the charging scheme. Consequently, the results shown here are likely to represent an upper bound on the incidence of the charge. However, the extent of this depends on the likely effects on congestion within the charging zone. If congestion is greatly reduced then this may increase the incentive to use the car in central London (compared to the case in which congestion were unaffected) thereby, in some measure, counteracting the incentive effect of the charge. Furthermore, to the extent that these behavioural effects might vary across the income distribution (poorer households may, for example, take more steps to reduce their liability to the charge than richer households), the pattern as well as the overall level of the distributional effects may be changed. It is also important to consider the potential impact of the revenues which will be raised through the charging scheme. If the revenue is re-cycled into improving public transport, this might be expected further to mitigate the final burden of the charge by giving additional encouragement to households to alter their choice of travel modes, thereby reducing their liability to the charge.

1 0th October 2000

Secretariat
Greater London Authority
Romney House
Marsham Street
London

Phoenix House
Station Hill
Reading
RG1 1NB

For the attention of Jay Kistasamy - Assistant Scrutiny Manager

Dear Sir,

Congestion Charging Scrutiny Review: Session 4 - Charge Technology and Compliance.

In response to a request made by members of the Scrutiny Panel during Session No. 4 (14 September 2000) we are pleased to enclose a short document presenting the views of Racal Translink experts covering the issue of timescales for scheme implementation.

If there are any further questions arising from this document please do not hesitate to contact Dr. John Walker on 0118 908 6542.

Yours faithfully,

DR. JOHN WALKER

(Technical Witness for Session No. 4)
on behalf of Racal Translink

RACAL TRANSLINK

GLA Congestion Charging Scrutiny Review
Session 4: Charge Technology and Compliance

Supplementary Paper prepared by Racal Translink:
Timescale Issues

October 2000

1. Introduction

This note has been prepared by Racal Translink in response to a request from members of the GLA Scrutiny Committee, during session 4 covering ‘charge technology and compliance’, for further information on the timescales required to develop and implement the proposed road user charging technology.

This note, therefore, considers the likely timescales required to develop and procure appropriate charging technology. In preparing this note we have not attempted to cover other implementation issues, such as the timescale required for conducting statutory procedures (consultation, public inquiry, traffic orders etc.) traffic management works, and the development of complementary public transport improvements.

In preparing the note we have given due regard to the recent Cabinet Office Review (1) of Government IT projects. The aim of the review was to improve the way government handles IT projects, in recognition of the fact that ‘in the past Government IT projects have too often missed delivery dates, run over budget or failed to fulfil requirements’.

1 Successful IT: Modernising Government in Action". The Cabinet Office Review of Major Government IT projects

2. **Technology Components**

It is important to recognise that the proposed technology comprises both on-street or ‘front end’ components (such as roadside number plate cameras), and ‘back office’ systems (such as the database of license holders).

It is pertinent to note that the Cabinet Office review recommends a modular and incremental approach for the implementation of IT projects. In this context it is helpful to consider the following main modules for the Central London charging scheme:

- a vehicle recognition and automatic number plate reading (ANPR) system - the front end;
- a database of license holders;
- a violator enforcement and penalty system;
- a system for retailing licenses;
- supporting administrative functions, such as financial management and human resources; and
- a customer care system.

From the above it is evident that much of the emphasis is on the ‘behind the scenes’ systems rather than the vehicle detection and recognition system. The overall technical solution must ensure not only that individual modules work to required tolerances but also that the modules are linked with suitable IT to provide a ‘joined up’ charging system. In our view these issues place the technical solution firmly within the realm of a major IT project and great care needs to be taken to ensure that appropriate timescales are allocated for both development/testing of prototypes and the implementation/acceptance testing of the full scheme.

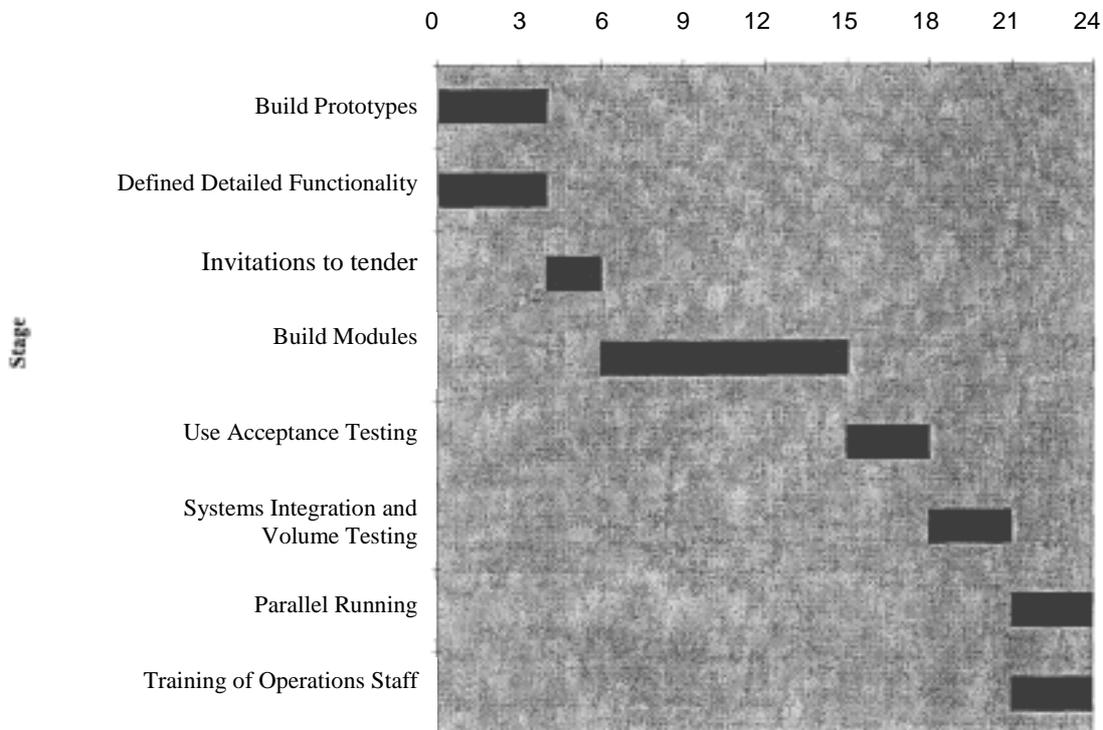
3. Project Timescales

We have identified seven main modules which provide components of the business functions required of a Congestion Charging system.

The modules are:

- Sale of Licences by Call Centre, Internet and Retail Outlet by ANPR
- Detection of Vehicles and manual checking matching of vehicles against licenses and issue of penalty notices
- Enforcement
- Customer Care
- Back Office Systems
- Financial Systems
- Administration Systems

The project breaks down into eight sections of development for each of the modules. The timescales are shown in the Gantt chart below, and can be grouped as follows:



Build Prototypes of Modules (Month 1-4)

Small-scale systems, both in terms of geographical area, and of volume of traffic would be built to demonstrate and refine the functional definitions of each of the modules. Modifications would be made to incorporate requirements emerging from the public consultation processes.

Define Detailed Functionality of Modules (Month 1 - 4)

In this stage, each of the modules would be defined. The level of definition would depend upon whether the service will be provided by a concessionaire, or by a third party service provider (such as retail sales). In the latter case the definition would be in terms of a Service Level Agreement.

Invitations to Tender (Month 5-6)

The provision of certain services (such as retail sales and software) would be provided by companies with appropriate expertise. A shortlist of companies would be invited to tender for provision of these services.

Build Modules (Month 7 -15)

Each of the modules would be built according to the functional definitions that emerge at the end of the prototyping stage of development. Third-party suppliers would become fully involved in the specification of the modules. During this stage the consortium would commission hardware and telephony. It would also consider business continuity plans.

The physical installation of fixed ANPR sites at the roadside would continue until Month 24, with sites prioritised according to the volume of traffic along the routes (i.e. major A and B roads first).

User Acceptance Testing of Modules (Month 16 -18)

Each of the modules would be tested by the Concessionaire, and by representatives of the Mayor and GLA, to ensure that they carry out the required business function.

Systems Integration and Volume Testing (Month 19 - 21)

The modules would be integrated, and the interfaces between them tested. End to end system testing would be carried out to check that high volumes are correctly processed. Operational infrastructures would be set up.

Parallel Running (Month 22-24)

During this stage of development, the scheme would be running as if 'live', except that drivers would not be expected to purchase licences. Enforcement would take place on a sample of vehicles, but Penalty Charge notices would not be issued. Business continuity plans would be tested.

Training of Operations Staff (Month 22 - 24)

Operations staff would be trained using the parallel system above.

As the Cabinet Office Review has stressed, a project or system which is broken down into smaller modules will be easier to control; delivery of the system will be easier to specify, manage, and implement, and it will be better able to accommodate changes in technology. This approach is mandated in the United States, under the 1996 IT Management Reform Act.

In the incremental approach, the initial implementation is deliberately limited in functionality to produce the simplest system that will meet the customer's basic requirements, with additional functionality added in later phases. For example, in the case of congestion charging, the decision might be taken to charge all vehicles equally, with higher charges for some vehicles being added at a later stage.

The Cabinet Office Report also recommends a pilot implementation, which could be either in a test or a "live" situation, to monitor performance in a controlled environment over a limited period of time, with subsequent phased roll-out. It may be cost-effective for the customer to fund a prototype implementation, to clarify requirements and/or to prove a concept. This prototype may evolve into the final system, or it may be a simplistic implementation which is discarded when it has served its purpose, which is to inform the specification and development of the actual, complete system.

The Report also recognises that improvements cannot be delivered by the public sector alone, and that a more strategic and collaborative role is needed with suppliers. An increasingly common approach to public sector procurement is partnering, "where a department or agency commits to a longterm relationship with a supplier for ongoing services and new development work". Its recommendation is that "Departments and agencies must ensure that they put in place processes that will actively encourage co-operation and an open dialogue between supplier and client"

Racal and its partners are convinced that an area licensing system of congestion charging, based on number-plate recognition, as recommended by

the ROCOL report, is a practical and viable solution for reducing congestion in London, and can be implemented within the time-scales outlined by the Mayor, as we have indicated above. However, we recognise that such a system has not been implemented anywhere in the world. To minimise risk, we therefore recommend that a modular and incremental development approach is adopted, using prototypes and pilot trials of increasing complexity, in partnership with private industry. We also recommend that this work should begin as soon as possible. All the evidence (2) is that, in projects which involve a significant amount of software development and system integration, the attempt to compress time-scales is counter-productive, and longer development times lead to better results.

We would be pleased to co-operate with the Mayor, the Greater London Assembly and Transport for London in applying these principles and helping to attain the Mayor's targets.

² As cited for example in "The Mythical Man-mouth", by F P Brookes

4. **Summary**

This note outlines estimates of the timescales required to develop and implement the necessary technology for a Central London Congestion Charging system.

The key conclusion is that the overall timescale for implementation would be 24 months. This implies that, in order to hand over a fully operational system by the end of December 2002, work would need to commence on the functional specifications and prototype development in January 2001 at the latest.

The implementation stages outlined in section 3 of our note are very much consistent with the recommendations put forward in the recent Cabinet Office Review of Government IT projects. We would particularly stress the need to:

- seek a partnership between the public and private sector that work together to provide a timely and efficient technical solution;
- adopt a modular approach - but within an integrated system structure;
- develop the system incrementally – starting with a prototype that can be refined and extended prior to full operation; and
- leave sufficient time for a testing phase towards the end of the implementation period to run the system live to gain experience of system operation.

JOHN WALKER on behalf of the
Racal Translink Technical Representatives



Secretariat

Greater London Authority
Romney House
Marsham Street
London SW1P 3PY

our ref

your ref

date 19th October 2000

Dr John Walker
RACAL translink
Phoenix House
Station Hill
Reading
RG1 1NB

Dear Dr Walker

Scrutiny of Congestion Charging

Thank you for your letter of 10 October and the attached paper.

The Scrutiny Panel has noted some important differences between parts of this paper and the oral evidence given by you and your colleagues to them on 14 September.

It would be most helpful if you could clarify the points set out below by the Scrutiny Panel. As their reporting schedule is very tight, they would appreciate a response by Tuesday 24 October, if that is possible.

- 1 In your paper you refer to the division of the project into a number of modules. In your oral evidence you advised that a project such as that envisaged by the Mayor should be let as single contract, ie for the provision of the charge collection and enforcement system. This, the Panel understands, would ensure that the responsibility for managing all interfaces between parts of the system lies with the main contractor. Would the Panel be correct in thinking that the references in your paper to modules has no effect on the oral evidence, and that you would still advise letting a single contract?
- 2 You suggest that, as recommended by the Cabinet Office report, modular prototypes should be built and tested to demonstrate and refine functional definitions. As the Panel understands that all the components of the system already exist in some form, and that the crucial issue is getting them to work together, how necessary do you regards this task?
- 3 You also refer to the Cabinet Office's recommendation that an incremental approach be adopted for major IT projects. Given that the Mayor wishes charging to relate to the whole of Central London from the outset, and so starting on a small area is not possible, how might incremental design be applied to this particular project?

- 4 In your oral evidence you suggested that the design, tendering, contract award, development, manufacturing, installation and testing process would take very much longer than the period allowed for by the Mayor, if the scheme is to be implemented by December 2002. Yet your document suggests that all this could be accomplished within 24 months, or that the contractor could deliver a fully operational system within 18 months from the award of contract.
- In arriving at this period, you allow 4 months for the design and specification stage. As the Panel understood it, that is very much shorter than suggested in your oral evidence, as well as by other witnesses. Are you fully satisfied that this is sufficient time?
 - You also allow two months for the total tendering process. While the Panel understands that pre-qualification can proceed in parallel with the latter part of design and specification, it has been advised that three to four months should be allowed for the preparation of tenders in response to an invitation to tender for a project of this nature, and that bid evaluation and contract negotiation would also take three to four months. Are you fully satisfied that two months is sufficient for the total process of bidding and contract award?
 - You then allow nine months (months 7 - 15) for "build modules", with installation proceeding for a further nine months. Following completion of development of the modules you allow three months for factory and user acceptance testing. Is the Panel correct in thinking that it would not be usual to commence production of the hardware elements of the system until these tests are complete? If so, is six months (months 18 - 24) sufficient for manufacture and installation?
 - You then allow a three months (months 19 - 21) for systems integration and volume testing and a further three months (months 22 - 24) for parallel running. However, it would appear that the complete system would not have been installed until the end of month 24. Is the Panel correct in thinking that it would be necessary to run tests on the complete system, once fully installed, prior to going live? If so, how many months should be allowed for that? Or would sufficient of the system be installed by the end of month 21 for the parallel running tests to be fully effective in ensuring that the total system would operate at the high levels of accuracy and reliability required?
5. You explain that efforts to compress the time-scales of projects involving a significant amount of software development and system integration is counter-productive, and that longer time-scales lead to better results. Taking note of this, and the oral evidence received, the Panel is seeking to determine the probability of achieving a totally successful implementation within 24 months of commencing design, or within 18 months of contract award. I would therefore be grateful if you could indicate the broad level of confidence which could be placed on achieving that crucial target within a 6 month period of design, specification, tendering and contract award and within an 18 month contract period.

In putting these questions to you, the Panel appreciates that it is asking you for a greater contribution to its work than you have already so willingly made. However, it is sure that you will share the view that if congestion charging is to be implemented, it is essential to ensure that it is done in such a manner to ensure successful operation from day 1; that it would be very damaging if any part of the overall scheme were not already on schedule, or if it were to fail after charging commenced. The role of the Panel is to seek to ensure that sound decisions are taken in the design and implementation of the Mayor's scheme, should he decide to proceed with the scheme he has already outlined or an other such scheme.

I know the Panel will greatly appreciate your responses to the foregoing.

Yours sincerely,

A handwritten signature in black ink, appearing to read "J. Kistasamy". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke.

Jay Kistasamy
Assistant Scrutiny Manager
Greater London Authority

Jay Kistasamy
Assistant Scrutiny Manager
Secretariat
Greater London Authority
Romney House
Marsham St
London SW1P 3PY

Racal Services (Communications) Limited
Phoenix House
Station Hill
Reading

Dr John Walker
Technical Manager

Tele: (int'l) 07 86542
(ext'l) 0118 908 6542

Fax: (int'l) 07 86411
(ext'l) 0118 908 6411

E-mail: john.walker@racaltranslink.com

Ref: letterDrWalker 190ct00.jw3.doc
Date: 24 October 00

Dear Mr Kistasamy

Subject: Scrutiny of Congestion Charging

Thank you for your letter of 19th October.

As well as addressing your specific questions, we would also like to make some general points. Firstly, such a scheme has not been implemented before. Secondly, the time-scale is very tight. However, we believe that there are a number of design issues that may influence the achievability of the programme and which should be investigated in advance of the main implementation phase -thus minimising the risk of a project overrun. Given this, we believe the time-scales can be achieved-but only if the project is handled as one contract by a single Consortium -- working in partnership with TfL -- a Consortium prepared to invest and take risk early, as TfL is doing. To explain this: TfL is developing its approach ahead of the Mayor's Transport Strategy publication and public consultation. Therefore its efforts could conceivably be wasted if the weight of public opinion is against congestion charging. However TfL judges that the scheme will probably happen, therefore if it is approved, TfL will be ready. If industry waits until then, the project may run into difficulties. Commercial issues will dawn on consortia as they realise the consequences of technical or operational responsibilities, leading to the expansion of the contractual negotiation process as is being seen with the London Underground Public Private Partnership. If TfL can be confident that a consortium is developing and testing joint solutions now, then their time-scale for procurement can remain short.

To address your specific questions:

1. Yes we would emphatically still advise letting a single contract to a single Consortium. The modularisation described in the letter relates to modularisation of the charging system and of any software, and not to project or contract modularisation. But breaking up the technical development into discrete modules to reduce technical risk means that it is even more important to deliver the modules under one contract otherwise the flow down of risk and IPR issues becomes unmanageable.

However, given the need for publication of the Transport Strategy and for consultation, there could be a research and development contract in advance of a full implementation contract.

2. We do indeed believe that the components of the system already exist in some form, or can be implemented in current technology. However, as you say, "the crucial issue is getting them to work together" - and furthermore, getting them to work together in a new application. That is, a congestion charging scheme using ANPR has not to our knowledge been implemented previously, in a city centre environment, anywhere in the world. Consequently there is not only the task of system integration, but also of trialling the existing technology in this new application. For example, ANPR is currently used in access control and surveillance applications, and is not 100% accurate. The system configuration proposed by ROCOL addresses this by having additional "internal screen lines" - to give additional opportunities to detect vehicles. However, we don't know the probability of detecting, at an internal screen line, a number-plate that is not detected at the cordon; it is not a matter of simple probabilities - there are also systematic errors such as confusing the letters O and D - so for example, the owner of ABO 123 may be sent a penalty notice when the vehicle was in fact ABD 123 and was indeed registered. We are currently devising strategies to avoid such errors -but we need to test them out in realistic trials. There are also issues as to whether to do ANPR and white list matching at the roadside or at a central location; communication options and costs need to be investigated in some detail. All these issues can only be satisfactorily resolved by more detailed studies and trials.

In addition to ANPR, the system includes Selling, Customer Care, Processing valid/non valid entry, Enforcement, Management Information Systems, Financial Management and Administration systems. Also, the on-going operations have to be ready for the "live" date. This includes premises, hardware, communications, recruitment, training and management. In fact, a House of Commons statement (sometime ago) stated that such projects go wrong because all components of the systems have not been fully addressed. Our Consortium is looking not just at ANPR but at all these components of a complete system.

3. See also 2 above. What we are proposing is an incremental approach in functionality, not in geographical area. Hence my example of a standard tariff for all vehicle types initially. There are at least 2 different issues. Firstly, the system would be trialled initially on a smaller scale, probably with a series of trials to test different aspects of the system. It would then be implemented for the whole of central London, with a period of "parallel running" to ensure that it was working satisfactorily, before the system went "live" and any charging or enforcement took place. Secondly, the initial "live" system should be the simplest system that would meet the customer's basic requirements, as we indicated in our previous letter, with additional functionality added in later system releases and upgrades. But in both cases, a considerable amount of study and development work is needed - in the former case to identify what needs to be tested, and in the latter case to identify the trade-offs between desirable functionality and the practicalities of what can be implemented robustly in the tight time-scales envisaged.

We have already written to both TfL and the Mayor on these issues. Our recommendation is that prototype development and trials should start as soon as possible, perhaps as a research and development contract as indicated above.

4. Our recollection of the oral evidence is that, assuming a hypothetical start date of Jan 2003, and working backwards, we would expect the period from September 2002 to December 2002 to be "parallel running", where the scheme is effectively "live", and is trialled, but drivers are not charged. Prior to that we would envisage June 2002 to Sept 2002 to integrate and test all components. Many of the previous phases would overlap and run in parallel. But to achieve the desired time-scales we need to commence design work now. We believe that the design phase

can not wait for the official tendering process and the public consultation to finish and therefore there will be some abortive costs that the GLA, TfL and the suppliers will have to consider.

You should also note that, for clarity we simplified (perhaps over-simplified) the bar-chart. It was based on a more extensive bar-chart with 65 activities -- which we thought would be going into too much detail for the Committee.

To address your bullet points:

- Four months is certainly a very tight time-scale for this activity. As a member of a consortium interested in tendering for the project we have recognised the time-scale constraints and have already started work on the specification and design of an IT solution, at our own expense. We support the Mayor's implication (in section 7 of the document he circulated during his own session with the Scrutiny committee on 29th September) that preparatory work needs to start as soon as possible (1) - including the work we allude to above. The four months are based on a notional start date of January 2001, in order to meet the Mayor's goal of an operational system by January 2003. So in reality this phase is longer than our bar-chart shows, and to that extent the bar-chart is misleading. Also we would not expect such design and prototyping activity to terminate after 4 months, but to continue during the Tender and Build phases.
 - We broadly agree with your comments. Work on the tender documents would actually start in month one, as part of the "Define Detailed Functionality" phase; but 6 months is still a very short time to issue Invitations To Tender, to receive responses and to evaluate them. One important factor is the process that the Mayor adopts for this procurement exercise. If a single contract is let via a collaborative approach, open book accounting, and shared development risk, then the time-scales are achievable; a "normal" procurement route, seeking a fixed price and transferring all risk to the contractor, will not be achieved in this time-frame. Another factor is the degree of detail in the specification; as we indicated on 14th September, we would recommend a relatively brief performance-based specification rather than a very detailed installation specification.
 - The "critical path" is the software, and the other functions described under item 2 above - as well, of course, as any civil works for traffic management, which we have not included in our calculations. Hardware would be specified during the "Build Modules" phase, as we indicated previously. The on site installation of ANPR equipment can start relatively early, once the pilot installation is commissioned and the concept and base technology proven, and can continue until December 2002. The system design and software development will continue all the way through to Factory Acceptance Test (FAT). By adopting an incremental development approach it is likely that some modules will be developed after the initial FAT.
 - The last sentence of this bullet point is correct; that is, we would expect that enough of the system would be installed by the end of month 21 for the parallel running tests to be fully effective in ensuring that the total system would operate at the high levels of accuracy and reliability required.
5. As a prospective bidder we wish to minimise risks, and quantified risk assessment and risk mitigation would be a key part of our plans. Thus our approach has been to start work on a prototype in advance of the 24 month programme. However, we would much prefer to do this in partnership with TfL so that we have a clear understanding of the detailed requirements of the scheme and thus avoid abortive development costs. We believe that it will be possible to have a system operational providing the Mayor accepts that certain elements of the functionality will

1 We believe that TfL is also working on the design currently.

follow after December 2002 and that operational "work-rounds" are implemented. For example if one ANPR site is not operational then the system could be brought into use but with a manual check of plates at that site. In a similar way if certain elements of the enforcement system were not integrated with the remainder of the system then manual processes could be implemented along with prioritisation of enforcement.

From this it can be seen that close co-operation between the development, operational and build aspects of the project are essential. It can also be appreciated that the incremental development aspects of the project would continue after December 2002, whilst still allowing the system to be in operation.

Finally, we most certainly do share the Panel's view that if congestion charging is to be implemented, it is essential to ensure successful operation from day 1; late delivery or failures after charging begins would be a disaster. However, the Panel is asking for answers in a few days that really need a considerable amount of work from a number of experts in various fields. The views we have expressed to date are those of experts in the field of IT solutions in transport. To respond with greater confidence would require a proper feasibility study linked to the prototype development. Furthermore, the scale of work that we can fund ourselves is limited. Clearly however, we would be more than happy to assist you in such a study, so that the Mayor's goals can be achieved.

If any of these points need more elaboration we would be happy to meet with yourselves and with TfL to explain further, and to progress the discussion.

Yours sincerely

Dr John Walker

On behalf of the Racal Translink Technical Representatives

Correspondence between Martin Richards and Dr John Walker

Referring to Dr John Walker's letter of 24 October, Martin Richards, advisor to the Panel, e-mailed Dr Walker, RACAL translink, noting the following:

As I read it, January 2003 can be achieved if TfL enters into a partnership agreement with a single main contractor or JV now. But if they choose to go for a number of suppliers, procured by competitive tender and with contracts not let until August 2001, as appears to be the intention from the Panel's evidence, January 2003 is decidedly optimistic/risky.

Dr Walker responded by e-mail thus:

Yes, that's correct. Indeed, in Public Procurement the procurement process itself tends to become time consuming with the Public Officers being deeply concerned about the decision making process. So the letting of such contracts even by August 2001 may be optimistic and contracts may not be let before 2002.

Dr John Walker and Martin Richards have both agreed to the inclusion of this exchange of e-mails in the Scrutiny Report.

Appendix I

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session 1: GLA and TfL Officials

Panel Members Present

On 9 September

Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Angie Bray,
Bob Neill,
Jenny Jones,
Samantha Heath.

Witnesses Present

Keith Gardner, Transport Strategy Manager, GLA,
Anthony Mayer, Chief Executive, TfL,
Derek Turner, Director, Street Management, TfL,
Dick Halle, Acting Director, London Buses, TfL.

1 Introduction

- 1.1 The main purpose of this, the first, evidence session was to enable the Panel to obtain, from officers of the Greater London Authority and Transport for London directly concerned with the development and implementation of the Mayor's proposed congestion charging, an understanding of:
- the objectives of the proposed policy,
 - its benefits relative to other possible measures,
- and to make an assessment of the arrangements being made by GLA and TfL to
- prepare for, and
 - manage the implementation of,
- the policy including the capabilities of and resources available to these organisations to ensure implementation is completed satisfactorily, on time and within budget.

2 The Objectives

- 2.1 Witnesses stated that the primary objective of the proposed congestion charging scheme is congestion reduction in Central London. Traffic reduction in itself is not the objective. Secondary objectives might include improving road safety, providing better pedestrian amenity and improving bus operating conditions. Congestion charging will also generate significant revenues for investment in London's transport, which can be used to support other policies which form part of the Transport Strategy.
- 2.2 Witnesses explained that the Mayor considers congestion charging to be the most effective way of tackling congestion in Central London. He has rejected the use of workplace parking levies, which are also permitted under the GLA Act.
- 2.3 A £5 per day charge for cars is thought to represent a reasonable balance between the level of charge and congestion relief, and the other effects of the charge.
- 2.4 The need for congestion charging to form part of an integrated strategy for London's transport was stressed by the Panel. GLA and TfL made it clear that they are aware of this.
- 2.5 The Mayor has no plans to extend congestion charging beyond Central London.

3 Management

- 3.1 The GLA is responsible for strategy, and TfL for implementation of the Mayor's policies.
- 3.2 Congestion charging was part of the Mayor's manifesto, and is likely to form part of his Transport Strategy. However, until the Transport Strategy is published, the GLA and TfL will

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only expend resources on preparatory work. Resources will not be spent on contracts to implement any particular scheme.

- 3.1 TfL has established a division to prepare for congestion charging. It has appointed some permanent staff and is the process of appointing other permanent staff as well as consultants. Assistant Directors have been appointed on a job share basis. A Project Manager, reporting to the Assistant Directors will be appointed from consultants. TfL expects to have up 100 staff and consultants concerned with congestion charging during implementation and 35 thereafter. The GLA is also in the process of appointing consultants to advise on the analysis of the impacts of congestion charging.
- 3.2 Questions were raised about the competence of TfL to manage what would appear to be a large IT project. In response, it was said that while it will involve a large IT database it will not be particularly sophisticated, and that consultants will be appointed to ensure the work is properly carried out. It was also said that the scale of the Red Route camera enforcement work was similar to the use of cameras for the congestion charging scheme. The Panel was assured that officers of TfL have delivered this type of programme ahead of schedule, and that there is no reason to believe the budget requested is insufficient to deliver a scheme to the level and standard to support the Mayor's Transport Strategy.
- 3.3 The GLA and TfL staff and consultant costs of the preparatory stage were not identified.
- 3.4 Responses to questions about implementation plans elicited a statement that the implementation plan is under development but is not yet ready; only a draft exists at present. A soon as it is ready, which should be within weeks, it can be made available. Later, it was explained that while there is a timetable, there is not a Project Plan.
- 3.5 Having reviewed the ROCOL timetable, with assistance from consultants, TfL had concluded that it would be possible to achieve implementation by December 2002, provided everything goes well¹. An initial review of the programme is due to be presented by TfL to the Mayor in mid-September.
- 3.6 It was also reported that the 18 months allowed for implementation, following publication of the Transport Strategy in June 2001, includes some contingencies. It would also be possible to make up for any slippage by allocating extra resources, and to revise the programme to adjust the balance between items which should go ahead and those which TfL would like to adopt. It was reported that some of the complementary measures, such as bus priorities, are already committed, and will proceed regardless of congestion charging.
- 3.7 Implementation of the total system would be phased, to minimise disruption.

4 The Enabling Procedures

- 4.1 Witnesses explained that the steps being followed in the development of congestion charging are:
- discussion document published in August 2000 seeking responses from invited stakeholders.
 - publication of the draft Transport Strategy, first to the Assembly in November and then to the public in January 2001, with consultation until March 2001.
 - publication of the Transport Strategy in June 2001.
 - consultation on the statutory congestion charging scheme order in the summer of 2001.
 - finalisation of the congestion charging scheme in autumn of 2001.
- The current discussion document is seen as "pre-consultation", and additional to the formal consultation process. It is seen as a way of raising options the Mayor is considering, so that

¹ The ROCOL report concluded that September 2003 was the earliest date by which the "core scenario" congestion charging scheme, together with the necessary associated works and bus improvements, could be fully implemented.

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he can state in his draft Transport Strategy what he is minded to do, recognising that the Strategy will be taking a ten year view.

- 4.2 Consultants are being appointed to analyse the responses to the discussion document.
- 4.3 The GLA has invited the business community, with whom discussions have been initiated (including CBI and LCCI), to comment specifically on the suggestion that the charge for Heavy Goods Vehicles (HGVs) should be £15. While there could be a greater variety of charges, by vehicle type, enforcement of HGVs is facilitated by the "plating" of HGVs.
- 4.4 As noted in para 3.2, it was stated that resources would not be spent on contracts to implement any particular scheme until the Mayor's Transport Strategy had been published, currently due in June 2001. Witnesses explained that once there is a clear transport strategy, TfL would be able to start certain aspects of the implementation of the scheme.
- 4.5 It is expected that the Transport Strategy will include details of the congestion charging proposals.
- 4.6 It is also expected that when the Mayor presents his final Transport Strategy, he will describe the responses to consultation and explain how he has assessed them. The congestion charging order to be published, for consultation in the summer of 2001, has to be consistent with the Transport Strategy.
- 4.7 While recognising that a public inquiry would take time, it was suggested by a member of the Panel that it might be a way of ensuring that there is adequate opportunity to make observations known and to receive a reasoned response, thereby reducing the possibility of a call for a judicial review. In response, it was reported that the advice of Counsel had been obtained on aspects of the procedures and processes. In response to a question about access to that advice, the Panel was told that advice would have to be sought before replying.
- 4.8 It was also noted that the GLA Act is unusual in that it says the Mayor "may consult" and "may call a public inquiry". However, the Mayor made it clear in his manifesto that he would consult. No decision has been made about holding a public inquiry. That might depend on the nature of responses to the consultation.

5 The Transport Impacts

- 5.1 As noted in para 2.1, witnesses made it clear that congestion reduction is the primary objective of the charge. The findings of ROCOL are being used as the basis of the policy; this indicated that traffic in Central London would be reduced by 10-12%. About half the reduction would be through traffic, most of which would be likely to re-route around the Inner Ring Road.
- 5.2 The reduction in congestion would allow for more reliable bus services, and thus benefits to existing bus users.
- 5.3 In response to questions about the diversion of traffic around the charged area and the consequent potential for increased congestion, it was noted that additional traffic, due to diversions around the charged area, would offset some of the reductions resulting from the charge. However, concern was expressed that the assumptions about reducing traffic (in Central London) and not causing problems elsewhere were questionable, and it would be necessary to demonstrate that they are robust. The Panel's concerns related to the roads further out as well as those roads immediately adjacent to the charged area. TfL offered a summary paper describing this.
- 5.4 The Panel asked about the use of the capacity freed up through the charge, noting that if action were not taken, it could be filled up by additional traffic quite quickly. Yet if the space was re-allocated to other users, such as buses or pedestrians, there might be no improvement in congestion for those paying the charge. In response, it was noted that there would be a need to ensure:

- the benefits within Central London are captured.
- the Inner Ring Road works properly.
- the bus priority measures necessary to provide alternative means of travel are provided.
- the adjacent areas are protected.

5.5 This will require re-engineering of the road network, which would form part of the TfL strategy. The intention of TfL is to re-engineer the roads so that traffic is concentrated on the main roads. Should the Mayor decide to proceed, funding of £20 million over that which ROCOL identified as being necessary would be allocated. This is to ensure that there are sufficient funds for the satisfactory completion of the re-engineering on time and to the standard the Panel would expect. However, it was recognised that it is not yet certain how some of the engineering measures would work. This would require careful monitoring.

6 The Social impacts

- 6.1 It was noted that the overall effect of the charge on air quality would be small. However, questions were raised about the local effects, which might be expected to deteriorate where, or if, there is increased congestion outside Central London, and on the consequences for air quality improvement plans
- 6.2 It was noted by the Panel that while some car users in Central London can easily afford to pay £5, London is a city with quite a lot of poor people.
- 6.2 The Panel also noted that, although there may be a discretionary element in the use of cars for trips in Central London, that is not the case with most commercial vehicles. The witnesses were asked about the benefits which operators of HGVs could expect, having paid £15. As noted in para 4.3, it was reported that discussions have been initiated with business organisations. It was also acknowledged that further research is required on costs and benefits for commercial HGV operators.
- 6.3 The possibility of the charge causing the displacement of some businesses, with jobs moving from Central London was raised. In response, it was noted that the London Congestion Charging Research Programme had concluded that the effects on business would be negligible, and slightly positive in Central London. It was also noted that responses to congestion charging are very dependent on the use made of the revenues.

7 Complementary Measures

- 7.1 Witnesses explained that congestion charging would form a part of the Mayor's integrated Transport Strategy for London. Congestion charging would cause shifts from car to rail (Underground and National Rail) as well as to bus. With improvements in bus services, there will also be a shift from rail to bus. Although rail is congested in Central London, there is spare capacity outside the centre, and a shift to bus in the centre will help accommodate those travelling longer distances into London who switch to rail.
- 7.2 The Mayor is working with the sSRA and London Underground, which are not under his control, to try to improve the quality and reliability of rail services. Increases in capacity are, however, only possible in the longer term.
- 7.3 With buses, there will be a "push-pull" mechanism. Removing congestion enables buses to go faster, thereby attracting more passengers. Another pull will be provided by additional bus priority measures. A third pull will be the provision of additional buses. The Mayor is very keen to improve the reliability of the bus system, and it is considered that if this can be done, passengers currently travelling by rail will switch to bus, thereby relieving rail overcrowding.
- 7.4 It is the intention of TfL that planned improvements to the bus system would be undertaken in advance of the introduction of congestion charging. The first stage of the London Bus Initiative, covering 27 routes, will be completed in 2001/2, and a second stage, covering a further 10 routes, will be complete before the introduction of congestion charging. As well as the routes specifically targeted, others also benefit. Automatic vehicle location will be

operational throughout the fleet, and TfL is looking at simpler fare collection systems, and getting more fare collection off the bus. By the end of 2002, Countdown will be installed at 2000 stops, out of the total of 17,000. By the time congestion charging is introduced there will be camera based enforcement of all bus lanes. In addition, there is budget provision for £30-£40 million on additional bus measures, and the Mayor is seeking changes to the contracts under which bus services are provided.

- 7.5 In response to questioning as to whether completing the improvements was a pre-requisite to the introduction of congestion charging, whether it was possible to have only part of an integrated package, the answer was that although it is all part of a package, and congestion charging would work less well, implementation of the full package is probably not required. It was not possible to answer with a "yes" or a "no".

8 The Technology and Compliance

- 8.1 Although the Mayor is considering an approach based on the use of digital camera technology witnesses stated that no decision had yet been taken. The approach has been based very firmly on the ROCOL work.
- 8.2 In response to a suggestion by the Panel that digital cameras have not previously been used in the way being proposed, it was acknowledged that while the technology has not been used in exactly the way proposed, there are strong parallels. TfL have found the work done by DETR and DVLA on digital cameras to be very reassuring.
- 8.3 It is intended that the scheme should not be wholly dependent on digital camera technology. While there will become a point at which it is, at this stage alternative means of enforcement are being considered. These include direct manual observation. It was acknowledged that an option might also be to defer implementation until the technology is satisfactory. Over the next few months, tests are to be undertaken of the digital camera technology. One of the purposes of these tests is to determine whether it is preferable to obtain images of the front or the rear of vehicles.
- 8.4 Installing the cameras and the associated communications network could involve quite extensive street works. TfL is confident it has the experience necessary to ensure these are managed to minimise disruption. Alternative means of communicating with the cameras are being considered. Until there is a Transport Strategy it would be inappropriate to consider these matters in too much detail.
- 8.5 The system will require between 100 and 200 cameras. Although not a large number, relative to those already installed in Central London, their presence might raise civil liberties issues and legal advice is being obtained. However, as only images of violating vehicles will be retained, and the pursuit of violators is under civil rather than criminal law, the civil liberties issue is reduced. Although there have been challenges on the use of cameras for traffic enforcement, there have been none on the use for bus lane enforcement initiated by the Traffic Director for London.
- 8.6 Assurances have been given by Ministers of support for any secondary legislation that may be required. TfL do not believe there is a need for any legislation that is not planned.
- 8.7 All vehicles will have to be registered in the database, even if they are exempt from the charge, which is equivalent to a zero charge. The Mayor has indicated that, to maximise effectiveness and fairness, the number of exemptions and discounts should be kept to a minimum. The Mayor has sought views on accommodating people with disabilities and those who would face real difficulty in switching to other transport.
- 8.8 Concern was expressed that there could be non-compliance if car users, having paid for a licence, perceive they have not obtained a benefit.
- 8.9 In response to a question about current levels of non-compliance for vehicle licences in London, the witnesses did not have that information.

- 8.10 Given the ROCOL and other work, GLA/TfL consider that it will be possible to deal with non-compliance effectively through the enforcement regime. In response to a question about the possibility of non-compliance reaching a level at which the charge becomes unenforceable, it was explained that TfL is budgeting for enforcement over and above that proposed by ROCOL. Consideration is also being given to phasing the introduction, and discussions about enforcement are in progress with the Police.

9 Finances

- 9.1 Witnesses assured the Panel that the net revenues would only be used for transport. The Mayor sees improvements to public transport, primarily the bus, as a necessary complement. He is seeking views on other measures to support a Central London congestion charge and also on longer term and wider investment programmes. It can be expected that the priorities for expenditure will follow the priorities of the Transport Strategy. The Mayor has freedom in the use of congestion charging revenues for either capital or revenue expenditure, providing greater flexibility than is possible with direct Government funding.
- 9.2 There are no proposals at present for the allocation of funds to particular Boroughs. They will be developed through the Mayor's Transport Strategy and the Borough's Local Improvement Plans (LIPs). It can be expected that the Boroughs will include in their LIPs such mitigation measures as they consider appropriate. However, many of those measures are likely to be funded in advance of the commencement of the congestion charge revenue stream. The Secretary of State will issue guidance on the use of revenues and has to be satisfied that that any proposal represents value for money.
- 9.3 TfL have allocated £250 million to deal with the introduction of congestion charging over the period 2001/2 to 2003/4². It was stated that there is no reason to believe that the £250 million is insufficient money to deliver this scheme to a level or standard to support the Mayor's Transport Strategy. In addition, other monies will be used on projects which support congestion charging. These include £60 million for the London Bus initiative and a further £30 million on bus priorities. If all the associated and complementary measures were not in place for "Day 1", the scheme would work less well.
- 9.4 The GLA and TfL are confident that, with the funds allocated and the time available, they will be able to provide a package of measures which will be successful, provided the programme does not get severely disrupted or protracted by the consultation process.

² ROCOL estimated the one-off implementation costs of the Core Scenario to be £30-£50 million, and assumed that the costs of the associated investment in public transport and traffic management measures could be £100 million (para 6.4.10).

Appendix J

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session 2: Enabling Procedures and Project Management

Panel Members Present

On 12 September:

Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Angie Bray,
Jenny Jones,
Samantha Heath.

On 22 September:

Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Jenny Jones,
Samantha Heath
Andrew Pelling (part of session).

Witnesses Present

On 12 September (Project Management)

Steve Howes, W S Atkins
Martin Cummings, W S Atkins.

On 22 September (Enabling Procedures)

Professor Martin Loughlin, London School of Economics

1 Introduction

1.1 The main purpose of this, the second, evidence session was to enable the Panel to obtain an understanding of

- the enabling procedures to be followed in the development of the congestion charging policy and its subsequent implementation, and
- the likely management issues to be addressed in the preparation and implementation of such a measure, including all the associated and complementary works, from technical experts.

2 Enabling Procedures, the Department of the Environment, Transport and the Regions (DETR) and the Government Office for London (GOL)

2.1 It had been hoped that representatives of the Department of the Environment, Transport and the Regions (DETR) would give evidence on the enabling procedures. However, following discussions between DETR and GOL, a decision was made that evidence would not be given in public, and GOL issued the following statement:

- the Mayor's congestion charging proposals are a matter for the GLA. Therefore, Government should stand back from them.
- it is not appropriate for officials to give views on the merits ~~on~~of the proposals as the Secretary of State has statutory powers in relation to the Transport Strategy and proposals for the use of revenues raised by charging.
- GOL will do its best to provide responses to questions on factual matters put to it in writing.
- GOL is not resourced to prepare and service an oral debate.

2.2 The following questions were put to GOL in writing. The responses are given in italics after each question.

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- 2.3 Are you aware of any likely clauses in the Transport Bill, which would affect the procedures, which must be followed for the implementation of Congestion Charging in London?
No. But the GLA act provides that a small number of aspects covering scheme implementation will depend on regulations made under the Act by the Secretary of State. These will cover scheme enforcement, minor accounting practices and exemptions to apply nationally.
- 2.4 Is it necessary for the Mayor to consult on the principle of charging as well as the detail of the scheme design?
The GLA Act leaves the scope of the consultation and the level of detail for the Mayor to decide.
- 2.5 What is the nature and extent of the consultation process statutorily required?
 - Is it necessary to consult on a fully detailed scheme, or is the document published by TfL in August sufficient?*The nature and extent of the consultation process required by the GLA Act is for the Mayor to decide. He must demonstrate that he has acted reasonably in the consultation he has undertaken. He should take his own legal advice.*
- 2.6 Having consulted, to what extent, if any, is the Mayor required to take heed of representations made to him?
The mayor must demonstrate that he has acted reasonably in the consultation he has undertaken. He should take his own legal advice.
- 2.7 Can the formal congestion charging consultation procedures be commenced before publication of the Transport Strategy?
Yes
 - If not, must they wait until after finalisation of that Strategy?*N/A*
 - Or can they be conducted in parallel with consultation on the Strategy?Yes.
- 2.8 Is it necessary to include details of any exemptions and reductions in the charge in the consultation documents?
It would be sensible for the Mayor to set out initial thoughts and invite comments.
 - If it is, will it be necessary to obtain the Secretary of State's prior approval?*No.*
 - Or, can that be obtained once the consultation responses have been analysed?*The Secretary of State's consent is not required. The Mayor must conform to any secondary legislation on exemptions. The Government has said this will provide an exemption for emergency vehicles and some form of exemption for disabled persons. The Mayor may make additional exemptions as he sees fit.*
- 2.9 Is it possible that effective enforcement might be compromised by the Human Rights Act?
We will ensure that the regulations that will be drafted to provide for the effective enforcement of charging schemes will be compatible with Human Rights legislation.
 - If it is, are you aware whether the Government is planning to introduce legislation to ensure that congestion charging, and other traffic measures which depend on tracing and pursuing the keepers of vehicles, can be enforced effectively?*N/A.*
- 3 Enabling Procedures (22 September)**
- 3.1 Although the ROCOL report suggests that a commitment to congestion charging in the Mayor's election manifesto would facilitate its passage through the enabling procedures, evidence presented was that while a manifesto commitment is a political commitment, it does not short circuit any procedures under administrative law. The political process by which a policy is implemented is quite distinct from the legal process.

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- 3.2 The standard procedure would be for the Mayor to produce a draft of the congestion charging scheme and place it on deposit and then allow for a period of consultation, during which representations would be received. Having received those representations, the Mayor would come to a judgement as to whether a public inquiry should be established to hear further representations. There is no obligation for representations received during a period of consultation to be made public.
- 3.3 If there were no major significant objections, there would be no need to hold a public inquiry. While the GLA Act expresses the public inquiry issue in terms of empowerment - "the Mayor may" - it was noted that there are cases in which the courts have held that, although the language is permissive, there may be duty to hold an inquiry in order to provide a fair procedure.
- 3.4 Although the Mayor has the discretion as to whether to hold an inquiry, the law requires that he must be able to demonstrate that discretion was properly exercised, having regard to the desirability of holding an inquiry to ensure that the congestion charging scheme meets the objectives of the Act in contributing to a safe, integrated, economically efficient Transport Strategy. If the Mayor chose not to hold an inquiry, case law indicates that he would have to be able to give cogent reasons.
- 3.5 It would be inadvisable for the Mayor to state in advance of the consultation process that a public inquiry will not be held. The question the Mayor has to address is whether the representations he has received are of a sufficiently serious of-character that they can only be properly investigated and considered through some form of inquiry.
- 3.6 It is possible that the Mayor could deal satisfactorily with the process entirely by written representations, but that would depend on the strength and depth of any particular objections. One possibility would be for him to issue a report on the consultations identifying the key issues and then holding a second round of written consultation focussed specifically on those issues, before reaching a final judgement.
- 3.7 If the Mayor wanted to hold public consultation sessions, for example, the courts would look at the integrity of the procedure by which the decisions were made. It would most probably be satisfactory if the Mayor could show that there was full, appropriate and proper consultation without a formal inquiry. It might therefore be sensible for the Mayor to hold a series of public consultation sessions around London and call that part of a public inquiry process.
- 3.8 The Act does prescribe the form of the inquiry the Mayor may choose to hold, and there doesn't have to be a specific institutional vehicle and mechanism; there is no definitive, legal form. While the classic model of the public inquiry is a formal procedure with a presiding officer, where anyone has a right to submit evidence, and present their case, alternatives are possible. One possibility is an inquiry focused on the critical issues of controversy, along the lines of those used for Structure Plans. Having received representations, the Mayor would establish a Panel to consider the key issues that he has concluded need to be examined further, taking evidence from parties invited to participate on particular issues. The idea is to have a round table discussion between the Panel and these various parties, rather than the adversarial approach of the more classic model. Such an arrangement would provide the Mayor with greater control over the proceedings.
- 3.9 Although individual citizens might suffer a financial loss or the enjoyment of their property might be detrimentally affected as a result of the introduction of the scheme, the legal provisions for compensation or for providing procedural protection to them before the scheme is adopted are quite limited.
- 3.10 The witness questioned whether the Mayor could produce a detailed draft of the congestion charging scheme before the regulations on exemptions, penalties and maximum charge levels, which the Secretary of State is required to make, have been published.

3.11 The witness explained that there is a duty on the Mayor to prepare and produce a Transport Strategy which contains his policies and proposals on promoting safe, integrated, economic and efficient transport policies and facilities and services. Much of the detail of the congestion charging scheme could be contained in the Strategy; that could limit the scope of the consultation process on the congestion charging order. It was suggested that it would be difficult to mount a successful challenge to the Strategy on these grounds, since it would have to be on the grounds that it did not yield a safe, or an efficient, or an integrated transport system; the evidentiary burden would be just too great.

4 Project Management (12 September)

4.1 Witnesses explained that there are three strands to the programme for implementing congestion charging:

- the process of consultation.
- the design, procurement and installation of the system itself.
- the associated measures.

The evidence given in this session is focused on the system itself.

4.2 The witnesses explained that, in preparing their evidence, they had assumed that the most appropriate way of procuring the system would be on the basis of a high level performance specification, rather than detailed designs and specifications.

4.3 They identified the principal activities in the development of the system, and the associated likely durations, as:

- **design and specification**, including preparation of the contract documents. This is expected to take between 4 and 6 months. This period is likely to be dominated by the preparation of the technical specifications.
- **tender preparation**. Assuming that:
 - advertising in the Official Journal of the European Community (the OJ) and the pre-qualification of contractors can proceed in parallel with the preparation of technical specifications, and
 - the contract is let as a single contract, so that as soon as the contract documentation is complete it can be sent to the selected contractors
~~- so that as soon as the contract documentation is complete it can be sent to the selected contractors,~~ completion of the tender is likely to require three to four months.
- **tender evaluation and contract award**. This would take some three to four months.
- **system development**, during which the individual elements are prepared and tested. This would take between 12 and 15 months.
- **testing**. Live and very thorough testing of the total system is considered essential, given the nature of the project. This would take about three months, including fault correction.

4.4 The total period, from the initiating of design and specification through to completion of all the tests could be expected to take between 25 and 32 months.

4.5 The witnesses considered that there is a low probability of achieving completion within 25 months and a rather high probability of achieving it within 32 months. However, they noted that there was a probability that completion would take longer than 32 months.

The Major Technical Risks

4.6 The witnesses considered that risk management is absolutely crucial to a project such as this. There should be an early identification of risks with the compilation of a risk register. A probabilistic risk analysis would be likely to identify the risks, and help determine which should be taken by the client and which by the contractor.

4.7 The witnesses explained that the various components of the total system exist, and are in use in other contexts. But they have not previously been brought together in a system like that ~~the one~~ proposed. While the proposed system is quite complex, with a number of sub-systems, it is not as complex as many.

- 4.8 Integrating all the systems is an area of significant risk. The three month testing period is to allow time to make sure all the interfaces are working properly, and that the system operates reliably, being sufficiently robust to meet the need. In particular, it is important that it is properly sized, so that it does not collapse. However, the witnesses noted that while the system has a high public profile, it is not a safety critical one.
- 4.9 One of the greatest risks to completion on time is resistance from stakeholders, of which there are several, including the Police, public transport operators and the Boroughs. The witnesses considered that getting them to "buy-in" through direct involvement in managing the project would be desirable.
- 4.10 It is possible that the equipment to be used will require Home Office approval. The time taken for this cannot be controlled by the project, and can be lengthy, possibly as long as 12 months. Approval cannot be sought until the design is complete, and it is possible that approval could be conditional on design changes. It is therefore a significant risk, and obtaining type approval could form part of the critical path.

The Major Cost Risks

- 4.11 Witnesses explained that cost escalation due to:
- weak specification,
 - contract variation due to not all issues being properly captured in the specification,
 - contract changes resulting from regulatory change, or
 - a weak contract,
- is an important area of risk.
- 4.12 The use of a single main contractor who takes responsibility for obtaining all the sub-systems and their integration reduces the risks to the client. The structure of main and sub-contract provides for faster decision making and easier resolution of detailed technical issues. If there are a number of contractors, the client will often be involved in very detailed technical issues for which it might not be resourced to understand. The witnesses noted that on the Jubilee Line Extension there were a number of separate systems contracts, with the client having to resolve integration issues.
- 4.13 If contractors are asked to bid against a very tight timescale there is an increased risk of cost, and time-, escalation.

Contractors

- 4.14 The witnesses considered that it should not be difficult to establish a short list of four, or more, reputable contractors with relevant expertise and experience.

Contracts

- 4.15 As noted, the witnesses considered that the most appropriate approach would very probably be single contract, let to a main contractor, based on a performance specification.
- 4.16 An advantage of a performance specification is that it allows suppliers to determine how a requirement is met, and to lever off technologies and systems that already exist. A major risk with contracts based on detailed designs is that they can preclude the use of pre-existing software or equipment. The benefits of a performance-based approach are important, given the time scale.
- 4.17 Witnesses identified two basic approaches to the contract for a project such as this:
- an early contract based on incomplete technical specifications. To allow for the likely variations, and potential cost escalation, appropriate contingencies would be required.
 - a later contract, benefiting from a more thorough technical specification, with all issues covered. This would reduce the likelihood of cost escalation.

4.18 A key issue in the drafting of the contract. Given the need to complete the work in the shortest time possible, it would be desirable for those risks which are not obviously controllable by the contractor to remain with the client. Seeking to transfer such risks to the contractor would extend the contract negotiations. It was noted that "more haste" can mean "less speed".

4.19 If there was a significant risk of cancellation, contractors would require some kind of compensation. If it were cancelled before award, the tenderers would look for direct reimbursement of their direct bid costs. The witnesses explained that there are precedents for such arrangements, and expected the costs to be of the order of £250,000 per tender.

Management Arrangements

4.20 The witnesses confirmed that they were aware of the proposed TfL management structure (see Appendix 1: Supporting Statement by the GLA and TfL). They considered that it seemed fairly conventional. They stated that it is crucial that all, or a large proportion of, the members of the (management) team have worked on similar projects elsewhere; there is no substitute in this kind of situation for people who have managed projects of a similar kind before.

4.21 They noted that there was no reference to a Project Board, which they would expect to see, and expect to include stakeholder representation. So long as the members are drawn from senior levels, with short escalation routes, such a Board facilitates the rapid resolution of difficulties involving any of the parties associated with the total project.

4.22 The witnesses expressed concern, as a matter of practicality, that the role of the Assistant Director is to be held on a job share basis. They feared it would cause practical problems, since some issues might only be resolved on the next occasion that the individual concerned was present, leading to delay and duplication.

Appendix K

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session 3: Transport Impacts

Panel Members Present

On Wednesday 13 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Angie Bray,
Roger Evans
Jenny Jones,
Samantha Heath.

On Wednesday 20 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Jenny Jones,
Bob Neill,
Samantha Heath.

Witnesses Present

On Wednesday 13 September:
Professor Phil Goodwin, Centre for Transport Studies, University College London.
John Dawson, the AA.
Martin Dean, First Group
Leon Daniels, First Group.

On Wednesday 20 September
Sean Beevers, South East Institute of Public Health
Gary Fuller, South East Institute of Public Health.

1 Introduction

- 1.1 The main purpose of this, the third evidence session was to enable the Panel to obtain an understanding of
- the likely extent and nature of changes in traffic flows both within and outside the charged area,
 - the need for improved public transport services to provide a satisfactory alternative for those displaced from their cars, and the possible opportunities which congestion charging may bring to public transport operators,
 - the likely impact of congestion charging on pedestrians and cyclists, both within and in areas immediately adjacent to the charged area,
- from technical experts.

2 The Traffic Effects within the Charged Area (Wednesday 13 September)

- 2.1 Witnesses were of the view that, while transport modelling has inherent inaccuracies, in part due to variations in individual behaviour, the ROCOL forecasts of the traffic impacts of congestion charging are likely to be of the right order of magnitude. However, two different views were expressed about how the responses might change over time. One was that the longer term effects are probably greater - that, over time, the level of traffic reduction will increase and revenues decrease. The other is that traffic levels will tend to creep up, with more drivers paying the charge, albeit reluctantly. If that occurs, the charge will have to be increased year by year to maintain its effect on congestion

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- 2.2 However, until the scheme starts, while best evidence can be used, there is an irreducible minimum bottom line of uncertainty. Thus any scheme design has to allow flexibility for tuning following implementation; it is not realistic to expect that it can be absolutely right from day one. Tuning could include adjusting the charging structures, the charging levels and the charged area boundaries. It has to be an initiative which is scrutinised day by day, year by year, in order to make whatever adjustments become sensible. The ability to tune provides a safeguard against the errors in both traffic forecasting and political judgement.
- 2.3 While there can be reasonable confidence in "end state" traffic forecasts, less confidence can be placed in the dynamics of reaching that end state. It was suggested that political judgement might be more important than professional judgement in determining phasing.
- 2.4 It was noted that much of the congestion in central London is not directly due to traffic volumes, but is the result of other factors, such as lack of investment, limited enforcement, and road works. Congestion charging might, therefore, not work as well in central London as it might on a better regulated network. It was also noted that the fact that the charge is for an all day licence (rather than a charge per trip) will dilute the effect of charging.
- 2.5 There is a need for an agreed definition of congestion.
- 2.6 Evidence from "Hot Lanes" in the US, which offer a high level of service on payment of a variable toll, shows that pricing can work, if properly designed. Although price is the only lever which has the unique feature of both influencing demand and providing revenue, we cannot rely on it and it alone. Indeed, if we were to rely fully on pricing, we would have to charge a price that we know is not politically feasible.
- 2.7 The net effect of the charge might be to change the socio-economic balance of car users in central London, with an increase in the use of cars by the better off and a reduction by the less well off, leading to little overall change in traffic levels.
- 2.8 The re-allocation of road space is important. It is possible that if the released space is made available to buses, the improved services could give rise to a greater reduction in traffic. However, it is also possible that allocating road space to buses could cause increased congestion for other vehicles, at least in local areas, giving rise to a need for an even greater reduction in car use.
- 3 The Traffic effects Outside the Charged Area (Wednesday 13 September)**
- 3.1 It was suggested that the ROCOL forecasts represent one of a number of possible, plausible, outcomes. It is possible that flow on the Inner Ring Road could be unstable, and that blocking back could cause serious problems. Reference was made to the Nottingham experience from the mid-1970s, with its "zones and collars" scheme. It was noted that the net effect depends on the balance between the reduction in traffic travelling through inner London to central London, and the increase due to traffic in inner London diverting around the charged area.
- 3.2 Traffic congestion outside the charged area can have a greater effect on bus services than that within it. Once a typical bus route has got to a place like Oxford Street, the main cause of congestion is other buses. But places like Shepherds Bush and the Uxbridge Road can be really difficult areas. There are some very key junctions in inner and outer London which are critical in the type of network operated in London. Reducing the increases in traffic using these would be very beneficial.
- 3.3 There is also a need to consider parking provision and management at and around rail stations outside the charged area.
- 4 Exemptions and Discounts (Wednesday 13 September)**
- 4.1 It was noted that, to achieve a given improvement, "one man, or one woman's, exemption, is a higher charge and a higher rate of reduction in traffic for everybody else. There is a real danger of being asked to exempt a high proportion of all trips. Understanding the longer term consequences of initial decisions on exemptions and discounts is a considerable problem.

- 4.2 Treating residents as a special case need not only be accomplished by giving them a big discount. There are many other ways of addressing this question than simply cutting the direct cost of the charge. They might be given a central area travel card. But, it is also necessary to recognise that if the whole policy has been well designed, with a bit of flair and a reasonable level of expenditure and associated complimentary measures, it may prove a popular and effective way of improving the viability of central London, and thus for enhancing property values. It was suggested that residents within the charged area could have more to gain from the policy than anybody else.
- 4.3 However, if residents were able to purchase a discounted annual permit, once they had it, they could use their car as much as they wanted, and the cost of purchase would be unlikely to figure in the decision to travel by car.
- 4.4 Season tickets are not consistent with seeking to confront drivers with the cost of using a car, each day. However, the provision of season tickets might have a longer effect on car ownership, particularly second cars. If this were to occur, it would emphasise the difference between the short and longer term effects of charging.

5 Charging Options in the Mayor's Discussion Paper (Wednesday 13 September) **The Charged Area**

- 5.1 Any boundary for a charged area is likely to be arbitrary, but one based on a road network is recognisable, one which people can understand. But there might also be some merit in having consistency with London's public transport fare zones.
- 5.2 It was suggested that it is quite possible that if congestion charging is a success, (that is, it is politically acceptable and it buys improvements as well as improving efficiency), there will be demand to consider its extension to other specific congested areas in the rest of London. In the very long run it is possible to envisage a map of charges which looks similar to the London Transport zone fares map, with lower charges in outer than inner London, except (may be) for some particular locations, particular journeys, or particular new pieces of infrastructure. It was not thought necessary to take a view about possible extensions now.

The Charged Period

- 5.3 It was suggested that one of the more interesting recent developments in research in transport science is the understanding that the response to change the time of day a journey is made is one of the more important behavioural responses. Whenever in the day charging begins, or ends, it will cause shifts, to travelling earlier in the morning and later in the evening. This is equivalent to what the public transport industry has faced for years with peak periods and peak pricing. Experience suggests that if you don't get it right the first time, you change it. It is just one of the candidates for flexibility. As a starting point what has been suggested makes as much sense as any other. However, in the longer run, as the technology develops, there might be a zero price, a low price, a medium price and a high price for different levels of congestion.
- 5.4 A case can be made for aligning the charged period with the period of operation of at least two or three other measures, such as the hours of local parking controls, the operation of bus priority measures and the lorry ban. If they are not aligned, there is a possibility of creating some anomalous situations. Further, there is evidence on bus priority measures that a lack of understanding of the hours of operation is one of the most significant causes of unintended violations. This might not be surprising, given that some measures operate in the morning peak, some in the evening and others are all day or even 24 hours.

Varying the Charge by Vehicle Type

- 5.5 If the primary rationale for the charging system is congestion, then the scientific case for charging £15 for Heavy Goods Vehicles (HGVs) relative to £5 for cars is strong; three cars have an equivalent effect in traffic to one HGV, or bus. While emissions and road maintenance are among other relevant considerations, extension of the charging rationale to include such factors raises issues about charging policies for, among others, low emission vehicles.

5.6 There is a risk in having a higher HGV charge that some operators might choose to replace their HGVs with a larger number of lighter vehicles, and by so doing also reduce the burdens of the licensing regime.

5.7 Although motorcycles are unsafe relative to other modes, and are seen as noisy and smelly, they are very efficient users of roadspace. On congestion grounds, there is a case for exempting them from the charge. However, there should be concern about safety if that led to a major increase in the use of motor cycles.

6 Effects on Road Safety and The Environment (Wednesday 13 and 20 September)

6.1 Congestion charging, when applied in combination with other levers, should reduce traffic levels for certain parts of the day, and should make a contribution to reducing both noise and emissions. To the extent that accident rates are dependent on traffic flow, charging should also have a beneficial effect on safety. However, the effects are likely to be small, and there are other more important levers that can achieve environmental and safety advantages. Many of these do not require congestion charging, but it might be easier to implement them as part of an overall strategy which includes charging. The release of roadspace as a consequence of charging could make it easier to implement some local road safety measures.

6.2 The effects of the congestion charging scheme on air quality, particularly nitrogen dioxide and particulates (PM₁₀) would be small, at both background levels (that is the general concentration at all locations) and also very close to roads which are largely the primary source of PM₁₀.

6.3 Average annual Nitrogen Dioxide (NO₂), and also the short term NO₂ standards, have been exceeded widely in London in the recent past. The predictions, particularly for annual average NO₂, show that the worst location will be central London. Congestion charging will not have much effect in reducing this pollutant significantly. Also the particulate standards have been exceeded in London in the recent past. While congestion charging in central London would have an effect, it would be small.

6.4 On the Inner Ring Road, and the other roads that are projected to take some of the displaced traffic, there would be a small increase in pollutants. In locations which are very close to the air quality standard, the effect would be quite minor. While in locations where the standard is exceeded by a substantial margin the effect, particularly of the particulates, would be greater, it would not make any difference in terms of whether or not the standard is exceeded.

6.5 There is no one solution for achieving air quality standards. No one measure, such as congestion charging or low emission zones, applied within the limits which are likely to prove acceptable, would satisfy the requirement of not exceeding the air quality strategy standards. Thus, to reduce traffic to a level at which the air quality standards are no longer exceeded would require a package of measures, attacking the problem from different angles.

6.6 A low emission zone combined with congestion charging might bring forward, by a number of years, the time at which the air quality standards are no longer exceeded. The addition of further measures would also help achieve this. In particular, an intervention approach to public transport fleets might be beneficial. It is quite clear that heavy diesel engines emit a lot of particulates, and there are effective control technologies to reduce these emissions. Unfortunately, there are no comparable technologies for dealing with Nitrogen Oxides (NO_x).

6.7 While vehicular emissions do not change much from day to day, air pollution can vary in concentration by a factor of ten because of meteorological circumstances. For instance if the wind blows the daily pollution will disperse; in still, foggy conditions it will not stay around. As a consequence it is very difficult to disentangle the effects of weather and the effects in the changes of emissions over the short term.

7 Complementary Measures (Wednesday 13 September)

Public Transport

- 7.1 Public transport improvements on their own are successful in winning more public transport passengers but not very successful in reducing the volume of traffic. Traffic restrictions on their own are more successful than is often thought in reducing congestion levels but less successful in getting changes in behaviour that people actually like. The combination of less congestion, higher road use charges, better public transport, an expanding public transport system, getting the timing and the sequencing right (both together), are the absolute conditions for success.
- 7.2 Thus, key issues will be the quality of the alternatives that are delivered, and timing. Even if the congestion charge provides a useful (but possibly small) decrease in travel time for those who pay the charge, the underlying political acceptability of the scheme will be determined by whether or not the overall strategy of reducing dependence on the car can be brought off. It was suggested that if it can be, it may be surprising the extent to which political support can be built up.

Buses

- 7.3 It was noted that TfL, rather than the actual bus operators, is responsible for the provision of bus services in London, including specifying the level of service, the level of fares and the specific identity and age and size and shape of the vehicles. The role of the operators is to make sure that they are able to fund the capital cost of any additional resources and the fleet replacement policy that the Tendering Authority might call for, and to operate the buses in accordance with their contract.
- 7.4 The situation outside London is very different, being deregulated. There, measures which might be useful in improving services in London, such as innovation, new vehicle investment, innovative ticketing, marketing and so on, have all taken place. While fully recognising the regulated environment in London, there is a very good reason to have an effective partnership between TfL and the operators, who have to deliver the extra capacity and the new vehicles, as well as all the other things that are likely to be on the list of necessary or desirable improvements.
- 7.5 Over the last ten years, the number of bus miles in London and the number of roads covered by bus services have increased quite dramatically. Indeed, there is a general requirement to try and provide a big bus service within 500m of all residences in Greater London and an inordinate amount of work has been done in providing a service, usually with small buses, into areas that previously haven't had them. Notwithstanding that, one of the difficulties continues to be that all of these routes are prescribed by London Buses; they are considered on a straight forward cost-benefit analysis model and in some cases it has not been possible to be satisfied that there is value for money in pump-priming a bus service to see if it will catch on.
- 7.6 There can be a very lengthy period of gestation for some of these services. In particular for some services where additional funding is made available by local authorities. The London Transport consultative policy could take so long, that if local authority funding was involved, years could elapse.
- 7.7 A package of measures which would deliver significant changes in bus service capacity and reliability could be developed and implemented within the same timescale as that for the implementation of congestion charges, ie the end of 2002. But that would require the bus network pattern for the post congestion charging era to be settled by the end of 2000. Going through the consultative and procurement processes takes time. Arguably, the bus service improvements should to be in place ahead of congestion charging, in order to settle in down.
- 7.8 It was noted that it currently takes 7 months to obtain a new single decker bus, and nine months for a double decker.
- 7.9 It was also noted that all initiatives about new bus services are a matter for TfL and it's predecessors. There is hardly any input from operators about new routes, and little attention has been paid, in the past, to suggestions they have made.

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- 7.10 The London Bus Initiative, and all the measures that go with it, go some way towards making journeys more reliable and faster. With congestion charging, there is a "peace dividend", if buses are faster and more reliable, they can be used more intensively.
- 7.11 However, London has a road network that, in many cases, prevents bus priority measures on a whole route basis. While Whitehall is very wide and it's perfectly possible to dedicate some space for buses, there are other places where ordinary bus lanes are not feasible. Indeed, all the easy bus priority measures have already been put in and some of the more difficult ones are currently in the process of being implemented. Thus, it would seem probable that there will be some bus routes on which the service level and the reliability will always be spoiled by congestion, because priority measures just cannot be implemented.
- 7.12 Although bus passengers in central London are unusual, in that many are higher income, well-educated car owners, travelling by bus must stop being regarded as not socially acceptable. The experience of Zurich, where there is a strong public transport culture indicates what can be achieved. However, at present, buses have an image of being "leisurely and unintelligible", as well as unreliable. There is a need for greater customer focus, including a more easily understood network.
- 7.13 It was suggested that congestion charging provides an opportunity to obtain fairer competition between the different methods of transport, and that with a charging regime the bus industry could become more profitable, as well as one of the more rapidly expanding industries in the economy. If that were to happen, the operators would have the commercial motivation, together with the professional back-up and the technology, to deliver what's required of them.
- 7.14 One of the greatest difficulties the London bus operators have to deal with is motivating the staff to want to deliver a good service, in relatively difficult conditions. The bus business is about having the person on the bus who is your driver, who is the person taking your money, who is the person looking after your safety and on whom you rely. That is not easy when they have to do a very difficult job under difficult circumstances.
- 7.15 There is a need to get the staff from the position of believing that they are doing a job because they can't do anything else into believing they are doing a job which is a valuable social job, a well-paid job, respected in the community and when they talk to their friends in the evening they are not ashamed to say they are a bus driver. If that can be achieved, a number of the other things will click in to place.
- 7.16 Bus staff have placed a very high expectation in the new Mayor and the new administration; they are looking forward to some of the benefits that have been alluded to. However, the Mayor has also raised the expectations of passengers, or potential passengers, and those are not necessarily consistent with the expectations of the operators' staff.
- 7.17 Ideally, bus staff should know about the network, be able to tell passengers about prices and tickets, and be of good humour and happy to deal with whatever inadequacies the customer may happen to have in terms of being lost and the like.
- Other Considerations**
- 7.18 It was noted that it might be important to ensure that in planning measures to ameliorate any adverse effects of charging, locally, and to improve public transport, due consideration is given to equity between different areas. It was also suggested that evidence indicates that a number of small management oriented measures tend to provide better value for money than large-scale infrastructure projects.
- 7.19 One witness considered that complementary measures should include pedestrianisation of important shopping and commercial centres, not only in central London itself but also in local town centres as well, and a very substantial reallocation of road capacity to buses enabling them to deliver a greater improvement and in service level than the 10% – 15% reduction in traffic alone would enable them to do. However, it was also noted those motorists who decided to pay the charge would need to be assured that they are getting something for their

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money. It was also noted that the costs of administering and enforcing the charge are likely to influence public attitudes.

- 7.20 An alternative to road pricing, could be to adopt policies similar to those in some other European cities, with much more ambitious pedestrianisation than has been culturally acceptable in the UK, plus either bus priority or investment in light rail, or tram or trolley bus systems with priority over road space, plus parking restraints and other tools of traffic restraint. However, that would involve more stringent traffic restraint and more expenditure of money with less revenue to fund it than with congestion charging. In fact, these are all tools required to complement congestion charging, but with charging they need not be so stringent as they need to be without it.
- 7.21 Learning from the Hong Kong Road Pricing project in the early 1980s and the Singapore Electronic Road Pricing scheme, it was suggested that one policy option could be to make the scheme revenue neutral, by, for example, reducing Vehicle Excise Duty (the annual vehicle licence) for London registered vehicles, or providing free public transport season tickets. Central to this, are the objectives of charging. Are they to raise revenue or to reduce congestion? It was suggested that there is some confusion in the Government's policies.
- 7.22 One possibility is to allocate the net revenues between specific groups, possibly returning a part to car users, in some form.
- 7.23 There is a risk that the charge is seen as a tax on those driving into and within central London which is used to benefit those in inner and outer London. There is a need for total clarity on the rationale for the charge: congestion reduction or raising revenues? Given the Mayor's 10 year transport settlement, a question was raised as to whether the net revenues from congestion charging are as important as had been anticipated.

Appendix L

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session 4: Social Impacts

Panel Members Present

On Thursday 14 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Roger Evans
Jenny Jones,
Samantha Heath.

Witnesses Present

Professor Alan W Evans, the Faculty of Urban and Regional Studies, Reading University.
Dr Graham Crampton, the Faculty of Urban and Regional Studies, Reading University.

1 Introduction

- 1.1 The main purpose of this, the fourth, evidence session was to enable the Panel to obtain an understanding of the possible impacts of charging on:
- different social groups, across different parts of London (central, inner and outer),
 - the residential property market, across sectors of that market in different parts of London (central, inner and outer),
 - the employment market, across sectors of that market in different parts of London (central, inner and outer),
- from technical experts.
- 1.2 In addition to the oral evidence provided by Professor Evans and Dr Crampton, the Institute for Fiscal Studies (IFS) submitted written evidence on the income impacts of a central London charge. This is based on an analysis of London Area Transport Studies (LATS) data collected in 1991. The IFS document forms Appendix G.

2 The Social Impacts

- 2.1 Witnesses were of the view that the main losers from charging would be those who choose or need to use their car to travel to central London, who have to pay the charge themselves. They would incur annual costs of over £1,000, to be paid out of net income. However, a high proportion of central London car commuters use company cars, and might expect some or all of the charge to be borne by their employers.
- 2.2 On average, those car commuters who choose to pay the charge without reimbursement are likely to be in the higher income groups. However, for those in the lower income groups, the costs would be very high relative to their income - possibly prohibitively so.
- 2.3 If traffic moves more quickly as a result of the charge, the main group of beneficiaries would be those who value their time most highly, predominantly the better off. The effects would be different if the released roadspace were to be used to improve facilities for cyclists and pedestrians rather than to allow traffic to travel faster.
- 2.4 Some early work suggested that those who would hardest hit would be the less well off car owners, who are towards the centre of the income distribution. On average, the poorest are not adversely affected because they do not own a car.
- 2.5 Bus users and operators would be the main winners. All those who benefit from increased expenditure on transport infrastructure and services, funded by net revenues (rather than through general taxation), and who do not incur the charge, would also benefit.
- 2.6 Small tradesmen who use vehicles in central London might incur annual costs of some £1,000; again impacts would be affected by tax treatment.

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- 2.7 Losers would also include those outside the charged area that suffer any increase in traffic.
- 2.8 If the purpose of congestion charging is to reduce congestion, there would be little benefit in relating the level of charge to the size of car engine. That discussion raises the central issue of whether the charge is a tax or a congestion charge.
- 2.9 It was noted that while, in real terms, motoring costs have decreased steadily since the 1960s, public transport costs have increased. Yet, today, public transport fares in Britain are the highest in Europe, although in some respects it has the worst services. So, less well off people who do not have a car and have to pay high prices for not very good public transport services are, in general, suffering most.
- 2.10 Unless the revenues are used to improve transport, most people are likely to disapprove of congestion charging.

3 **The Impacts on the Urban Economy**

- 3.1 With congestion costing about 2.5% to 3.0% of GDP nationally, it might be expected to be costing 5% to 6% of London's GDP.
- 3.2 It might be expected that some central London employees who choose or need to use their cars to commute, and thus incur the charge, without being fully reimbursed by their employer would decide to seek jobs outside the charged area.
- 3.3 The same might apply to employers who bear the cost, although given that only 15% of central London commuters travel by car the effect on employment costs would be quite small for most employers, and the number of employers who might consider such a move is also likely to be small.
- 3.4 Organisations within the charged area for whom operating costs were increased due to the effects of the charge on goods vehicles might also consider relocation.
- 3.5 Thus there might be a tendency to relocate outside the charged area. However, for some types of business, particularly services, the reduction in congestion would be beneficial. The charge might equate to one hour's earnings for those who pay it. This could be offset by savings in time and other benefits across an organisation.
- 3.6 Those who choose to use their car for non-work journeys to central London, rather than public transport, already incur substantial parking charges. Their choice is often influenced by their perception of the (poor) quality of the public transport alternative. However, having to incur a further £5 might discourage some trips to central London.
- 3.7 It was suggested that congestion in inner London is more serious than in central London. However, if there were substantial relief on the main radials, this would benefit residents and businesses in inner London.
- 3.8 Boundary effects, both in time and space, could be disruptive. Some of these could be avoided through use of a more sophisticated pricing system, with the charges increasing steadily in the early part of the charged period and declining in the later part. Evidence suggests that high peak charges are effective in spreading peaks.
- 3.9 It was noted that a charge of £15 for HGVs is high, and might encourage transfer from HGVs to lighter vehicles.

Appendix M

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session 5: Technology and Compliance

Panel Members Present

On Thursday 14 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Bob Neill,
Jenny Jones,
Samantha Heath.

On Friday 22 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Andrew Pelling (for part)
Jenny Jones,
Samantha Heath.

Witnesses Present

On Thursday 14 September
Dr John Walker, Racal translink,
Dr David Tindall, Racal translink,
Meboob Necky, Racal translink,
Nick Lester, ALG Transport and Environment Committee.

On Friday 22 September
Professor Peter Jones, Transport Studies Group, University of Westminster.

1 Introduction

- 1.1 The main purpose of this, the fifth, evidence session was to enable the Panel to obtain an understanding of:
- the proposed digital camera technology linked to a database of licensed vehicles, and of the risks associated with the use of such a system,
 - the issues involved in the accurate identification of both licensed vehicles and violators with the digital camera proposed technology, and the pursuit of violators through the vehicle records held by the DVLA,
 - the conditions which have to be satisfied to achieve an adequate level of compliance,
 - the key factors which are likely to affect attitudes on the acceptability of the proposed charge, and those which could contribute to increasing levels of non-compliance in the face of either opposition to the scheme or recognition that enforcement is inadequately effective,
- from technical experts.
- 1.2 Following the evidence session. Dr John Walker submitted a document to the Panel. This, together with related correspondence, forms Appendix H.

2 The Technology (Thursday 14 September)

- 2.1 Witnesses confirmed that the main components of the technology for charge collection and enforcement proposed by ROCOL and adopted by the Mayor for his proposed scheme were already in use, albeit in other applications.
- 2.2 The heart of the system is the use of digital cameras with computer recognition to read and interpret vehicle's licence plates. Digital cameras will function effectively provided the eye can see. Thus, for example, they would not be effective in bad visibility due to fog.

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- 2.3 There is also a selling system which provides for the purchase of licences over the internet, through a call centre and through a retail network, as some people will wish to pay cash. There is also a need for a facility to answer queries and complaints. For enforcement, there is a need for facilities to handle queries and payments. Although complex, these systems are neither new nor technologically difficult. However, there is greater complexity, and therefore integration risks, with this part of the system than with the number plate recognition technology.
- 2.4 It is expected that the digital cameras would record continuously, with individual images being preserved for evidential purposes. There would be two images, one a close-up of the plate and the other to provide locational information.
- 2.5 Current technology can interpret up to 90% of observed licence plates. There is a technical preference for recording the front plates, since these tend to be cleaner, are less likely to be obscured by a vehicle's overhang, and usually have all characters in a straight line. However, motorcycles are only required to have a rear licence plate. Thus, if they are to be charged it would be necessary to record either all rear plates or both forwards and rearwards, forwards for motor cycles and rearwards for all other vehicles. Alternatively, the proposed mobile cameras, particularly those operated by foot patrols, could be used to record motor cycles.
- 2.6 While defaced and non-standard plates, including those with non-standard fonts or character spacing, can be difficult to interpret, the technology is getting better at doing this. It was noted that, with the scheme proposed by the Mayor, which has cameras at the boundary of, and points within, the charged area, it is not necessary to observe every vehicle at each camera location. With the combination of multiple fixed and mobile cameras, it should be possible to increase the proportion of vehicles properly identified. The mobile cameras, operated by both vehicular and foot patrols, could be used to focus on difficult licence plates, which the operators would be able to identify.
- 2.7 The proposed scheme would require about 129 cameras on the cordon. However, it was suggested that in order to get better coverage, more would be required. But the costs of the cameras is small relative to other costs of implementing the scheme. Once the system is up and running, the number of cameras could be increased, or decreased, depending on actual performance.
- 2.8 The cameras can be mounted on poles at the side of the road, rather than on gantries over it. As the cameras can be 7 metres above street level, they should not be subject to vandalism, certainly no more so than other in-street CCTV cameras.
- 2.9 Digital cameras are now highly reliable, with a life of up to 10 years.
- 2.10 The images could either be processed locally, at each camera site, or centrally. With central processing, none of the processing equipment is at the roadside, with the associated maintenance difficulties, and it is easier to have hot standby equipment, that can be switched on very quickly if there are any failures in the system. Further, none of the evidential data is at the roadside, avoiding the possibility for theft or tampering. However, with roadside processing, the volume of information to be sent from the roadside to the centre is much reduced because either just the recognised number plate is sent or only those images for which there is not a valid licence record. Either would require a much lower band width link than if all images have to be sent, as is necessary with central processing. Essentially, the decision depends on the detailed costings, and they depend on the availability and costs of the communication links from the cameras (the outstations) to the centre.
- 2.11 Witnesses noted that the camera system might require Home Office type approval. Obtaining that can be a very lengthy process. It was noted that type approval is necessary if the system is not being manned continuously, ie people are not looking at the CCTV and making decisions in real time. It was also noted that type approval has already been given for speeding and red light cameras, as well as for bus lane enforcement cameras mounted on buses. However, these uses of cameras relate to criminal offences, whereas failure to buy a congestion charging licence would be a civil offence. The criminal system works on the basis

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of "beyond all reasonable doubt" whereas the civil system works on a balance of probabilities. However, because of the Human Rights Act, when penalties are involved the civil system is moving towards the criminal standard of proof in any case.

- 2.12 Witnesses explained that Home Office type approval can be obtained within less than a year, but can take longer.
- 2.13 Witnesses also explained that the system would simply record and interpret images of licence plates. It would not provide any further information, such as the type of vehicle. However, as DVLA records contain information about the vehicle, if the charge varied by vehicle type, or engine size, it should be possible to compare that recorded on the charge licence with that in the DVLA records. It was noted that it is possible to classify vehicles automatically, but that that requires additional equipment. Although it is available, it would increase costs, but not enormously. There might be an argument for starting without it, with a single charge, and adding it later. However, varying the charge by vehicle type increases the potential for violations as well as the difficulties of enforcement.
- 2.14 In due course, perhaps in ten years time, vehicles might have electronic number plates as standard.
- 2.15 Since the cameras are simply recording licence plates, vehicles exempt from the charge would have to be registered.
- 2.16 Vehicles which remain parked on the public highway within the charged area throughout the charged period would have to be identified by the mobile patrols.
- 2.17 Since the fixed cameras would be operating 24 hours a day, the charged period could be readily changed.
- 2.18 As the cameras will record continuously, the information they provide could be used for a variety of purposes including traffic and travel information, as well as monitoring buses for the enforcement of bus contracts. It was noted that there is a difference between the images of licence plates and the locational images. It was thought that no one other than the charging authority would have rights of access to the images. Provision of access would be a political decision. It would also be subject to data protection legislation. Information recorded in parking enforcement has been used by the police in inquiries into very serious crimes.
- 2.19 Images for licensed vehicles only need to be kept until the plate has been identified, and checked against the database. This need only take a fraction of a second. The images of vehicles without a valid licence would be retained until either a licence is purchased (ie by midnight in the Mayor's proposed scheme), or for use in the enforcement process.

3 Project Management (Thursday 14 September)

- 3.1 Witnesses explained that there are the two major risks in projects such as that proposed:
- design specification, and
 - integration.
- 3.2 The risks are greater when the client designs a system, defining the technical solution, and therefore tells the contractor how to do it (than if the contractor is working to a performance specification). With a detailed design and specification provided by the client, the contractor has to read the client's mind; that is always difficult.
- 3.3 A better approach is for the client to set out what is required, a business solution (or performance specification), and for the contractor to develop designs which satisfy the requirements.
- 3.4 It might be possible to let a contract which required the contractor to share performance risks, by, eg, the contractor receiving a payment per vehicle identified.

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4 Timescales (Thursday 14 September)

- 4.1 Witnesses suggested that it might be possible to implement the system within two years, just. But, that would require an immediate start to the contract, or early in the New Year at the latest. It was noted that this is a major integration contract.
- 4.2 In response to an explanation that expenditure cannot be commenced until the Mayor's Transport Strategy has been finalised, due for June 2001, witnesses suggested that as development really needed to start immediately, there was a need to consider whether the industry would be willing to take or share the risks of initiating development now.
- 4.3 In response to a question about when it would be necessary to physically start working on the development of the system to be ready by January 2003, recognising that a contractor might be willing to commence some development work at their own risk, a witness said "from my technical point of view tomorrow, from a realistic point of view certainly New Year". The need for a letter of intent very soon, at the latest the New Year (January 2001) was repeated. It was noted, however, that a letter of intent cannot be issued until June 2001.
- 4.4 Witnesses explained that it would be necessary to have close to 18 months to two years to develop the licence selling, back office and administrative systems. These would have the longest lead time. Other developments would proceed in parallel. Thus, with a January 2001 start, those systems would be ready by June 2002. There would then at least four months for systems testing, volume testing and systems integration, followed by three months of live testing of the total system, but only for a part of the area, to ensure it was functioning correctly.
- 4.5 It was noted that for a contract to be let in January 2001, to conform with EU procurement procedures, the tendering process would already have to have commenced. It was suggested that an alternative approach might be to find someone (a supplier) to take or share the risk. However, it is likely that anyone taking, or sharing, that risk would require compensation should the project be aborted. The exposure of each party would need to be agreed (in advance).
- 4.6 Witnesses explained that all the evidence from big systems, software systems in particular, is that the longer you have the better. A better result is obtained with longer contract times. Thus, the sooner the major design decisions to be taken, eg whether there is local or only central processing of licence plate images, the better. However, as those decisions require designs and costings, work needs to start as soon as possible. It was noted that there is a need to do things in stages; that it is not a question of letting a contract tomorrow to implement a whole system.
- 4.7 In a question, it was suggested that one approach might be to award the contract to an organisation prepared to shave six months off the sort of timescale described in the foregoing paragraphs. However, in response, it was noted that some things are not easily compressed.

5 Enforcement (Thursday 14 September)

- 5.1 It was noted that it is not necessary to enforce all violations. The system needs to be supported by intelligent judgement.
- 5.2 It was explained that there is a general problem of relying wholly on number plates to trace violators. The ROCOL report says that there is a 10% level of inaccuracy in DVLA records of vehicle keepers. However, it was suggested that this might be an overestimate in terms of the records relating to the keeper.
- 5.2 For congestion charging, the issue is the percentage of penalties that cannot be pursued because of a lack of adequate keeper information. The evidence from the management of parking in London shows that of the order of 10-15% of penalties cannot be followed due to deficiencies in, or lack of, keeper information. There are four main sources of this:

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- foreign vehicles, principally Belgian, French, German and Dutch. At present, these are very difficult to deal with. A solution would require access to the keeper databases in the other European Union member states, and negotiations are going on within the EU about securing reciprocal enforcement arrangements. It is not a technically difficult problem. It is done in the USA, where each State is responsible for vehicle licensing. While an EU solution will not deal with vehicles from outside the EU, the numbers of those are likely to be trivial.
 - when the keeper, or the keeper's address, recorded at DVLA has changed. People are not particularly good at notifying DVLA about this. However, this should improve following the introduction, in 1999, of the joint notification system. But the effects of this change will take time to work through the system as the vehicle has got to change hands twice since the scheme was introduced. There is also the need for easier mechanisms for changes of address with the same owner. Links between the keeper and the driver databases would help. When people write to record a change of address for their driver's licence, they should also be asked if the address for any vehicles registered to them should also be changed.
 - simple typographical errors within the DVLA data input mechanism (of which there is a significant number) as well as in the paper records. With increased funding for DVLA, quite a significant number of those errors could be removed
 - where the owner information is not available, because the vehicle is not registered or the vehicle is ringed. The ALG is in the process of developing a database of ringed vehicles.
- 5.3 It was not certain when (or if) the EU negotiations would be completed, nor how far they had got. Nor is it known whether legislation will be required to make any arrangements effective. Although dealing with foreign registered vehicles is a problem in enforcing parking, it has not undermined enforcement. However, unlike most congestion charging violators, it is possible to deal with parking violations by clamping.
- 5.4 Enforcing a higher charge for foreign registered heavy goods vehicles would be easier for those used in London regularly.
- 5.5 It was noted that DVLA is primarily a tax gatherer. They are not funded to maintain a database for other uses. If the DVLA database is to be central to schemes such as congestion charging, there is a need for change in funding, as well as culture. DVLA is fully funded by the Treasury. As DVLA works on a gross cost basis, rather than a net cost, any additional work, such as making people pay their VED, increases costs (beyond budget) while any extra revenues go straight to the Treasury.
- 5.6 At present, ALG obtain keeper information from DVLA, for parking enforcement, within 36 hours, with the data transfer in each direction happening overnight, which is fast enough for their purposes.
- 5.7 The owners of hire cars could be made responsible for paying the charge on behalf of their clients. The hire car company can transfer liability to the car hirer on provision of the car hirer's name and address. In some cases car hire companies will surcharge credit card charges. There is no particular reason why that cannot work for congestion charging in a way similar to that for parking.
- 5.8 In response to a question about the keeper being liable for parking violations, it was explained that while there is some resistance, the principle is fairly widely understood, and accepted. Some of the greatest problems are not when the vehicle has been used by a member of the family or a friend, but when the vehicle is with a garage for service, for example. This was tested by the High Court and the Court of Appeal, when it was clarified that the registered keeper is liable. While, in those circumstances, the keeper has remedies against the garage, they cannot transfer liability to the garage.
- 5.9 Owner liability has now been extended to bus lane enforcement, for moving as well as stationary offences.
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5.10 It was thought that the number of people appealing in either parking or bus lane enforcement is quite low.

6 Exemptions and Discounts (Thursday 14 September and Friday 22 September)

6.1 It was noted that there can be wide support of charging, provided there are extensive concessions. However, those cities with charging schemes have minimised the concessions. In the original Singapore scheme, introduced in 1975, there was an exemption for public service buses and for high occupancy vehicles, and play was made of the fact that even the Prime Minister had to buy one. Having very few concessions can be easier than having a number.

6.2 The Mayor has made clear his intention to exempt emergency services and stage service buses. But to whom do you extend privileges? Should other groups, such as orange badge holders or residents be exempt, or granted discounts?

6.3 It was noted that exemptions can create uncertainties; people are not sure whether they are exempt or not. However, so far as residents within the charged area are concerned, there are fairly clear definitions of residence. Central London boroughs are thorough in examining applications for residents' parking permits which are valuable pieces of paper.

6.4 It was suggested that it would be possible to fine-tune the system so that different groups of people are provided with different opportunities.

6.5 Given that a licence is required by residents of the charged area who park on the street, whether or not they use the car, a good case could be made for allowing them to purchase an annual licence¹.

6.6 Given the two objectives of reducing traffic and raising money, it might be sensible to have different arrangements for different groups. Thus, for example, since regular commuters are likely to make decisions on at least a weekly basis, it might be reasonable to allow them to purchase season tickets, thereby reducing administrative costs. However, given the objective of getting people to think carefully about their travel arrangements, most users should have to buy a daily licence.

6.7 In the case of goods deliveries and servicing traffic, on the one hand, we want companies to be aware of the need to use their vehicles efficiently, on the other, the revenues are important. The objectives therefore create a dilemma. However, the fact that it is a daily charge actually means that once the charge for a vehicle has been paid for a day, there is no incentive to make fewer trips into central London. But there is an incentive to reduce the number of vehicles used in central London.

7 Compliance (Thursday 14 September and Friday 22 September)

7.1 Central to compliance is the inherent level of support for the scheme. That requires an understanding of its rationale.

7.2 There will be higher levels of compliance if the travel alternatives are considered to be reasonable. If users consider the alternatives are not adequate, there is a greater chance of deliberate non-compliance.

7.3 Users have to be clear where and when the scheme operates. It is also important that it is clear whether they are violators or not.

7.4 Peer pressure is also important. It depends whether the response to someone boasting that they got away without paying is "well done" or "you've cheated on the rest of us". Those

¹ The ROCOL proposal was that vehicles with a resident's parking permit, parked within a defined residents' parking areas should be exempt the charge - or that such areas should be excluded from the definition of the charged area.

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attitudes will tend to affect whether non-compliance snowballs, leading to more non-compliance, or whether it has the effect of increasing social pressure in damping non-compliance down.

- 7.5 The level of compliance is a consequence of the policy. One of the distinguishing features of the poll tax was the large number of people who actually felt it was an unfair tax and although it benefited richer people at the expense of poorer people, many richer people seemed uncomfortable about the fact. If that principle can be transferred to congestion charging, the level of public sympathy with the people who are not complying is important. It is not a matter of how many people won't pay, it is whether there is a ground swell of support for those people who do not pay.
- 7.6 In response to a question about whether there is a level of non-compliance beyond which non-compliance increases and a system becomes unenforceable, it was suggested that it depends very much on perceptions. If there is the perception that there is a high chance of getting caught and that there is a fair system of dealing with representations, then the amount of non-compliance to really bring the scheme into disrepute is very much higher than if the perception is that the system is not working, that you could get away with it.
- 7.7 However, compliance is dependent on a combination of factors. It is unlikely that any one factor is absolute; that failure of any one would cause the whole system to fail.
- 7.8 Given that something like 80% of motorists regularly break the law in all sorts of ways, yet a high level of compliance with the charge is essential, the question of what affects compliance was put. In response, it was explained that there are three groups of factors:
- the initial system should be easy to comply with. It should be well explained, easy to understand, easy to pay a charge and easy to find out about. Also, the scheme should clearly relate to a perceived problem. There is a general perception of high levels of congestion in Central London. There is not a general perception of high levels of congestion in outer London. If a congestion charging scheme was introduced primarily in outer London it would be much harder to get compliance because people would question the rationale. There is quite a substantial amount of research that suggests that the more that motorists understand the reason for a particular regulation, the more they will to comply with it.
 - it must be very clear to the public that the enforcement is comprehensive, that is that the chance of a violator being detected is high. Enforcement must also be fair, and timely. Evidence from parking is that the longer the delays and backlogs at any stage in the enforcement process, the harder it is to obtain payment of the penalty. It is also harder to be fair because if, having provided an opportunity to appeal, there is a long delay before the appeal is heard, the appellant may have forgotten key facts. ALG have a target within the appeals service that at least 80% of cases are considered within 7 weeks of the notice being lodged.
 - appeals must be accessible, held at times and in places convenient to the appellants. They must also be simple for people to understand, not requiring a lawyer to be present, and be free. There must be a very good perception that everybody has a fair crack of the whip.
- 7.9 It was noted that compliance could be affected by whether people are aware of whether they have met the conditions or not. For example, if somebody sees two cars parked on a yellow line during the day, they may well think that if those cars have been parked there, it must be all right to park there, and do the same. There is sort of a herd effect.
- 7.10 In the original Singapore road pricing scheme, with the sticker in the windscreen people could easily see who had paid. With the electronic system that has been introduced in Trondheim, for example, when you go through the gate your tag is read and a signal shows whether you have a credit or not, and the person behind can also see whether you had a green light. So there are different ways in which people can not only be reassured that they are complying, but also see that others are also complying.

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- 7.11 However, with the scheme proposed for London, that reassurance is missing. How can someone actually prove that they have paid, or know whether others have paid? If the licence is bought from a retail outlet you can get a piece of paper. However, if you buy a licence over the telephone, how you can ever prove that you have paid?
- 7.12 The motto adopted for parking enforcement in London, which it was suggested works reasonably well, is "pay or challenge". It should be easy to pay any penalty, and very easy to challenge it if the penalty is thought to be unjust. Crucially, something must happen, and the system should not encourage people to do nothing. Under the previous criminal regime, people just stuffed tickets away, hoping that nothing would happen, and in far too high a proportion of cases nothing did happen.
- 7.13 It is likely to be incredibly important to compliance with the charge to improve the other, alternative, modes. However, a factor in why the other modes are not used is lack of good information. A lot of people don't understand the bus system.
- 7.14 It was not thought that literacy in English would be a significant problem in enforcing the charge. Although parking appeals forms are available in 10 other languages, they are not requested.

8 Acceptability

- 8.1 There is a trade-off between acceptability and effectiveness. At the extreme, it is possible for a policy to be completely acceptable but completely ineffective.
- 8.2 A number of issues are important in determining acceptability, including:
- the rationale for the scheme, and whether people agree with that rationale.
 - how it is packaged with other measures.
 - whether people feel the scheme will achieve its objectives. There are concerns that people have about whether pricing will actually affect behaviour or not.
 - issues about the technology, whether people feel the scheme will actually work on the ground.
 - a series of concerns about equity. Equity is often at the nub of people's concerns; is it fair or not?
 - whether people actually trust the Government that the money raised will be used, ring fenced, for the purposes for which it is said it is going to be used.
- 8.3 It was suggested that, while various reasons have been put forward for introducing congestion charging, the Mayor has highlighted two things. One is traffic reduction in the central area. The other is to raise additional revenue to improve transport services in London. Both have been found to be very important to the public.
- 8.4 While the Government tends to talk about congestion pricing in a way that is rather narrow, there are many other reasons why people might support traffic reduction, rather than just reducing congestion. These include improving air quality, noise reduction, and reducing the pressure of traffic in the central area. In the City of London there was a very strong reaction to the "ring of steel", with people in the area saying how much more pleasant it was to be in the city with the reduced level of traffic. It wasn't just congestion, it was the whole ambience of the area. Indeed, it was suggested that the fact that the Road Traffic Reduction Act was passed under previous Conservative Government, was because it actually appealed to a wide coalition.
- 8.5 There is a spectrum of attitudes to cars, from people who say 'I am my car or my car is me' (effectively it's wheels at the end of my feet), through to those who say 'I've really had enough of driving now, it's a real pain, it just stresses me every time I get in the car', and there is a whole spectrum of people in between. Most people are somewhere in the middle, saying 'the car is very convenient, modern life would not be the same without it, however, there are some trips I currently make in my car when I actually don't really need to use it'.

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- 8.6 Businesses see the benefits of reduced traffic levels mainly in terms of reduced congestion. If their drivers can do more drops in a day, that saves some money and they can be more productive. That affects their bottom line. However, they also benefit if improved amenity increases shoppers and tourists.
- 8.7 Thus, there must be a question as to whether the objective should be purely to reduce congestion.
- 8.8 One of the misconceptions that people often have is the idea that to free up central London it would be necessary to take half the vehicles off the road. However, people consider, for example, that conditions are totally different in school holidays, saying "that's fine, if only we had conditions like school holidays". In reality, the effect of school holidays is a difference of something like 15%, not 50%. This suggests that what is necessary is for about 1 in 7 to decide that it isn't worth going in by car. So while there will always be people who say, 'I'm not leaving my car behind, I always go by car', those people do not necessarily have to change. It is only necessary for those people who say 'well it's pretty marginal whether I use my car' to stop using their car.
- 8.9 The evidence from different studies around the UK is that the strength of feeling about the need to do something about traffic in London is greater than most other cities, coupled with the fact that despite the evident problems there are with public transport in London, in general, people feel that it is more comprehensive that it is in most other cities. People see the traffic problem as worse while also seeing the alternatives, potentially at least, offering more realistic choices than in many other places.
- 8.10 There is also the potential to raise revenues. ROCOL found that if you talked to people about traffic reduction, their preferred method is public transport improvements, not congestion charging. However, it was suggested that if you actually talk about the need to improve London's transport infrastructure there is a very high level of agreement among all sectors, that more investment is needed. If you then ask people, what is the best way of raising additional money locally, the majority of people say charges on people driving into London or extra parking charges, rather than a local council tax or fuel duty.
- 8.11 Attitudes to congestion charging will depend on how it is set up. The right way to position it is to present it as a fair way of raising additional money to address the problems of London, coupled with the fact it will take the pressure off and enable projects like World Squares.
- 8.12 In developing the total package, there are several key issues to be addressed, including:
- whether charges apply at week-ends
 - exemptions or concessions, where one could try to address a number of concerns about meeting reasonable needs of different groups.
 - how the net revenues are spent and the extent to which you can meet the concerns of different groups through the way which they are allocated. The message from most Londoners is improving public transport is a top priority, the fact that it's not reliable, it breaks down, it's overcrowded, is a great concern to people as individuals. There is a sense of dented pride for people in the capital; in a way, they feel ashamed of their transport system. But there must be other elements of that package as well, such as making it safer to walk and cycle around central inner London, to make it an attractive place to be in, one that Londoners feel proud of.
- 8.13 There has been quite a steady drift in public opinion in national surveys and local surveys away from major road building towards improving public transport and restraining traffic, for over 10 years. That has changed in the last year or so, it has probably gone as far as it will and it's gone back slightly. While there is not very strong public support for major new road building, certainly not in urban areas, or in the more sensitive rural areas, there is support for by-passes and for limited motorway construction, particularly when it can be done within the existing boundary of the road. However, even the majority of motorists say they are not in favour of major new roads being built, and it would seem that there is no appetite for major road building in London.

9 Other Matters

- 9.1 It was noted that if the Mayor's proposed scheme is successful in reducing traffic levels, it will reduce the number of vehicles parking within the area. Thus, there will be a reduction in parking within the charged area. This has an impact on the boroughs in two ways. First, with fewer vehicles parking, those authorities that set their parking charges on a market base, (LPAC advice was that parking charges should be set to achieve 85% occupancy levels), will need to reduce their charges, with the consequential revenue implications. Second, it might be expected that there would be increased demand for parking immediately outside the charged area, and elsewhere in London around rail heads. The introduction of congestion charging could further increase the pressure for the introduction of residents' parking zones around rail heads.
- 9.2 It was also noted that congestion could get worse outside the charged area, due to traffic diverting and the potential for increased parking just outside the area by people who either get a bus or walk into the charged area. It was suggested that it is a matter of judgement as to whether any deterioration outside the charged area outweighs the benefits that apply within it. ROCOL pointed out that, in terms of the modelling tools that were available in London, there are some questions about the detailed impact around the edge of the charged area that still are partly a matter of professional judgement.
- 9.3 The proposed area licence has advantages relative to the cordon charge systems used in Singapore and the Norwegian cities. With a cordon charge, users can avoid paying the charge by crossing the cordon before charging commences. There therefore tends to be a peak. But with an area licence, it doesn't matter if a user enters the area early, before 7.00am, since if they are still driving within the area after 7.00am they must have a licence. This reduces some elements of unfairness, or arbitrariness, of any temporal boundary.
- 9.4 An area licence also reduces the arbitrariness in terms of the spatial dimension. Wherever the cordon is, there is likely to be a particular person who just happens to have to drive 100 yards over that boundary to get to their clinic or whatever, whereas all the people who just happen to live inside the area and have their clinic inside the area, do not have to pay. So a cordon can be seen as being particularly arbitrary, and unfair, whereas since an area licence scheme involves a wider range of people, it can be seen as less arbitrary in its impacts.
- 9.5 A cordon charge also tends to penalise the business community, because some commercial vehicles are likely to cross the cordon several times a day, compared with a single daily charge with an area licence.
- 9.6 One of the critical difficult decisions to be taken is at what time of evening the charging period will stop. While 7.00pm probably reasonably reflects the traffic conditions, and matches the red route regulations, for someone going up to central London in the evening for the theatre or some other social activity, 7.00pm is probably the time by which they would have to enter central London. One possibility would be to recognise that at, present, evening public transport services are not to the desirable standard, and until they are, charging will finish at, say, 6.00pm.

Appendix N

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session 6 Costs and Revenues

Panel Members Present

On Tuesday 19 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Angie Bray,
Jenny Jones,
Samantha Heath.

Witnesses Present

Lindsay Allen, Ernst & Young,
Nick Joyce, Ernst & Young,
Ian Williams, Marcial Echenique and Partners,
Reg Evans, Halcrow Fox,
Paul Read, Halcrow Fox,
Peter Sullivan, Parkman Consultants.

1 Introduction

- 1.1 The main purpose of this, the sixth, evidence session was to enable the Panel to obtain an understanding of the possible impacts of charging on:
- the likely total costs (capital and revenue) of implementing the proposed scheme, including all necessary related policies and measures (such as traffic engineering and control works, improved bus services, etc), including the associated uncertainties and potential overall margins of "error",
 - the likely costs of operating the proposed scheme, including enforcement, as well as on-going costs necessarily associated with related policies and measures, including the associated uncertainties and potential overall margins of "error",
 - the likely annual revenues from licences and penalties, as well as on-going revenues from related policies and measures, including the associated uncertainties and potential overall margins of "error",
 - the possible impacts on costs and timetable of any use of PFI and/or outsourcing in scheme implementation and operation, from technical experts.
- 1.2 Other than Peter Sullivan, the witnesses were all members of the consultant's team for the ROCOL project, having particular responsibility for costing and transport modelling.

2 The Charge Collection and Enforcement System The Basic Assumptions

- 2.1 Witnesses explained that in the ROCOL study, the costs had been determined in a broad sense. A set of assumptions were developed of the equipment that would be necessary to implement and operate the scheme. That was at a high level, not in great detail. The monetary costs were then assessed, recognising that there is no existing system. They are inevitably subject to fluctuation, depending on the nature of the scheme that is implemented.
- 2.2 The sensitivity of the costs had been primarily assessed by a reference to revenue lines. Since the objective of the scheme is partly about decreasing congestion in London and partly to raise revenues for other transport schemes, the most important line in the financial assumptions was the aggregate revenues relative to the costs, rather than any individual costs or revenues. As the revenue line shows a substantial surplus over the aggregate costs, the costs could move significantly and still leave a surplus. However, there could be a considerable impact if the charge were not the £5 assumed.

Risks

- 2.3 It was suggested that the greatest risks lie in the assumption that the technology can be designed, implemented and operated with relatively little difficulty. There is a danger that the implementation and operation could prove more troublesome than originally envisaged. That could lead to cost escalation. Another cost risk is that the nature of the scheme, the specification of the scheme and number of points on the boundary, change. It was noted that the ROCOL Working Group insisted that the enforcement cordon would be complete, supplemented by internal screenlines and mobile enforcement teams.
- 2.4 Other assumptions which might cause cost variations include the amount of equipment at each roadside site. The means of sale is another. ROCOL allowed for sales by internet, telephone and retail outlets. Any increase or decrease in the number of options, or in the balance between them and the actual sizing of each option, could have cost implications.
- 2.5 Telephone and internet sales are established, with a proven technology. In themselves, they are not highly risky. A greater risk arises from the integration of the sales technology, capturing the database numbers, with the central processing that pulls it all together, and which then compares the records with what has been captured by the cameras. These interface risks are of greater importance than the risks associated with the individual components. The nature of these risks relates to the contract arrangements. A number of parallel contracts presents a very different set of risks to a single contract, and requires skill to manage and deliver them.
- 2.6 It was explained that, without doubt, the greatest single risk which any project of this nature faces is if the project outputs are changed part way through the procurement processes. Thus, the first requirement is to be absolutely positive about the outputs. The second is to commence some sort of dialogue with the potential supply sector early. The third is to consider the procurement options almost conceptually in terms of their benefits and disbenefits, and within the time frames that have been identified.
- 2.7 There is also a question which risks remain with the public sector and which are transferred to the contractor. These are dependent on the procurement arrangements and the contract mechanisms adopted. These decisions are almost as important as the estimating assumptions.
- 2.8 Political risk is also a factor.

Delay or Cancellation

- 2.9 In response to a question about the effects on costs of any delay in implementation, it was explained that these would depend on the contract arrangements. If a part of the system was provided on the basis that the operator was bearing the set up costs and was to be reimbursed on a use basis, a delay in the expected revenue stream could incur penalty payments. If the set up costs were borne by the client, there may be no delay payments, but there would be a cost of funding the expenditure in advance of the revenue stream coming on line. The quantum of cost would depend on when the delay occurs. While the ROCOL costs are broad brush, presented as a range, there was no specific allowance for deviation from the timetable set out.
- 2.10 It was suggested that rather than let a contract just for the supply of the (charge collection and enforcement system), a concession could be let to install and operate the scheme for, say 30 years. If that were done, and the scheme was cancelled, or abandoned once started, the cancellation charges could be very large.

Procurement

- 2.11 It was explained that the ROCOL cost assumptions were/ based on piecemeal procurement of the various systems.
- 2.12 A final decision on the procurement route should be delayed until there are some responses from potential suppliers. It is important not to underestimate that, irrespective of the procurement route selected, there are likely to be lengthy and probably difficult negotiations

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- about risk allocation between the two sectors. Thus, procurement options should not be considered in isolation.
- 2.13 It was noted that there is a trade-off between the client paying all the up front and running costs or getting someone else to bear them. Consideration needs to be given to these options.
- 2.14 Consideration had been given to the possible benefits of a partnership or a PFI transaction. It was thought that this might be quite an attractive proposition for the private sector, as there would be a certain amount of commercial benefit from being able to claim to have the first substantial scheme. What would worry the private sector would be the risk of not being able to implement the scheme on the intended day, either because the associated works could not get appropriate approvals or there is a political or public backlash, creating delays. It was expected that negotiation would run very heavily on that area, with some sharing of risk between the public and private sectors. The advantage of the private sector route is that it would allow the transfer of most, if not all, of the technology development and operational risk to the contractor. An issue, which would need very careful consideration at the negotiating stage, would be the way in which the deal was structured, and the way in which the contractor is rewarded, whether on a revenue or a profit sharing basis. A PFI arrangement would require a lot of work to think it through carefully from both a commercial and a political standpoint.
- 2.15 If the procurement took place entirely through the public sector, most of the risks of development and operation would be with the public sector. However, it might be possible to mitigate development risks, to some extent, by getting the contractor to take responsibility for achieving.
- 2.16 In response to a question about possible differences in cost between having a single or several contractors, the advice was "not at this stage".
- 2.17 It was confirmed that a PPP/PFI route for procurement adds an overhead in terms of time, and complexity, taking longer to get right. It was also confirmed that, in terms of specifying what needs to be done and getting it right, the "more haste less speed" adage, applies. It would not be sensible to be driven by a time scale to such an extent that shortcuts are taken (in the early stages) since they tend to lead to variations down the line.
- 2.18 Given the time scale within which the Mayor is planning to implement his proposals, there is a need for early consideration of the form of contract, and arrangements for procurement and for operating the scheme. It was suggested that if, in the longer term, there were variations, or extensions to, the scheme, and it had been procured on a "design, build, finance and operate basis", the subsequent negotiations might be quite complex.
- 2.19 It was suggested that the contract should on the basis of a performance specification, which established the parameters which the scheme is required to satisfy and which set the timetables, including the trial periods. It is necessary to avoid implementing the scheme with too shorter a trial period, increasing the risk of something going wrong on day one. There should therefore be bonuses for better performance and, perhaps, penalties if it does not operate on the first day, causing a loss of revenue.
- 2.20 It was noted that there appeared to be a question over liability to VAT, and that this could be affected by the structure of the contracts
- Time Scales**
- 2.21 The ROCOL timetable was thought to be challenging one. It was also suggested that a publicly announced implementation date, with political accountability does not necessarily work in the client's favour during commercial negotiations.
- 2.22 Very early consideration should be given to the means of procurement.
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- 2.23 It was suggested that the absolute best elapsed time for procurement process is not less than six months.

3 Associated Engineering Works

- 3.1 It was suggested that this is just the beginning; that while there is a sound basis, much will need review as it is taken forward. It was noted that it is very difficult to estimate the costs for any traffic works because the scheme is only in embryo. However, it is possible to give some indications, with caveats.

- 3.2 It was noted that the objective of the charge is not to remove congestion from central London to just outside central London.

The Type of, and Scope for, Engineering Measures

- 3.3 It will be necessary to decide at which point on the highway network, drivers who do not need to go to central London are encouraged to take another route. Should, for example, direction signing commence at the M25, or at the north and south circular roads? And should the level of direction signing increase, as central London is approached?

- 3.4 Once a driver arrives at the cordon, they will have to decide to either go into central London or round the inner ring road. However, local residents, businesses, shops and shoppers, also need to use inner ring road, and perhaps cross it. In addition, there is a need to accommodate increased bus priorities. Thus there is a need to relocate the road space in order to cater for the various needs.

- 3.5 Also, around the inner ring road, there will be a need for:

- an extension of controlled parking zones.
- traffic calming.
- measures to address possible air pollution issues.

There are traffic management measures already in place on both sides of the ring road. These have either a local or strategic purpose, and will need revisiting to determine whether they still serve their purpose or whether they need to be revised as a result of the changes due to congestion charging.

- 3.6 Thus, there is a whole range of matters requiring attention, quite a lot of work to be done. The major engineering measures will need to be implemented at the time or by the time that congestion charges are put into place. However, it was suggested that some of the works should only be implemented later, because it will not necessarily be possible to predict what will happen. Indeed, the ancillary measures in the local areas may well be better programmed over a period of one or two years following implementation of the charge. That would provide opportunity for the effects to be identified, and then dealt with in a co-ordinated manner. That policy would be part of the boroughs' transport policies and programmes and should also be reflected in the Mayor's policies.

- 3.7 It was explained that in central and inner London, including the inner ring road, there is little scope for increasing the size of the highway. The only land available to move people and goods is that within the highway boundary. All that has to be done to facilitate implementation of the charge will have to be done within the highway boundaries.

- 3.8 The main focus will be remodelling junctions to reallocate the space between the various types of users, and the directions in which they are travelling, changing lanes, footways and central reserves.

- 3.9 It was thought unlikely there will need to be changes in road layout to accommodate the cameras.

- 3.10 It was noted that all the bridges which might be affected by increased traffic have been assessed against the new EC standards. Any strengthening will be part of the normal programme.

The Statutory Undertakers

- 3.11 It was noted that very little can be done in the highway in London without coming across both the conventional statutory undertakers (gas, water, electricity) as well as the many communication and television companies, and TfL's own network for its traffic control system. Their presence creates very considerable uncertainties.

Costs

- 3.12 Based on the work done on the Red Routes, it was suggested that it might cost between £250,000 and £500,000 to remodel a major junction on the inner ring road, of which there might be five or six. There may be another 30 junctions which could cost between £100,000 and £250,000, and probably 60 or so which may or may not need treatment. If work were required, it would probably cost between £30,000 and £80,000 for each junction. All these costs exclude any costs associated with the statutory undertakers.
- 3.13 It was suggested that it costs about £80,000 to £90,000 per kilometre to implement a simple bus lane, which only requires minor works to kerbs or central islands and some carriageway markings. But a more complex scheme, which might require changes to signals and major crossings, could cost £250,000 per kilometre.
- 3.14 Many of the costs associated with statutory undertakings would be small, but there could be some cases where a very large or complex piece of equipment had to be moved. In addition TfL's traffic signals, controllers and cabling might require relocation.

The Boroughs

- 3.15 It was explained that implementing the scheme would not require boroughs to do anything, which they have not done very many times before; the process is well known.

Time Scales

- 3.16 For any traffic scheme, there first has to be a review and survey. This is followed by the design, and then consultation, after which the Traffic Order is made. It is reasonable to expect the whole process, through to implementation to take 12 months. Processing of a Traffic Order would usually take 6 months once the review is done and consultation has taken place.
- 3.17 It was suggested that once a decision has been made to implement congestion charging, any measures to deal with the effects are likely to be less contentious. However, it is difficult to progress any scheme without some sector of the community - residents, businesses, the motoring public - raising issues which need to be dealt with.
- 3.18 It was noted that some of the necessary work could be done fairly rapidly, but some, particularly the specialist equipment, needs to be programmed in very early on. The work with traffic signals, which would put a lot of pressure on TfL's Traffic and Technology Systems team, would also need to be programmed early on.
- 3.19 Most of the engineering works will be outside the main (charge and enforcement system) procurement process. The different procurement and contract strands would therefore need to run in parallel.
- 3.20 It was noted that from now until the end of 2002, or the beginning of 2003, is a very short period of time. There would be very little scope for redesign if a problem was found. Thus, once the scheme is developed and sufficient information is available on what is wanted in terms of reallocation of road space, the work needs to be commissioned.

4 Revenues

- 4.1 It can be expected that as incomes increase, a £5 charge will become more affordable and more acceptable. Thus, as more people will be willing to pay it, either revenues will increase or the charge will have to be increased through time to hold traffic volumes at a constant level. In either case revenues would increase.

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- 4.2 It was noted that research for ROCOL found that when people were asked about how they would behave when confronted with these charges, the principal response was "pay and continue to use my car/vehicle" or "change to public transport". Those responses have been modelled. However, a response not incorporated in the basic ROCOL estimates is a change in the location of destinations.
- 4.3 In an initial phase of ROCOL, before the main transport model was ready, analyses were undertaken using London car and goods vehicle trip data, together with the best information that was available from past experiences of motorists' and vehicle users' responses to different charges. These included surveys that had been undertaken in response to road charging, and experiments that had been undertaken with actual charges being levied for driving in some towns. These analyses gave an initial estimate of annual revenues of £200 - £250 million.
- 4.4 Subsequently, a series of stated preference surveys were undertaken, in London, to try to understand how people might respond to charging proposals. Those responses were then used to build a transport model. This model gave results which corresponded very closely with the initial estimates. However, there was less close correspondence in the numbers of licences that might be bought for, and the revenues that might be obtained from, heavy goods vehicles. The view was taken that the commercial sector would be better able to re-schedule its trips and activities to reduce licence costs, getting more trips per vehicle for each licence that is bought than some of the modelling demonstrated. The forecast revenues from commercial vehicles were therefore adjusted down. Overall, using the information which existed, the surveys that were undertaken, and the model that was built, the ROCOL forecasts provide the best estimate of revenues.
- 4.5 Given that the ROCOL surveys had indicated that a large proportion of road users would continue to use their vehicles and pay the charges, giving revenues of £200 million, the uncertainty around the revenue estimates is relatively small.
- 4.6 It was confirmed that the transport model used for ROCOL could be used to investigate other charge levels and policies, and was available to TfL. It was also confirmed that the model could be used, and had been used, to estimate the consequences of, for example, cheaper bus or flat rate bus fares. Detailed documentation of the model, which had been provided to the Government Office for London, has been transferred to TfL. As this is now the property of TfL, if the Panel were to seek its release, TfL could give provide further information
- 4.7 A series of sensitivity tests had been undertaken for ROCOL. These included:
- alternative charges of £2.50 and £10, for cars.
 - bus fares equivalent to the £1 central area fare and the 70p outer London fare, with the £5 congestion charge for cars.
 - a 60p flat bus fare across the whole of London.
 - improving bus speeds through introduction of bus priority measures across central and inner London.
- The impact of the bus fare change was to reduce car revenues by the order of 5%.
- 4.8 In response to a question as to what would happen to revenues if roadspace were to be reallocated to, say, pedestrians and buses, so that other vehicles did not benefit, it was explained that the transport modelling work had assumed that if charges were introduced, speeds for those vehicles remaining inside the charged area, would increase. Thus, road users would get the full benefit. If road space were taken away from vehicles and re-allocated to other users, so that there was no increase in the speed of motor vehicles, there would be a reduction in the number of licences bought, and thus in the revenues. It was noted, however, that there would be issues about acceptability of such a reallocation. While not investigated in ROCOL, it was thought that the effect would be relatively small, most probably less than 10%.
- 4.9 In response to a question about charging residents of the charged area, and the possible effects on revenues of giving them a large discount, it was explained that the best estimate, from the available data was that there are some 33,000 cars registered to residents of the charged area. An annual charge of £200 would give annual revenues of some £7 million.

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Survey data suggests that these residents make some 50,000 car trips each day. If they paid £5 per day for a licence, the revenue would be of the order of £12-15 million per year. Thus, if the daily £5 licence were replaced by an annual £200 charge, the annual revenues would be reduced by some £8 million.

- 4.10 It was noted that it was assumed that residents would not be charged for cars parked in a residents' zone, and that the objective of the charge is to reduce congestion, rather than raise revenues. It was suggested that this is strengthened if people have to think every time they get their car out. That led to a question about the effect of annual £200 charge on congestion. In response, it was suggested that there would be no reason why an annual £200 charge could be expected to influence car use. However, it is much more likely to affect the use of the car if residents had to pay a charge per day each time they drove outside their local parking area. It was also suggested that the way in which charges are levied on residents needed to be thought about further.
- 4.11 It was also noted that a £200 charge for residents is very little more than the Road Fund Licence, and will mean very little to someone living in central London.
- 4.12 It was noted that charging is entirely new, and that the ROCOL forecasts cannot be assumed to be the final answer. They are based as far, as they can be, on science, but there is uncertainty, and car drivers are quite unpredictable.

Appendix O

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session 7 - The Mayor

Panel Members Present

On Friday 29 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Angie Bray,
Jenny Jones,
Roger Evans.

The Witness

Ken Livingstone, Mayor of London.

In Attendance

Keith Gardner, Transport Strategy Manager, GLA,
Derek Turner, Director Street Management, TfL.

1 Introduction

- 1.1 The main purpose of this, the seventh, evidence session was to enable the Panel to:
- understand the Mayor's rationale for the introduction of Congestion Charging in Central London, its relationship with other elements of his anticipated Transport Strategy, and his expectations on its implementation more widely, in due course.
 - review with the Mayor the key issues identified in the preceding six sessions, including possible "show-stoppers", and other factors which might have a significant impact on:
 - a achieving the proposed programme, on time and within budget.
 - b the financial viability (ie, the revenues in relation to initial and on-going cost).
 - c the effectiveness of the proposed scheme, in particular relative to the Mayor's objectives.
 - understand the Mayor's assessment of the risks, and benefits.

2 Policy Objectives

- 2.1 The Mayor explained that the Transport Strategy will include a package of measures to tackle congestion and improve public transport. The primary objective of congestion charging in central London is to reduce congestion, thereby reducing traffic delays and improving the reliability of journey times. Secondary objectives include improved road safety, better pedestrian amenity and easier conditions for bus operators. Congestion charging would also generate significant revenues for investment in London's transport. He explained that traffic reduction would be a measure of less reliance on motor vehicles, which is of less importance to him than reducing the adverse impacts of traffic. The final balance of objectives would be settled after he has the results of consultation on his draft Transport Strategy.
- 2.2 If the Mayor had to choose one objective, it would be to make London more acceptable for business community to operate in. He explained that one of the major factors that discourages businesses from investing in, and coming to, London is congestion. The problems of business in getting goods and workers around the city is a major disincentive. Securing the business base of London, and thus employment, is very important to him.
- 2.3 One of the things that weighed most heavily in the Mayor's decision to commit himself to charging for his election campaign was the discussions he had had with the leading figures in the business community in London. Whatever mode of transport they use, they do not know, within forty minutes, how long it is going to take to get from the City to the West End. This makes London unattractive to inward investment and to firms continuing to operate here, as compared with, say, Paris or to Frankfurt. That was the first deciding factor in his mind and that remains the overriding one. If the business community is disbenefited, firms will

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eventually relocate. There will not a great exodus at any one time, but when a lease expires on a major corporate headquarters one of the factors they will consider is the sheer day to day grind of having to get around a badly transport planned city. He wants to ensure is that when a business plans a journey, there is not a delay of, perhaps, twenty minutes or half an hour in two or three jams.

- 2.4 While the Mayor's priority is for the business community to function properly, everyone benefits from having reduced congestion. He also wants to see an improvement in bus reliability, and improvements for pedestrians where they are particularly vulnerable or have to walk in very unpleasant and crowded conditions.
- 2.5 The Mayor explained that there is no equivalent scheme to his proposals. While there are small schemes in some other cities, and other schemes in cities which are completely different, culturally, London would be the first major western city to implement a scheme of this scale. He will therefore be cautious, and flexible about the level of the charges and what exemptions there should be; they must be got right. If that is achieved, he believes it will be copied by every other major city in the world. It will have a huge impact on transport in urban centres and a long-term major impact on the global environment.
- 2.6 In response to a question whether, if a measure were to be found which achieved the same free flow of traffic but did not involve people paying £5 or £15 a day, would the Mayor support it; the Mayor explained that if someone came up with a scheme which would have the same end result as the congestion charge, he would be very keen to grab it, but after thirty-five years of studies and debate, nothing has yet appeared.
- 2.7 The Mayor stated that he had every intention of seeking a second term, based on his being swept back into office because of the success of the congestion charge. He thought it would be the single most important thing he would have done in his life.

The Charge Level

- 2.8 The Mayor said he had been told that £5 is not high enough to really achieve change. But, in his view, it is the point at which the balance is about right. It will be necessary, however, to try it and see. Once £5 has been tried for some time (months if not a year or two), and it is known by how much it reduces congestion, the charge could be changed down or up.
- 2.9 In response to a question as to whether he had a particular target for congestion reduction, the Mayor said, there seemed to be a consensus on a basic charge of £5, with £15 for heavy goods vehicles. He thought that less than £5 would be too low, and ineffective. Above £10 there would be a degree of resistance that would make it unproductive. The business community have argued very strongly against £15. £5 and £15 could give a reduction of between 10% and 15%, although he expected it to be closer to 10% rather than 15%. But if £5 does not work, there will be a need to consider £6 or £7.
- 2.10 Asked about how the charge might change over time, in terms of either containing the level of congestion or matching changes in bus fares, the Mayor explained that so long as inflation stays low, there would not be a reason for increasing the charge.
- 2.11 Keith Gardner explained that, traffic levels entering central London have not changed dramatically over the last twenty years. But traffic speeds have continued to go down, due to a series of factors. One is the increase in white vans, most of which are making stop-off's. However, he thought that no one knew all the causes.

Revenues

- 2.12 In response to a question as to whether the proposed scheme still be worth doing if the costs and revenues were rather closer, and the income is not so generous, the Mayor explained that he would still proceed congestion charging, even if all the money went straight into the national Exchequer. He is doing it because of the problems of congestion in London. However, the ability to keep the income allows borough councils to bring forward their own particular schemes to improve and relieve congestion in their areas or improve transport,

make safe routes to schools and the like, as well as schemes that he, as Mayor, would be proceeding with.

The Charged Area

- 2.13 In response to a question about increasing the size of the charged area, the Mayor explained that London First had considered two possibilities, one was the area he is now proposing, and another that included Kensington and parts of Chelsea. The business community favoured the smaller scheme, by a vote of two to one. It is his view that it is best to press ahead on the area for which there is the greatest consensus. Also, with the ROCOL proposals, all the roads concerned are under his control. A larger area would require the support of boroughs that have made clear they are not in favour of the scheme. However, if the initial scheme is a success, he thought he could very well find that in the next term of Mayor, if he is re-elected, boroughs would be demanding an extension.

A Possible Pilot in the City

- 2.14 The Mayor explained that the City Corporation had offered to use the City for an initial scheme. However, he thought that the area was too small, and bore little relation to the wider problem. He took the view that it was best to go for something closer to the ROCOL scheme.

ROCOL

- 2.15 It was noted, by the Panel, that ROCOL appears as though it is a document handed down, written in blocks of stone. The question was asked whether there had been any independent analysis of the ROCOL work. The Mayor explained that it was the London First study which first set him thinking on the issue. This had been conducted by the business community and involved public consultation. The ROCOL work was in much greater detail and he is now building on it. Derek Turner pointed out that the ROCOL report was prepared and agreed by a working group of a number of independent experts including people like Martin Richards, Professor Peter Jones and Nick Lester who have appeared as witnesses, as well as Keith Gardner and himself. Keith Gardner noted that it also included the AA and the RAC.

3 The Impacts of Congestion Charging Businesses

- 3.1 In response to a question as to the benefits a van driver would obtain, and whether the charge was, in practice, a tax, the Mayor explained that commercial vehicles would obtain tangible benefits. They would be able to get around London more efficiently without the same level of delays. Everyone with a business in the area will benefit from smoother flowing traffic, and that includes a small businesses.
- 3.2 Derek Turner explained that ROCOL had estimated the economic benefits of the scheme with a base charge of £5 and £15 for heavy goods vehicles, would be £2 million pounds per week. He noted that the economic benefit is substantially in terms of reduced congestion, reduced journey times and improved reliability. Thus, vehicle operators would be able to make more deliveries, increase the number of shops served, or increase the number of repairs done. Offset against those benefits is the cost of the charge. But, as well as reducing congestion the charge will raise £4 million per week to invest in improvements in public transport and the transport system as a whole.
- 3.3 It was suggested that the charge will be an added cost of business for those operating vehicles in central London, and that these costs are likely to be passed on. The Mayor noted that the proposed charges are a very much smaller outgoing than parking costs. He suggested that with congestion charging, borough councils might like to consider reducing parking charges.

Social Impacts

- 3.4 In response to a question about the potential for lower income groups to benefit from congestion charging, the Mayor thought that lower income groups would benefit the most because, within inner London, where the major impact will be, the majority of families do not have access to a car, and car ownership is closely related to income. As they are dependent on public transport, the charge is not something that hits massively at the poorest. The public

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transport they depend on will be able to get through the system better. They will also benefit from the reduction in fares, which will accompany the introduction of congestion charging.

- 3.5 The Panel suggested that the charge is regressive among drivers, since it does not discriminate between vehicles typically owned by the richer and those owned by the poorer; between a Jaguar and a Skoda. In response, the Mayor said he wished he could organise a scheme so that millionaires paid more and the unemployed less. But the scheme is not regressive, as the poorest people in London do not have a car, also noting that within the Circle Line half the families do not have a car. He considers that London is quite unique and said that if congestion charging cannot work in central London, it cannot work anywhere.
- 3.6 The Mayor said that detailed studies are to be undertaken on the impact on lower income households, key workers and so on.
- 3.7 He continued by noting that every aspect of the whole scheme will be heavily researched, if not by the GLA then by academic institutions and the media. He did not think there would be shortage of information about how the scheme works. He expects that, on the day charging starts, every major user organisation in the world will be in London to watch it start and they will continue watching because they know if it works here it will be "coming to a city near you" next.

The Charged Times

- 3.8 The Mayor was asked whether there should be a shoulder period to avoid congestion outside the area just before the end of the charged period. In response, he said that he was not yet sure about the times. Based on the initial responses to the initial proposal they may be different to the initial proposal for 7.00am to 7.00pm. There could be different ranges of times, perhaps two different time slots at either end of the day. There will also be a need to co-operate with the Boroughs, to ensure that times are co-ordinated with parking policies.

The Reallocation of Roadspace

- 3.9 The Mayor noted that various views had been expressed about how road space should be reallocated following reduced traffic levels resulting from congestion charging scheme. He explained that he was considering the responses to *Hearing London's Views*, and that he will set out in the draft Transport Strategy how he believes road space should be reallocated to London's best advantage

Winners and Losers

- 3.10 In response to a question that if everyone is a winner, as the Mayor had implied, then who would the losers be; the Mayor explained that if we have a city that works better nobody loses. If, in ten or fifteen years time, we have the sort of modern, efficient transport, in which all classes use the buses and they arrive on time and are clean, there is not the level of congestion, and accidents have come down. We would all have adjusted our lives in some way, some of us will walk more, will ride less, we use the buses more. We will all adjust our lives, but they will be better lives.

Outside the Charged Area

- 3.11 Addressing possible impacts on the area immediately outside the charged area, the Mayor explained that there is a need to give the greatest attention to how to adjust traffic patterns, so that people in these areas do not find their lives become intolerable. When the City introduced its "ring of steel", the neighbouring boroughs disbenefited through displaced traffic. He explained that there are many factors to consider, and noted that one of the major benefits for someone outside the charged area should be the improvements in public transport.
- 3.12 Responding to a suggestion that funds should be allocated to home zones, the Mayor said that there is a broad view that there should be a London wide speed limit of 20 mph in residential roads. However, this is a matter for the boroughs. It is also something that the Government has to consent to. He thought that a consensus can be built, it would be possible to go to the Government and say ask for the introduction of 20 mph limits in residential streets across London. He, noted, however that this was independent of congestion charging.

The Environment

- 3.13 Although it might be hoped that congestion charging would reduce pollution, it was noted by the Panel that the evidence received suggests that there will be a very small decrease within the charged area, but there may be a slight increase outside it. Further, a switch to diesel-engined buses and taxis would increase some emissions. The Mayor was asked what might be done to mitigate this. He replied that while all vehicles are getting cleaner, special attention will be paid to any possibility of increased emissions.
- 3.14 In response to a question as to whether there is an argument for setting a date by which taxis (black cabs) should have switched to low emission engines, and then to charge those, which have not switched, the Mayor said he thought persuasion was better than penalties. He was optimistic that, with assistance, he could get them all to change. He would be delighted if they would change, describing a walk down Oxford Street as "absolutely disgusting, with the soup you are breathing in".

Travel Choices

- 3.15 Responding to a question about evidence on people's willingness to switch from cars, Derek Turner said it has been shown that if bus priority measures are properly introduced, the increases in reliability and reduction in journey times can give up to a 10% increase in bus patronage. He also quoted the "fares fair" experience. However, he felt that Red Routes have not had the impact they could have had, because of boarding delays with one-person operation. The Mayor was optimistic that the single most decisive factor in shifting people back onto the buses will be the reintroduction of conductors on the routes bringing people into the centre.

4 The Technology for Charge Collection and Enforcement

- 4.1 The Mayor confirmed that there would be no booths at the roadside controlling entry into the charged area.

Secondary Legislation

- 4.2 In response to a question about the co-operation from the Government on securing the necessary secondary legislation, the Mayor confirmed that he was in discussion with the DETR and expects the secondary legislation to be in force by June 2001, prior to the finalisation of the transport strategy. He noted, however, that if there were an election between now and then, that could shift a few weeks either way. He explained that DETR officials are working with them at all stages because he cannot implement congestion charging without the regulations developed by the Government. Also, Government clearly want it to be a success so that it can be adapted and adopted by other cities. It will not be one of those areas where the Mayor is at loggerheads with the Government.

- 4.3 These discussions do not relate to those on the level of fines for bus lane violations, which are fixed by the Home Office.

Type Approval and the Use of Images

- 4.4 The Mayor said that there is no reason for Home Office approval for the enforcement of congestion charges. The Mayor's legal advisors said that their reading off the GLA Act says that the Secretary of State may direct in relation to type approval, he does not have to. They said that it is not necessary to go through formal type approval with the Home Office. They also explained that there is a difference between evidence that the police may use to assist them in detecting criminals as opposed to formal evidence that they will have to use in court.
- 4.5 These views were questioned, as it seemed that images from the cameras could provide key evidence without which a prosecution would fail. It was suggested that it would be unfortunate if the images could not be used because the evidence was inadmissible. Derek Turner explained that, from his experience with the development of the bus lane enforcement camera system, the question is one of primary evidence. The close circuit television systems which are used by the boroughs are not used as primary evidence. The evidence is of the person who is watching the screens at the times, which the offence occurs. So it is their

eyes; the analogy is that it is like using binoculars. There is a much wider ability to use secondary evidence to support a prosecution, and it is a matter for the courts to decide whether the balance of probability is in favour with the prosecution. CCTV cameras are not being authorised for criminal prosecutions in London. The bus lane enforcement cameras have been type approved for the use in criminal prosecutions in London, so there is experience of both types of technology. Furthermore, images from the City of London, which uses the camera system likely to be used for congestion charging, have been considered by the Home Office and the police but they are not being used for criminal prosecutions

- 4.6 Derek Turner reported that he had had discussions with the Deputy Assistant Commissioner, and they would like to use the records for intelligence gathering, which does not require type approval. The Mayor also said that in a very brief part of a discussion, the Metropolitan Police had indicated they would very much like access to the information on the cameras.
- 4.7 The Mayor said that it would be ridiculous for him not to allow the Metropolitan Police access to the data on the cameras at a time when we are the subject of terrorist attack. There is a chance that the police will be able to monitor the movements of terrorist organisations into and out of the zone in any vehicle.
- 4.8 In response to a question about use of images to pursue persistent offender, the Mayor's legal advisors said that measures that an individual may take to avoid paying, covering up a licence plate for example, will be a criminal offence which will be prosecuted without evidence from the cameras. That will be done by the police using normal evidence. Information taken from the cameras will not be used in criminal prosecution.
- 4.9 In response to a question about civil liberties, the Mayor said that his broad view was if you are not planning to get up to trouble you have not got anything to worry about.
- 4.10 Derek Turner explained that the equipment being investigated would provide images of both the licence plate and the location. Both of these would be stored for a limited amount of time. He had had discussions with the Metropolitan Police, and he did not understand that there were civil liberties issues. He was very keen not to get involved in issues in which they do not need to become involved.
- 4.11 Derek Turner sought to reassure the Panel that TfL are in active, positive, discussions with DETR, and they do not expect to see a type approval issue to materialise.

5 Enforcement and Compliance

- 5.1 The Mayor was asked how he expected to deal with those who try to evade payment, noting that a significant proportion of Londoners do not pay road fund, and did not pay the poll tax. The Mayor was confident that they would be got, one way or another. He thought that the level of evasion would depend on whether the charge is seen as reasonable. If there were a consensus that the scheme works, he would expect only a small minority who will always avoid paying. He considers the vast majority of people in London to be law abiding; if they think it is a reasonable way of proceeding they will pay the charge

6 Exemptions, Discounts and Season Tickets

- 6.1 The Mayor acknowledged that once the analysis of responses to *Hearing London's Views* is complete he will need to consider possible exemptions and discounts. In doing that he will be seeking a consensus which will unite London, rather than divide it. It is for him to use his skill as politician to find what is as fair as you can get in an imperfect world.
- 6.2 The Mayor explained that he started discussing with the London region of the NHS about the exemptions that some of their key staff will need. He does not want the congestion charge to be a way of clawing back from education and the health service the extra money that the government has started to put into them.

- 6.3 He confirmed that the emergency services are going to be exempt, and that there he will be discussing with the police, the fire service, the ambulance service and so on, the question of vital staff getting to very early and very late shifts, in particular. He noted that there is a dividing line somewhere between the poorest nurse and richest Minister.
- 6.4 The Mayor confirmed that his decision on penalty charges and discounts will be published in the Draft Transport Strategy. These are expected to be within the limits set in the secondary legislation.

7 Complementary Transport Measures

- 7.1 The Mayor noted that to complement congestion charging, there will also be a substantial package of public transport improvements including the bus priority initiative, more buses, and a major re-negotiation of all bus contracts to improve reliability and service levels. In addition, either the government will be proved right about the Underground PPP, and that the quality of service will improve, or he will be proved right and will come up with some other measures to tackle that.
- 7.2 The Mayor noted that while Londoners may very well find a small increase in their costs, that would be balanced by reduction in their fares. He explained that he would be consulting on the form of fares reduction that will be introduced at the same time as the congestion charge comes in, to encourage the wide use of public transport. He explained that he is not particularly thinking about a simple flat reduction but some further major step change to simplification and integration of the TOCs, the Underground and bus, so it suddenly becomes easier for people to use public transport.

Improving Public Transport

- 7.3 It was explained that although the Mayor had promised to improve public transport before the introduction of congestion charging, the Panel was having difficulty understanding how to measure what improvement means. It was noted that the public might be expecting a vastly improved service prior to the introduction of congestion charging. The Panel was looking to determine how much more frequently, how much more reliably; things that are measurable in public terms.
- 7.4 In response, the Mayor stated that the improvement of public transport in London in terms of buses and the Underground would happen whether or not there is a congestion charge. He said that the way forward on the buses is quite clear, he will renegotiate the contracts with the bus companies, and will most probably move towards a zonal rather than an individual route based contract system. The new contracts will include for penalties for failures to not provide the contracted service, and there will be incentives for improving the quality of service.
- 7.5 He does not believe that it is possible to be precise about the improvements. However, those for buses, "will be noticeable to you and the public ". On the Underground there is a problem. If the Government drops the PPP, he would immediately move to begin the attacking the backlog of maintenance. If the Government does not drop the PPP, he is dependent on whether the Government has negotiated a good contract that provides a spur. He explained that it is his intention that the salary package for all senior personnel in Transport for London should be linked to improvements in service provision.
- 7.6 It was noted that there is not much time to get these improvements up and running, and the Mayor was asked what can be expect to be in place, within that time; when all the (bus) contracts are going to be renegotiated. The Mayor, in response, said that he suspected that that would be two years of hard work. A decision on the contractor to do the research about drawing up a new bus contract has just been made. Developing a new contract will take months of work and will require academic research. Then the contracts have to be renegotiated.
- 7.7 The Mayor said that if Londoners do not see their services improving in the crucial six months run up to the introduction of the congestion charge, he would rapidly lose support for proceeding.

- 7.8 Pressed as to whether there is a direct relationship between public transport improvements and the introduction of the charge, the Mayor explained improvements are being made to public transport, regardless of whether there is congestion charging or not. It was suggested to the Mayor that that he had implied that the improvements are not dependent on the revenues from congestion charging; and that if the improvements are not in place by December 2002 the Mayor would still go ahead with the congestion charge. That there is no linkage with congestion charging. The Mayor replied, saying that if there has been no improvement in the quality of public transport provision by December 2002, he would not proceed.
- 7.9 The Panel continued to press for a statement, in due course, on the minimum levels of improvements required before the Mayor would be prepared to finally go ahead with the congestion charge. The Mayor expressed concern about giving a percentage figure, saying that people will know from their own day to day experience whether it's getting better. He also noted that after 40 years of decline, it is not easy to define what would be noticeable.
- 7.10 In the continuing discussion, it was suggested that in area where there is clearly no spare capacity, for example east London served by the Central Line, it would be reasonable for people to expect some other specified increase in public transport capacity in terms of their frequency, as well as reliability, which must be achieved before charging is introduced. The Mayor responded by explaining that economic activity is a major determinate of demand, and that a change of up or down by a few percentage points most probably has more impact.
- 7.11 The point was put to the Mayor that it would be unreasonable to go ahead other than on the assumption that the economy in London will continue to grow roughly the same rate and that the pressures will therefore continue to grow. There is, therefore, a need for measured outputs in transport capacity before the scheme goes ahead with. The point was also made that the Panel have been told that if the bus operators are to improve capacity on services they need to start planning now. The Mayor responded, saying that improving London's bus services is like a jigsaw, he cannot specifically pin down the exact level of improvement. But the deciding factor is public confidence, once the public see the system improving and they can see that is going to continue. It might be a quite small improvement but after forty years of decline, but it will be noticed once it turns round.
- 7.12 The Mayor was asked that, if the improvements are to be "noticeable", whether he would undertake consultation with people who use transport to see if they have actually noticed an improvement before he introduces congestion charging. The Mayor replied that he would be starting that well before. He explained that he will be establishing a permanent monitoring of transport satisfaction for all modes of transport in London, the train operating companies, tube, and the buses. There will be a regular pattern so it will be possible to see how satisfaction is changing. It will be the largest opinion poll contract ever awarded, and it will run for as long as he is Mayor. He does not trust self-monitoring. However, in response to a question about having a referendum, he said that he did not think that would represent good use of money.
- 7.13 The Mayor confirmed, absolutely, there has to be noticeable clear improvements in public transport before the charge goes ahead, and that if they're not being delivered that charge would not go ahead on the time scale planned. He said that he had to be able to notice it and so does Joe and Josephine public or he would not get the public consent
- 7.14 The Mayor thought the easiest way in which people will come to terms with the policy is when he starts talking about the package of fares reductions and fares simplifications; debates on the costs of congestion are meaningless to people. But if they start seeing improved journey times, increased regularity and reliability of the bus system, a slight reduction in fares or whatever, all this will make it more saleable.

Bus Services

- 7.15 Derek Tuner explained that the Mayor will be continuing the London Bus Initiative, which is a £60 million pound programme to improve 27 routes in London, due for completion by the

middle of the next financial year. That programme shows what can be done in two years, with improvements to twenty-seven routes. The Mayor is allocating to Street Management sufficient budget to double that programme. Thus, fifty or sixty routes will be raised to a very high standard before congestion charging. In addition, all bus routes will be covered by the bus lane enforcement cameras, and there are the Mayor's initiatives in terms of fares restructuring and bringing conductors back. This is a huge renaissance in the bus services in London. It should be remembered that in relatively recent times, the 1960's, buses carried twice as many people as they carry now.

- 7.16 When asked when the specifications of the bus improvements will be published, and whether, having published them, the Mayor was confident that they will be delivered on time, the Mayor said substantial improvements to bus services are already in hand. In addition, congestion charging itself will directly facilitate improvements through faster journey times. He will be developing strategies for such improvements through the Transport Strategy, and including them in the planned consultation exercises.
- 7.17 In response to a suggestion that it might be naïve to assume that the congestion charge will automatically lead to faster journey times on the buses without a lot of other parallel measures to take the road that is freed up and give it to the buses, the Mayor explained that was being done with a package of bus improvement measures.
- 7.18 The Mayor said that he had just decided that the Transport Strategy will have a detailed list of the improvements of the bus system that are being brought forward. He noted that the redesign of routes, which many would like, will take longer.

Enforcing Bus Lanes

- 7.19 Asked about improving the enforcement of bus lanes, the Mayor explained that Derek Turner had been working on this long before he became Mayor, but that he had inherited the escalating pattern of work.
- 7.20 Derek Turner said that by the middle of the next financial year, the whole of London will have bus lane enforcement cameras in place. With the importance being attached to buses, TfL will be ensuring there is a high level of provision on the particular routes which are serving and going through central London.
- 7.21 It was noted that although TfL appear to set much store by cameras to deal with enforcement issue, the offenders have to be dealt with through criminal courts and that this can cause delays. In view of this, the Mayor was asked whether it would be sensible to consider decriminalising the offence. The Mayor responded that he had made representations to the Government; that he is doing all he can to say to the Government, let us have one clear and simple system, an £80 fine for both parking or driving in a bus lane, whether it's on a Red Route or not. But, the Government sets a pattern of fines for the whole country, even though a £30 fine has a much less impact in London than it might in Aberdeen.

Cyclists

- 7.22 In response to a question about improving cycling facilities, to be an attractive alternative to an overloaded Tube, the Mayor said he had agreed with the London Cycle Campaign that he will take over the management of the cycle routes with the aim of completing them during his first term of office. And in the spatial development strategy he will encourage firms to have shower rooms and other facilities for cyclists.

8 Consultation

- 8.1 When asked whether he had an open mind on congestion charging, given that he is on record as saying that his period as Mayor would be measured by his success with congestion charging, the Mayor explained that his initial decision had been not to stand for election, since, as there were no separate revenue raising powers, there was not enough to make it a real job. However, he was among those who had lobbied the Prime Minister to give the Mayor the powers to introduce congestion charges and the workplace parking levies.

Decisive actions in changing his mind were the intervention by the Prime Minister to change the legislation, and the decision to make members of the Assembly full time and paid.

- 8.2 He regards congestion charging to be essential for London, its people and its business community. But he also accepts that he cannot go forward with a scheme that's flawed. He cannot go forward if at some point it is demonstrated to him that it will not work or that there is a better way of solving these problems. He cannot go forward if he cannot build a public consensus to go along with it. He pointed out that he had already shown the Panel that he had changed his mind about the level of charging for heavy goods vehicles, and stated that he is prepared to change his mind on other areas so as to build the effective consensus that is needed. The Mayor confirmed that he had an open mind.

Hearing London's Views

- 8.3 The Mayor explained that none of the responses to *Hearing London's Views* he had seen are an outright rejection of the scheme, although there are varying degrees of concern. There seems to be a willingness amongst organisations in London to get it right; there is an acceptance that something has to be done, and that is revealed in the responses. There is now a need to analyse the responses, and consider the time period, the effects on the theatre trade, who gets an exemption and so on.
- 8.4 Keith Gardner explained that most responses to *Hearing London's Views* he had seen were along the lines "this is going to happen because the problem is so bad" and then express their particular concerns, in some detail.
- 8.5 The Mayor noted that the closest to a rejection were the views of the market traders. While they had raised more concerns than any other body, he did not think that it was an outright rejection.
- 8.6 It was noted that *Hearing London's Views* did not specifically ask whether people were in favour of charging in principle or not. It was suggested that the lack of such a question was strange for a consultation document. Keith Gardner explained that it was a stakeholder discussion document rather than a consultation document and noted as that document says that people are able to respond in the widest possible ways, he would expect anybody that was vehemently opposed to have said so.
- 8.7 The Mayor explained that it had been an attempt to sound out people's views to influence his thinking before going out to consultation on the basic principle. Having looked at the responses, he had already begun to change his mind about levels of charging and so on. There will be other areas to look at and what goes into the Transport Strategy will be different from what was in the discussion document. The consultation will be on the principle, saying "this is a scheme in principle, are you in favour of it or not?" If there is a consensus in favour then there will be another phase of consultation saying "we have now accepted we are going forward in principle, are there any further views about actual points of implementation?" He noted that consultation has been started earlier than necessary.

The Transport Strategy

- 8.8 The Mayor anticipates being very specific about the charging scheme in his draft Transport Strategy. He noted that that was the whole basis of the *Hearing London's Views* exercise. Based on what those stakeholders say, he wants to be as specific as he possibly can, so that people know what they are going to be getting. Asking them to say "yes" or "no" on the principle without being specific would be a deceit. He expects to be precise about the zone, the charging levels and, preferably, the times. However, there will still be areas of negotiation about exemptions; they may take well past the initial phase.
- 8.9 In response to a question about whether, if all the detail of the charging scheme is given in the Transport Strategy, there will be a further consultation on the detail, the Mayor said that would not be honest to consult on the principle and then produce, six months later, a scheme remarkably different from what people were assuming. He said "we will carry on arguing about the detail well beyond that period". He was optimistic that the Transport Strategy due to go to the Assembly on 1 November will be as precise as it is possible to be. However, he

still expected endless discussion, particularly about exemptions, pointing out that exemptions relate to vehicles not individuals. There is a lot of debate with organisations like the NHS about how to make that work.

Public Hearings

- 8.10 The Mayor said he would have to consider holding a public inquiry once that stage is reached. He felt that some public enquiries have discredited the whole concept, and questioned whether something like the Heathrow Terminal 5 was the best way of consulting people. He had a genuinely open mind about discussions with people such as the Panel, and more widely, but at the end of the day he regards scientifically based opinion polling to be the best way of actually consulting the public.
- 8.11 It was noted that the Panel had received evidence that there is a range of possibilities for public meetings. The Mayor confirmed that he would consider a public inquiry to address particular concerns, while stressing that this, more than any other decision, would be taken on clear and specific legal advice.

9 Managing Implementation

- 9.1 The Mayor confirmed evidence previously given by TfL, that tenderers would be invited to start preparing their bids in May 2001 with the intention that TfL could commence letting contracts in August. The resources that would be expended on these contracts before the publication of the Transport Strategy would therefore be limited to TfL Scheme Management, and its consultants preparing bid documents and managing the procurement process, as well as the bidders preparing their bids. The Mayor also explained that TfL are currently procuring consultancy support for the development of the scheme in parallel with the consultation processes. The two main elements of this are management consultants and communications specialists.
- 9.2 It was suggested by the Panel that this meant that, if TfL invites potential bidders to tender in May, the scheme will initially be advertised in the Official Journal of the European Communities in January, or thereabouts. Thus, the draft Transport Strategy would be published at the same time as TfL are advertising for potential interest in tendering to implement the congestion charge, before London residents have been consulted about the scheme. This raises the question of whether the Mayor is serious in his consultation. It also raises the issue of spending Londoners' money before a decision on whether to go ahead with the scheme.

Contract Strategy

- 9.3 The Panel explained that evidence they had received was that it would be most efficient to let the contract for the supply of the charge collection and enforcement system as a single contract based on a performance specification, but it was understood that TfL intended to let separate contracts. The Mayor agreed that TfL would let supply contracts for the scheme primarily on the basis of output specifications.
- 9.4 He considered that letting a single contract would not respond fully to some key points. It would be important for TfL to retain ownership of some elements of the scheme such as the cameras and the database. To meet the programme objective, they will need suppliers to begin the procurement and manufacture of some items before TfL is able to let a contract for others. This requires several contracts.
- 9.5 He thought that the approach recommended by other witnesses, of requiring the main contractor to accept much of the risk, could lead to TfL abdicating rather than managing the risk. The strategy TfL have devised places a requirement on each supplier to deliver their particular element. One supplier would also have the responsibility to ensure systems integration across all elements. In addition, TfL would incentivise their management consultants to manage systems integration. He said that it would not be possible to meet the suggested timetable through a single contract.

Management Arrangements

- 9.6 The Mayor explained that with income from the scheme expected to be some £4 million per week and net benefits of £2 million per week, there is a very great strong case for implementing the scheme in the shortest practical time. That is what he has set out to do. With regards to the sufficiency of technical resources to manage integration risk, project management of comparable schemes and systems integration expertise will be core requirements in the selection of the management consultants. This expertise will support the substantial experience of the Assistant Directors and Team Leaders recruited to manage the scheme.
- 9.7 He thought it relevant to remind the Panel that the whole TfL approach to the scheme is founded on the use of existing technology. The integration risk is compounded when new technology is developed within a project. The lesson of not developing new technology has been learned from the Jubilee line. The Mayor described it as "simple stuff".
- 9.8 In response to concerns about the proposed line management arrangements for the project, and the appointment of two Assistant Directors on a job share basis, the Mayor explained that the Team Leaders will be managed by the Project Manager in terms of all the activities necessary to carry out the scheme. The Team Leaders, who are TfL employees, will be line managed by one of the Assistant Directors. Authority to issue instructions to contractors will be delegated from the Director to the Assistant Directors to the Team Leaders as appropriate. He did not think the Project Manager could have such authority. Team Leader authority will be limited according the effects of the instruction, as is normal on such contracts.
- 9.9 Derek Turner explained that the structure TfL are trying to adopt is to have in-house staff to manage the delivery of the project, but he is aware that TfL needs to advise the Mayor what is going on, in a type of scrutiny style. The Project Manager is there to carry out the interface on the day to day management of the project, and the project management consultants are there to actually advise on the wider issues. TfL are trying to get the best of both worlds in terms of the political and practical steer of the local authority employees and local authority ethos, coupled with the project management skills associated with the private sector. A mixture is being established to achieve that. The Assistant Directors that TfL have appointed have extensive experience and they have extensive experience of working on a job share basis.
- 9.10 The Panel Chair made it clear that the questions relating to the job share arrangement did not relate to the holders' talents; she was sure they are extremely competent people. But the advice the Panel have had is that it is such a critical position that a job share is not a sensible way forward. By its nature, a job share is a severe weakness in the project management team. It was also noted that the TfL Project Review document referred to having a clear single point.
- 9.11 The Mayor said TfL got the benefit of more than one week's work out of the job share arrangement, because the two overlap. The two also bring different skills, and he did not think anyone else in the world has an identical combination, but he has to rely on Derek Turner, who made the appointments.
- 9.12 Derek Turner insisted that he is the single point referred to in the TfL Project Review. He is the Project Director, the focus of contact for the official advice to the Mayor.
- 9.13 Responding to a question, Derek Turner said that every aspect of the Red Route programme, for which he had been responsible, was on time and in budget. Not every individual aspect of the programme as a whole, but the totality was on time and in fact was ahead of time and within budget.
- 9.14 It was noted that even if it is not seen as a particularly difficult project in comparison with Red Routes, the Panel has had quite a lot of doubts. Not about TfL's engineering capability, but about the time scale and about the need to take people with you and sell it to the people of London as a package. There is a real concern that the project has not been thought through from those other directions. The issue is about the way in which people's behaviour as travellers in London is going to be challenged and changed. Getting the lights to flash on at

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the right time is easy, it's getting the people to accept that that's a reasonable way of doing things that is the tricky bit.

- 9.15 The Mayor explained that he chairs a monthly meeting of the Project Board, which brings together all the key players. In response to a question whether the police and other partners are members of the Board, the Mayor replied that they were not, at this stage, but would be if it became necessary. Derek Turner explained they have not been included because of the need to have clear responsibility and proper decision taking which can be focused, and can give proper direction to the project. The ability to bring in the other advisors and other players is not excluded. This also relates to the other bodies that he will be working with, such as linking into different computer systems.

Staff Resources

- 9.16 In response to a question about staffing, and a shortage of traffic engineers in particular, Derek Turner said he believed TfL had the facilities and the resources, particularly the financial resources, to actually deliver this programme.

The Core IT Project

- 9.17 It was recognised that Derek Turner has great experience in street management. That was not in question. However, there is £50 million of IT at the centre of the whole project. The Mayor was asked whether he was satisfied that he had the expertise required within his team. The Mayor said he was confident, because they are going for a simple system which does not require new, cutting edge, technology, but which can be adapted to a more sophisticated system later on.
- 9.18 While the Panel acknowledged that each part of what is to be used has been tried and tested in its own way, it has never been put together in this way before, and there were real questions about the ability to ensure the parts will work as a total system. The Mayor replied that as this is the first time something of this scale has happened, there is every potential to make a mistake. He said that if a mistake were made, he would carry the can.
- 9.19 Derek Turner continued by explaining that there is a redundancy in the project. He quoted, as an example, that they would like to have retail outlets where people could buy a licence for cash. If it were not possible to hook into an existing system, such as Camelot, TfL would look at establishing its own outlets with its own equipment. The technology being used is very low tech in relation to other systems. TfL does not believe that they are dependent upon technology outside their control.
- 9.20 Responding to questions, Derek Turner said that there was no need for a link with bank systems to deal with credit card details, that TfL already have established, telephone, links to DVLA, and that they do not believe they need a link to the police computer at Scotland Yard.
- 9.21 In response to a question about whether he had ever implemented a software system before, Derek Turner said he had managed the development and the implementation of IT projects. He explained that TfL have advertised for consultants to assist them in the management of this project and to provide high level of IT support.
- 9.22 The Mayor explained that he thought it inconceivable that with such a large undertaking there will not be problems. The question is whether they are ones the people will accept, the sort of things that are almost inevitable, or whether they would be so massive as to bring the system into disrepute.

Managing Costs

- 9.23 The Panel noted that according to the TfL Project Review document, the first management priority is to inaugurate the scheme by the end of December 2002. Quality, obtaining performance to the required level, is the second priority. Cost is the third. The Mayor was asked whether he was sure that those priorities are the most appropriate. In responding, the Mayor noted that, according to ROCOL, each week's delay in introducing the scheme results in a £2 million loss of benefits and a £4 million loss in net revenue to contribute to transport improvements for London. That is what is driving time as the dominant objective. Quality is

the second placed objective in the sense that he will limit the required functionality of the system to that which is possible by the deadline. It does not mean that they will settle for an unreliable system. In other words, he will keep it simple so as to be able to implement an appropriate, reliable system by the deadline.

- 9.24 With regard to traffic management, the essential or primary elements of traffic management that are necessary to cope with the effects of the system will be identified and these will be implemented before the system is switched on. This does not mean that essential elements such as secondary traffic management measures will be neglected. These will continue to be implemented following the "go live" date.
- 9.25 The financial case for introducing the scheme is so positive, the Mayor considered that it would be sensible to increase the budget if necessary in order to achieve completion by December 2002. That is exactly is meant in expressing cost as the third priority.

The Boroughs and Utilities

- 9.26 The Panel noted that there will be a need to work with the boroughs, and a question was asked about the sort of relationship that has been established with them, in particular those that make up the centre of London and those immediately around it. The Mayor thought a quite useful relationship had been started with the leadership of Westminster City Council. Both he and the Leader recognise that more can be achieved by working together than if they are at loggerheads. Westminster City Council is such a crucial part of London in terms of its location and the tourist attractions, that he has to work with them. And there is a willingness to work together.
- 9.27 The Mayor does not think that Westminster oppose his policy on congestion charging; they have reservations. The politicians, acting as a Council, have been quite reasonable and co-operative. The politicians acting as politicians, playing to the audience of their local party members, are being what politicians are.
- 9.28 He felt his problem is fighting off the local boroughs that want him to extend the zone out to Hammersmith and places like that. But he is going to start with the centre. He believes that there is a real willingness to see this work, because everybody who is involved in the governance of London, whether it is a borough council or John Prescott, knows something has to be done.
- 9.29 Derek Turner noted that he meets every six weeks with the ALG at Officer level, and he understood the ALG response to be positive to the principle of congestion charging.
- 9.30 However, it was noted that when the Panel had received evidence from ALG there had been a great deal of conditions and caveats on even the most positive parts of their response. While Camden were, by and large, in favour in principle of congestion charging, they were concerned about specific impacts on the half of their borough that would not be included in the congestion charging zone where there would be extra traffic as a result. They are also concerned about the condition of the Tube, the Northern Line in particular at the moment, and the way that is serving their people. It seems clear in the case of Camden, who are an authority that supports congestion charging, that they want the benefits first before they actually have the charge introduced. The Mayor said that they would see benefits. He also said that they have been treated abominably badly by London Underground in their closure programme in terms of access for customers at Camden Town tube.
- 9.31 It was also noted that while the Panel had not met with Tower Hamlets, there had been rumours that they have asked to be part of the congestion charge area, right out to the Blackwall Tunnel. The Mayor was asked to comment on that. He responded by explaining that any individual discussions with borough councils must remain confidential until they choose to announce what they want. Borough council leaders are not going to negotiate with him on the basis that he is going to give his interpretation of their views at other meetings.
- 9.32 In response to a question about the need for statutory utility undertakings to alter their infrastructure, depending on what engineering works TfL does, the Mayor said that, at this

stage, he does not see many dealings with utilities other than telecommunications companies providing connections to enforcement equipment. Where necessary, he will liaise with each relevant utility as early as possible. Initial engagement with the telecommunications companies suggests they can work within the suggested project timetable

The Impacts of other Transport Activities

- 9.33 Questions were raised about the effects of other factors on the start date for congestion charging. It was noted that a consequence of the Underground PPP could mean parts of the network could be closed for reconstruction. There may also be work around King's Cross Station for the Channel Tunnel Rail Link, and, possibly, work on Tower Bridge. Concern was also expressed about commencing charging at a time when lighting and weather conditions can be poor. The Mayor explained that the integration of the congestion charging scheme with other major initiatives would be actively managed from within the scheme's management team. Clearly there are risks, such as those mentioned, and they will be actively managed. Camera trials will be conducted early in the development programme to ensure that the technology can cope with a range of adverse conditions, such as winter light. Ways of coping with such conditions will have been worked out well in advance of switching the system on. He noted that as the system has to work in winter conditions eventually, it should be working correctly right from the start. The Mayor reiterated his concern that London should get the benefits of the scheme as early as possible.
- 9.34 The Mayor explained that he was working on the co-ordination of the Underground PPP with congestion charging. Once the PPP contracts have been signed, thought to be early in the New Year or very late in this year, he will be in a position to know how to proceed. However, he stated that he has not yet accepted that it is impossible for the Government to drop the scheme. There are further initiatives he is bringing forward to help them and encourage them to do just that. While, on balance, he thought it more likely that the PPP will happen than not, he thought the possibility of it not happening is much higher than most people would realise.

Tower Bridge

- 9.35 It was explained by the Panel that, in evidence, a representative of the City Corporation had pointed out that Tower Bridge, which is a part of the inner ring road network on to which the diverted traffic will have to go, is a Grade I listed structure. It has a weight limit, and it opens up to five times a day during the summer. Even if there is no work on the structure, the Mayor was asked whether it is really suitable to have the boundary there, or whether problems around the whole issue of the river crossing at the east end of the congestion charge zone are being stored up. In reply, the Mayor said that he had not yet seen any detailed analysis on the expected life span of the Bridge as a working road, but there is a need to do something in the long term. This raises the option of the Blackwall Tunnel.
- 9.36 Derek Turner thought the question of Tower Bridge needing to be permanently closed was slightly scaremongering. It needs to be properly maintained and the City may have to temporarily close it to do that. TfL would liaise very closely with the City to ensure that that maintenance work did not coincide with the introduction of the charging scheme. But as the scheme is an area scheme and not a cordon scheme, the availability of that particular route is not critical and the availability of the Rotherhithe and Blackwall tunnels, and indeed the Woolwich Ferry, would provide crossings in that area. He knew that the major reconstruction works are expected in ten to twenty years. That is why the Mayor is proposing to continue with the studies for the Thames gateway crossings.

The Panel's Evidence

- 9.37 The Panel Chair noted that what she was hearing was the Mayor being very dependant on his advisors, and what she was saying to him was that the Panel have received advice which conflicts with what his advisors are telling him. The Panel are raising issues which should be of concern, and which the Panel expects the Mayor to address and to deal with if he proceeds with congestion charging. She was concerned that the Mayor might have got some things wrong. The evidence taken in this Scrutiny will contribute and give him knowledge.
- 9.38 The Mayor was pleased that the Panel had put these matters forward but said that he could not recall a time on any issue when all the experts agreed. The job of the politician is to listen

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to the experts and make a judgement about which is right and back it. If you get it right, you survive, otherwise you go down. The Mayor explained that he believes Derek Turner has the ability to deliver it, and that his (the Mayor's) career rests on his ability to do that.

- 9.39 Derek Turner responded, saying the evidence the Panel has received and comments about the project management were not made by anybody who has experience of delivering civil engineering schemes in London. The main dependency of the delivery time is associated with the complementary traffic management measures in terms of bus priority and sorting out the inner ring road. He has personal experience, an established record, of working on traffic management schemes in London, complicated traffic management schemes, delivering them on time and in budget.

10 Time Scales

The Mayor's Plans

- 10.1 The Mayor explained that congestion is a daily problem in London, and that he does not have the luxury of taking all the time in the world. There is a danger in a local bureaucracy that if you say "come back and tell me when you are ready", you will die of old age waiting. It is necessary to set a time scale and then put the pressure on. That is what the Mayor has done. His initial hope, before the election, was to get the scheme in by the summer of 2002. Having been elected, he sat down with his Officers and asked for the earliest, legally and technically, the scheme could be operating. The answer that emerged was late November 2002. Inevitably, a period of trial running is required before operations commence, and the Mayor thought it would not be popular to introduce this scheme in the two weeks of the Christmas shopping rush.
- 10.2 When asked by the Panel if the planned start had been moved already from December 2002 to January 2003 due to Christmas shopping, the Mayor said that to introduce the scheme when everyone is staggering back and forwards with children and armfuls of Christmas presents could be damaging to its popularity. He explained that the earliest the system could be in place was November; it then needed testing. He would rather take a little longer to test. As many people take extra time off after Christmas, traffic flows are always lower in the first ten days of January.
- 10.3 In response to a question whether he was being driven by his electoral timetable, the Mayor said he wanted to implement charging as quickly as he can lawfully and technically achieve the end result. Every week sooner that it can brought in, saves £2 million for the community in London, business community primarily, and provides £4 million to fund transport improvements. But it must be done with all the proper procedure consultation.
- 10.4 He considered that there would be a minimal loss if, after the consultation, he decided not to proceed, compared with the savings for each week that the scheme can be brought forward. It was noted that, should the scheme not proceed and contracts had to be aborted, the cancellation costs would be small relative to the TfL budget.

The Panel's Evidence

- 10.5 The Panel Chair explained that the one dominant theme that comes from every quarter concerns the proposed schedule.
- 10.6 It was pointed out that the Mayor's timetable allows fifteen months from letting the contracts to starting operations. The Mayor agreed that it was tight and said that he might come back and say "sorry but we can't make January"; it might slip to Easter and it might slip to summer, but January is his target. He accepted that the timescales cannot be bettered, they can only slip backwards.
- 10.7 It was noted that the Panel had received evidence from the sort of people who might provide these systems that they would need something of the order of two years. The Mayor suggested that people will normally build in everything that can go wrong. His job is to set the frame that puts them under a spur to achieve it, without cutting corners.

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- 10.8 In evidence from independent technical experts, the Panel had been told that that it was likely to take 30 months or more for design, procurement and implementation (of the charge collection and enforcement system). So, if contracts were not let " by tomorrow", the scheme could not be operational by January 2003. This caused the Panel to ask whether there was a real risk to the Mayor's start date. In reply the Mayor said he did not think so. He had sat down with officers and asked "what is the earliest realistic option for this?" They went away and prepared the flow chart, which the Panel has seen.
- 10.9 In response to a question from the Mayor about the source of the Panel's information, the Panel Chair explained that the Panel were presenting it to him, in the hope he would take another look at it. The Mayor responded that he certainly would. If the Panel shows him anything and says he has a problem, he will go away and try and work it out. When the Panel Chair said that what she was hearing from his officers is they do not think it is a problem, the Mayor assured her that they are going to go away and make sure it is not a problem. He added that either it is physically impossible to do it in the time, and there is nothing that can be done about that, or there could be a problem here that he has not noticed. He undertook to examine everything that the Panel's witnesses have said.
- 10.10 The Panel Chair explained that she did not want to throw any doubts on the witnesses who had come in good faith to give evidence to the Panel. The Mayor replied that there is a difference between giving evidence in good faith and being right. He has often said things in good faith and been wildly wrong
- 10.11 The Panel's witnesses had suggested that, in order to avoid the risk of the system not working, (full scale) testing was necessary. The evidence was very clear that the more you rush now, the greater the problems that might be encountered later. If there is a problem as a result of haste in implementation, the need for compliance from Londoners, and their patience, will evaporate. The Mayor replied that he would not start the system until he thought it would work.
- 10.12 Derek Turner explained that as the Panel's witnesses were not privy to the information which TfL have on how they foresee the scheme, he did not understand how they could reach that conclusion. The Mayor offered to facilitate a session with Derek Turner and his team, as the witnesses would not have had access to all the information available to Derek Turner and the team under him, for whom it is the bulk of their work day by day by day.
- 10.13 Derek Turner explained that, as the Mayor had explained, TfL had difficulty about releasing to the Panel all the information that they had to hand because they know that certain people are fundamentally opposed to the proposal. However, he thought that it might be possible to reach some sort of understanding

The Boroughs

- 10.14 It was noted that there were issues in terms of timetable, and associated work, with the boroughs. They have a statutory remit to their own constituents for consultation, for example when planning a CPZ. Derek Turner confirmed that TfL would be paying for all the works the boroughs would have to undertake. The Mayor said that he assumed that if boroughs do not have the staff resources to manage that TfL will provide those too. If a borough cannot complete it on time they will have to give it to TfL and TfL will do it. The money will be there
- 10.15 Derek Turner explained that the critical elements of the current proposals are on the Mayor's roads. It will in the control of his department to deliver these. The vast majority of the bus priority measures that TfL wish to introduce to support the scheme are also on the Mayor's roads. As TfL have had excellent co-operation from the boroughs in introducing the London Bus Initiative, he had no reason to believe that they will not be able to deal with bus priority measures off the Mayor's network. Money and technical resources will be available to protect the residential areas adjacent to the boundary. But, as these are substantially to the benefit of the local community and the decisions that will need to be taken with the support of the local community, TfL is expecting the boroughs to be responsible.

Planning Bus Services

- 10.16 The Panel had received evidence that it takes about two years to consult, procure and implement new bus services. The Mayor was asked whether he had started this process. In response, Derek Turner confirmed that it is true, in part, that it takes two years. But, that is under the current contractual arrangements and the Mayor has indicated that those are actively being reviewed to free them up from current contractual restraints. TfL have started thinking about what is necessary. He is also aware that he will receive a great deal of support from London Buses, now they are part of TfL. He believed that the number of additional services that will be necessary is quite small and whilst two years is the current arrangement it could be reduced by the new arrangement. He noted that there is also flexibility within the current contracts to make adjustments of a relatively small nature. He explained that it is not possible to be too definite at this particular stage, because that work has not yet been started. Virtually all of the contracts come up for renewal within five years, but the Mayor anticipates that there will be a consensus among the sensible bus operators that they want to work with the Mayor and a better regime for London, and that they will wind up existing contracts. Those that do not co-operate will just be frozen out as each contract comes up for renewal.
- 10.17 He continued by explaining that the contract review is not critical to the provision of improved bus services. The contracts come up in a sequence, so a number of the contracts will be reviewed and renegotiated during the forthcoming months. The Mayor explained that some transitional changes had been made, and a study on a better form of contract that is customer prioritised was underway. While the contract review is longer term, in the short term changes will be made to the existing contracts that come up for renewal.

11 Procedural Matters

- 11.1 The Chair of the Panel noted that during the evidence session with GLA and TfL officials the Panel had been told that the advice of counsel had been sought on some of the legal issues, and that the Panel had asked to be given that information. The Mayor was asked, given the importance of that to the Scrutiny, and the Mayor's intention that this should be an open and accessible form of government, whether he would be likely to provide that information.
- 11.2 The Mayor responded by confirming that he is totally committed to open government. Once he has taken a decision, all the advice that led to that will be available for the Assembly and the public. However, he explained that this is a major political controversy. Wandsworth, Kensington and Chelsea, and Westminster Councils have set up a fighting fund to challenge the scheme, and are lobbying local people. As a result, until he has taken the decision, to allow access to the legal advice guiding him toward the decision would simply be to pass that into the hands of his opponents, who would do everything possible to use it to frustrate the policy. He said it would rather be like Napoleon marching on Russia having passed all his battle plans to the Moscow city fathers six months in advance. He did not regard publishing all the documents and handing them to the opposition as real politics.

12 In Conclusion

- 12.1 Asked which of getting congestion charging right or sticking with his timetable was most important, the Mayor said "getting it right".
- 12.2 The Mayor explained that he did not have a problem with differences between the evidence received by the Panel and the advice his experts give him. He has never been in any situation where there has been a major political issue and all the experts agree. They differ quite genuinely because they come from different perspectives. Evidence received by the Panel and passed to him will be worked on to make sure an error is not being made.

Appendix P

The Greater London Assembly - Scrutiny of Congestion Charging

Summary Report on Public Session with the Association of London Government, ALG

Panel Members Present

On Wednesday 20 September
Lynne Featherstone (Chair),
John Biggs (Vice Chair),
Angie Bray,
Bob Neill,
Jenny Jones,
Samantha Heath.

Witnesses Present

Councillor Nick Dolezal, ALG Transport and Environment Committee, and the London Borough of Southwark
Councillor Archie Galloway, The City of London
Councillor Merrick Cockell, The Royal Borough of Kensington and Chelsea
Councillor Richard Arthur, Vice-Chair ALG Transport and Environment Committee, and the London Borough of Camden,
Nick Lester, Director ALG Transport and Environment Committee.

1 Introduction

- 1.1 The main purpose of this evidence session was to enable the Panel to obtain an understanding of the views of London Boroughs, as represented by the ALG Transport and Environment Committee, on the Mayor's proposals for congestion charging.

Note. In the discussions it was not always apparent whether the members of the ALG Transport and Environment Committee were speaking as representatives of the ALG or as Borough Councillors. Thus, none of the text in the remaining sections of this report should necessarily be taken as presenting a considered ALG view.

2 The ALG View

- 2.1 There is broadly based agreement that there is a problem of congestion, and that there should be a reduction in traffic in central London. There is also a need for a reduction in pollution, and its effects, including health. However, traffic in central London seems to have been stable for twenty years, and it is other factors, which have caused increased congestion.
- 2.2 The majority of Leaders have agreed in principle to congestion charging, followed by a list of about 25 concerns that they all absolutely agree on. These are the practicalities, which if not thought through carefully, in advance, could result in the scheme becoming a total disaster for London. There is also a need for a lot more detail before a view can be taken on a specific scheme.
- 2.3 Most important is the timetable for consultation and that people feel that they have been consulted, not only the boroughs but appropriate organisations and people within London. It is the responsibility of the Mayor to ensure that is done. It is for ALG to conclude whether it has been done.
- 2.4 ALG wish to see clear and tangible improvements for public transport and quite clear indications about public transport investment for the future, before charges are introduced. There are also a number of issues relating to the boundary effects and the impacts of increased parking and diverted traffic outside the charged area which must be addressed.

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- 2.5 There is general agreement that the revenues should be used to fund public transport, forever. The ALG is awaiting the next stage of the consultation process to find out how this might work.
- 2.6 The ALG see this as a very early stage in the consultation, an opportunity to enter into some dialogue about the Mayor's proposals for congestion charging. Some concerns will be London wide, and expressed through the ALG. Others will be expressed through the individual boroughs. The ALG respects the individual borough views.
- 2.7 There is also the issue of funding, including quite clear indications as to how boundary treatments and amelioration are going to be funded. Individual boroughs and the ALG are very keen that Londoners be treated equably and fairly. That they understand what is happening, how it is happening, how residents within the charged area are treated, and also what happens to people who are in outer London areas and whether they feel they have been fairly treated.
- 2.8 There is an issue about exemptions and discounts. What vehicles or what types of vehicle? Do, for example, people with disabilities fall within an exemption regime? There are also public service vehicles, medical workers, health workers, and essential workers.
- 2.9 There is a difference between the capital works to deliver the amelioration and some of the revenue works that need to be done in terms of traffic management or parking controls that may be necessary as a result of introducing congestion charging.
- 2.10 It needs to be recognised that the area covered by the Mayor's proposals is small. It was suggested that there is little logic in displacing congestion to another part of London. The lives of a few Londoners should not be improved to the disbenefit of a larger number.
- 2.11 Although a case could be made for a more sophisticated scheme, in terms of the technology, or hours, it was felt that to start with something very sophisticated might increase the risks.

3 The Policy

- 3.1 While the Mayor included charging in his manifesto, the scheme is only a proposal. Although it is the one on the table at the present time, it is possibly one among many that may yet emerge, and which will have to be thought about. There are very many points to be considered, and the devil can be in the detail.
- 3.2 While it might be argued that, having included charging in his manifesto, the Mayor has a legitimacy in pursuing it, whether it is wise to do so, or whether it would be wiser to control congestion on a different basis, is a different matter.
- 3.3 Trying to convince the Mayor that he has not got a mandate would be incredibly difficult. The Mayor has made a very clear statement; he has gone forward on it and said he is going to do it.
- 3.4 Overall, it is something that should be looked at rather than rejected out of hand. But it is a case of looking at the problems rather than welcoming them with open arms as being a solution. It is not necessarily the solution, but it is a potential solution and it should be considered on that basis
- 3.5 Most boroughs take the view that they should not be obstructive with proposals from areas where they may be affected in part overall but that they should express their own views.
- 3.6 It was suggested that the clock is ticking fast. The closer it gets to re-election time, there is an increasing risk that bad decisions are made, simply because there may be no alternative, without appearing to admit total defeat.

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4 The Boroughs - Specific Matters

- 4.1 Although congestion is a major concern in Camden, and the borough has been consistently in favour of congestion charging, it is thought that there are particular problems with the Mayor's proposed scheme. It relies on people switching to public transport, but the underground system in Camden is unreliable and overcrowded. It will also put more traffic onto the inner ring road which is already congested, or onto local roads. That will require the introduction of local traffic schemes, which need consultation and take time to implement.
- 4.2 While most boroughs are waiting for the Transport Strategy and the Mayor's programme of consultation on it, the City have had informal consultations with residents. While their response can be summed up as "you can do anything so long as it is free for us", the City is unique in that it has no on-street parking privileges for residents.
- 4.3 It was noted that Kensington and Chelsea, Wandsworth and Westminster have jointly appointed a lobbyist, although the three do not necessarily speak with a single voice.
- 4.4 Kensington and Chelsea are surveying the views of residents. The survey includes the question "in principle, are you for or against congestion charging?"
- 4.5 The City would like to see the boundary further east, so that Tower Bridge is not part of the diversionary route, possibly including the Isle of Dogs with the Blackwall Tunnel forming part of the eastern boundary. There have also been discussions about the possibility of a more northerly boundary.
- 4.6 The City had estimated that the charge would increase its costs for street sweeping and rubbish collection by £300,000 a year. There is a real question about whether that can be balanced by improvements in efficiency due to less congestion. But less congestion will benefit business that need to deliver to tight time schedules.
- 4.7 It was noted that the City works on a 24-hour basis, not only banking, but also many professional firms operate three 8-hour shifts. Westminster is a 24-hour city geared to leisure and entertainment.

5 The Traffic Impacts

- 5.1 Doubts were expressed as to whether there would be any freeing up of traffic on the main routes into London. If there is, a priority should be to ensure through traffic is kept on the main routes and that the residential areas are protected from it.
- 5.2 It was recognised that there will be an impact on outer London boroughs, which will manifest itself over a period of time. There is a real concern about the use of orbital routes, as well as the effects of people getting as close as they can to central London before transferring to the much improved public transport system. There is a need for detailed research about these sorts of impacts, and reassurance to the boroughs.
- 5.3 It was suggested that a case could also be made for introducing congestion charging around Heathrow.

6 Traffic Reduction and Air Quality

- 6.1 It was noted that several boroughs are pursuing traffic reduction and low emission zone policies. Mention was made of Southwark's plans to create an entirely car free area at the Elephant and Castle, and of Camden's exploration of how car free, or low car dependant, retail and housing schemes can be developed. It was suggested that these seem to be popular and have a remarkable impact on the level of cars used in the area. Kensington and Chelsea are considering a low emission zone.

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- 6.2 It was noted that there is much similarity between an air quality management zone and congestion charging. The inner London area is broadly identified as being where there is most congestion and also where the highest levels of pollution are. The types of technology used to enforce congestion charging and air quality management zones are very similar. There is an enormous amount of value in bringing them together, in seeking convergence between two key public policy areas.
- 6.3 However, it was noted that a key difference between congestion charging and low emission zones is that low emission zones are within the control of the boroughs, whereas congestion charging can be imposed upon them by the Mayor.
- 6.4 It was also noted that congestion charging might cause a small worsening in air quality outside the charged area, and that there is no mention of air quality in the Mayor's discussion document.
- 6.5 Concern was expressed about the impacts of congestion charging on air quality if there is to be a shift to greater use of buses and taxis which run on diesel, and which cause greater pollution. The Mayor should give consideration to increased emission controls on such vehicles. It was suggested that there is also a need for an alternative fuels debate.
- 6.6 It was thought that a part of the action plans being prepared by boroughs for air quality management zones will include some sort of regulation and enforcement of polluting vehicles. A possible scenario is that only low or zero emission vehicles will be able enter central London. This explains the current, rapidly growing, interest in alternative fuel technologies for public service and public transport vehicles.

7 Effects on Travel Behaviour

- 7.1 It was suggested that a lot hangs on the ROCOL work, and that there is some scepticism about the forecasts. Kensington and Chelsea have offered to make their traffic model of west London available. They are awaiting a formal response.
- 7.2 There is a need to consider how behaviour, responses to the charge, might change over time

8 The Urban Economy

- 8.1 It was noted that inner cities have suffered from people and businesses moving out. It is not necessarily a question of businesses absorbing the costs of charging, and those of their staff, it is also the customers of those businesses who are affected. It was suggested that some experts say it will have no affect and others say it will have an affect, but charging has had an affect in Oslo and it requires study for London.

9 Parking and Parking Revenues

- 9.1 A major concern for some boroughs is the potential impact on parking revenues. It was noted that the advice from the Government is that boroughs should set their parking charges to achieve more or less 80% occupancy levels, and that is the practice for central London. If demand reduces, fewer people park with the consequent pressure to cut parking charges. If that happens, the boroughs would see a reduction in their income, which would have a knock on effect, due to the need to find extra revenue from other sources to maintain current programmes.
- 9.2 A consequence of the scheme could be increased demand for residents' parking facilities, especially outside the charged area since some cars might no longer be used to travel into the charged area. Matching supply with demand is already a problem in some areas and could get worse.

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10 Public Transport

- 10.1 In response to a question on how to determine whether there are sufficient tangible improvements in public transport, it was suggested that a longer term view has to be taken; that it might not be possible to deliver everything tomorrow. Buses have to be got moving with bus lanes, bus lane enforcement, improvements to the bus infrastructure in terms of bus stops, information systems and such like. It would also be necessary to look at budget commitments for infrastructure improvements, such as tube lines across the river, across London, which actually improve the accessibility of public transport. South London needs a tube or a tube-like service.
- 10.2 It was suggested that minor improvements to some bus services are not going to persuade people that this is other than a motorist tax. The Mayor's Transport Strategy must come first so that people can understand what improvements they will be getting. It should contain details of how to make commuting and working, moving around London, easier day to day, not just be high capital value projects.

11 Streets and Traffic Management

- 11.1 A lot of the necessary highway changes will be on borough roads. Individual boroughs will want to make their contribution to the technical details and how it happens.
- 11.2 It was reported that Tower Bridge is a 106 year old Grade 1 listed structure, with one lane in each direction. That is, firstly, something of a problem. A further problem is that it opens and shuts about 900 times, on average, each year and, in the height of summer, about 15 times a day. Most navigation on the river requiring the bridge to be opened is in daylight hours. Finally, there is a 17 ton weight limit. However, that limit is totally ignored, as neither Tower Hamlets nor Southwark are keen to have width restrictions, which the City of London would be very keen to have, to preserve the bridge. The reason that these boroughs are not keen on these restrictions is that it could mean that large lorries are left to find another route across the Thames, and neither wishes to have that problem. They want them through and out of the way as quickly as possible. Further, the bridge is to be shut in 2001 for quite a considerable period of time in order to carry out repairs. It was suggested that, given these problems, the charged area boundary should be east of Tower Bridge.
- 11.3 It was noted that in much of inner London, the orbital routes outside the inner ring road are poor. One example was Kensington Church Street, as the next route out from Park Lane.
- 11.4 It was noted that some reductions in road space, such as Lambeth has made at Vauxhall Cross, do not seem to create any problems in the surrounding area. Although other schemes do cause traffic displacement over a wider area.
- 11.5 Concern was expressed about the effects of road openings by utilities. It was explained there are now over 30 organisations with the right to open up streets in the City, and that their experience suggests that it is possible to manage these utilities so as to reduce their effects on traffic.
- 11.6 It was noted that, should congestion charging go ahead in the way envisaged, there will be hot spots, where things do not go as smoothly as expected. These will cause concern to local residents, businesses, and the local authorities. Some will arise as a result of implementation and there will probably be around boundary issues. There will also be issues around tube stations, train stations, bus stations and things like that, which will have an impact either inside the charged area or outside the charged area. The Mayor needs to be clear on the way he is going to handle these hot spots and resolve them to the satisfaction of the boroughs and the people who live in them. They need to know that they are going to get a very rapid response.

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12 Consistency with Other Measures

- 12.1 There are likely to be long discussions about temporal and spatial consistency with other traffic and transport measures. The proposed 7.00am to 7.00pm time period is not consistent with some borough parking schemes, nor is it harmonious with the lorry ban. One initiative should not undermine the effectiveness of another, long-standing, one.

13 Enforcement

- 13.1 It was reported that one of the organisations which had responded to the Mayor's consultation, was the Metropolitan Police, who want to be responsible for enforcing and controlling the congestion charging scheme.
- 13.2 It was noted that enforcement is going to be largely remote, rather by people on the street. The penalties, which will be issued (largely) automatically, will be subject to civil not criminal law. Whether the Metropolitan Police manage it or a civilian organisation is therefore immaterial.
- 13.3 Concern was expressed about the Police taking this on, given the low current levels of policing within parts of London. It was suggested that there are many lessons to be learnt from the enforcement of parking controls in London.
- 13.4 It was suggested that the enforcement and appeals service should be separate, and seen to be separate, from each other. Drawing on ALG's experience with parking, the appeals service should be established and recognised; one which the public knows how to use. It was noted that the ALG parking appeals service could also be used for congestion charging.

14 Exemptions, Discounts and Season Tickets

- 14.1 The ALG position on exemptions and discounts is that the Mayor must come forward with what he believes is part of the strategy. There may be areas where some categories of user should be exempted and others for which a discount might be appropriate to introduce a degree of fairness. However, the objective is to reduce unnecessary car use, or vehicle use, in central London. Anything that triggers a thought that says 'do I have to use this car to make this journey' has got to be a good thing. People should be making active choices about why they are using their cars.
- 14.2 There is an issue of public sector vehicles, whether there are advantages or otherwise in exempting them or discounting them. As noted, the City's estimated cost of the charge for their refuse collection and street cleaning vehicles is £300,000 but because there's less traffic the overall cost might come down. One borough was reported to be asking for exemptions for all its essential vehicles.
- 14.3 Whether people with disabilities and particularly vulnerable people should be exempted or significantly discounted, depends on how the scheme is operated.
- 14.4 It was noted that the Blue Badge Scheme relates to the person, not the vehicle. Someone with a Blue Badge could use a different car every day. There is also an issue about essential workers, as to whether they are exempted or significantly discounted. The question was raised about how social services, and the faith communities in their pastoral care roles, people attending the dying, are to be treated. Should they be in the same category as essential health workers? All of these are issues which have to be dealt with in the Mayor's approach to exempting and discounting.
- 14.5 There is also the issue of dealing with residents, and the impacts of charging on them, as well as those who live near (beyond) the boundary and make frequent visits across it.
- 14.6 It was noted that if residents were to get an exemption or discount, there would be no incentive to use their cars less. But it would not be equitable to charge them if they have to

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- park on-street, because they have no off-street parking, but they do not use their car during the day.
- 14.7 If black cabs are exempt, then as people from both inner and outer London tend to use mini-cabs rather than black cabs for journeys to central London, there could be a case for exempting them too.
- 14.8 It was suggested that if there are to be exemptions, then there could be case for exempting low emission vehicles. However, the point was made once some exemptions are made, the list can be never ending.
- 14.9 It was also noted that the objective of the policy is to stop traffic going into central London unless it was essential. Concern was expressed about the notion that politicians might decide what is a good use and what is a bad use, and what is a socially acceptable or unacceptable use of vehicles. It was suggested that this is neither the Mayor's job nor that of borough Councillors.
- 14.10 With all the possibilities for privileges, there is a need for the Mayor to provide a clear set of proposals which can be considered. People can then decide whether they are acceptable, or not.
- 14.11 It was noted that if the scheme is successful, it is likely to be extended to other parts of London. This requires that all the arrangements for exemptions and discounts for the initial scheme can be carried forward.
- 14.12 It was suggested that there is no rationale for discounts on season tickets.
- 15 A Possible City Pilot**
- 15.1 It was explained that before the elections, Ken Livingstone had visited the City, when he was told that they had a system which, with certain modifications, could operate in some form, with the identification of vehicles that could either pre-pay or subsequently pay. It is a number plate identification system principally. It is run by the City of London Police Force and seems to be very unobtrusive. There are 7 entry points and exit points. While less than the 114, or thereabouts, points currently envisaged for the Mayor's scheme, it was not thought that this affected the principle. Although the City does not have any cameras within its zone, following up the perimeter, they offered to augment their system to provide the sort of exercise that might be done. However, it was thought that there had been no follow-up to look into the possibility further.
- 16 The Charged Period**
- 16.1 There are concerns about the effects of the 7.00pm cut off on the West End, as well as the Barbican.
- 16.2 Careful consideration must be given to possible changes in work patterns, to what people will be doing in the future. There is also a need to reflect on what happened as parking restrictions were introduced, over time, in central London. Initially, there was an increase in the controlled times for weekdays. The controls were then extended to Saturday mornings, then to Saturday afternoons and then to Sunday mornings. As shopping patterns and retail practices have changed, so the parking regimes have changed. This may be repeated in a congestion charging regime. The Mayor may wish to consider how he will address the longer term, because people will be asking those sorts of questions.
- 17 Consultation**
- 17.1 The Mayor's Transport Strategy must be clear before consideration can be given to response on his congestion charging proposals.
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- 17.2 Consultation is key to the whole process; the manner in which the Mayor consults will be very important. The ALG and the boroughs will need to be satisfied that the Mayor has established an effective consultation programme. At least three months will be required to give people a chance to respond. There will also be a need for secondary consultation in those areas where traffic and parking schemes are required to deal with displaced traffic. Different boroughs will have different views on how best to engage their communities.
- 17.3 The Mayor has the responsibility to fill in all the details, all the gaps, all the question marks. He must define the scheme with all the detail necessary to allow people to assess whether it is workable. It needs to be thought through so that people can react to it sensibly. People must be able to gauge whether this is a policy that has a chance of working.
- 17.4 The fact that it was in the Mayor's manifesto does not absolve him from consulting and seeing whether residents actually believe in the scheme and the detail of it, even if they had voted for him. It is necessary to start from first principles, to ask people whether they believe in, whether they want, congestion charging, and to then give them an idea of the benefits and the disbenefits, to set out the objectives, what the Mayor is trying to satisfy. The details must include options for the period covered by the charge, with the arguments for and against them, and their consistency, or otherwise, with parking regimes.
- 17.5 There is a lot of agreement that an electoral time table should not pressure people. The consultation has to be effective. It has to be inclusive. It has to be a good piece of work. It would be very satisfactory if the Mayor can embark upon an ambitious programme, and an ambitious time table, which allows people to feel that they have been fully consulted, and, within that to bring forward a series of proposals for consultation, with detail and the technical issues of implementation. But, if he is not achieving that ALG will say, "hold on a minute, maybe you need to go back and actually discuss it".
- 17.6 The difficulties London politicians have when introducing traffic orders, controlled parking zones and other issues, are immense. Experience shows that ambitious time tables need to be incredibly robust. To be successful, it is necessary to think through all the issues, early.