THE CENTRAL LONDON CONGESTION CHARGING
SCHEME - FROM CONCEPTION TO IMPLEMENTATION -

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The Central London Congestion Charging Scheme - From Conception to Implementation

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Draft

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EXECUTIVE SUMMARY

This paper outlines the history of congestion charging policy in London from its conception as a possible demand management tool in the 1964 Smeed report, through to the proposed central London congestion charging scheme which went through public consultation at the end of 2001 and, in February 2002, the Mayor of London decided to go ahead with the scheme with a start date of 17 February 2003.

A number of research programmes have been commissioned in the UK to investigate the issues surrounding congestion charging over the years. However, the policy has never been implemented for a variety of reasons such as the problems of effective enforcement, pressure from the road lobby and fear of the adverse impacts that may be caused by congestion charging.

The Greater London Authority Act was passed by parliament in 1999. This Act signalled a real political will to introduce congestion charging. As well as giving London a unique local government structure consisting of an elected Mayor and Assembly, the Act (amended by the Transport Act 2000) also gave the Mayor the powers to introduce congestion charging schemes in Greater London.

In May 2000, Ken Livingstone won the race for Mayor of London on the basis of a manifesto which included a promise to introduce a congestion charging scheme in central London. In July 2000, the Mayor asked Transport for London (TfL) to investigate the options for implementing a scheme in central London. This led to the appointment of Derek Turner as Managing Director of TfL Street Management to oversee this and other key projects. The strong political backing and high profile of the proposed congestion charging scheme have ensured the set up of a dedicated congestion charging team committed to fulfilling the Mayor’s election promise.

From July 2000, the congestion charging team at TfL Street Management developed the scheme design and laying the foundations to procure the necessary technology and services to introduce it. The scheme is a virtual area based licence scheme and covers the heart of central London (21 square kilometres). A variety of exemptions and discounts which have been subject to public consultation are also in place. The scheme will be enforced using Automatic Number Plate Recognition (ANPR) technology.

Following a public consultation process which lasted 18 months in total, the Mayor decided to confirm the Scheme Order (the document providing the legal basis for the scheme) and go ahead with congestion charging for central London.

TfL expect that from autumn 2002 people will be able to apply for discounts and pay in advance for the charge. The scheme is due to start on 17 February 2003.

1. THE HISTORY OF CONGESTION CHARGING POLICY IN LONDON

The concept of congestion charging or ‘road pricing’ as it is often known is not new. In the early 1960s, the Ministry of Transport appointed a panel under the chairmanship of Smeed. Their remit was to report on the technical feasibility of
various methods for improving the pricing system for the use of roads. They concluded that contemporary methods of vehicle taxation (which have changed little since) did not restrain people from making journeys which impose high costs upon others. The panel recommended the use of direct road user charges which they believed would achieve far superior results than other forms of tax or charge because they took the large differences in congestion costs between different journeys into account.

In 1967 the Ministry of Transport reported on a study of ‘Better Towns with Less Traffic’. This reinforced the findings of the Smeed report, again suggesting that direct road pricing was the most effective means of traffic restraint. This report recognised that there was no current workable system to implement such a scheme and recommended further research and development into the concept.

In the early 1970s the Greater London Council commissioned studies to investigate methods of traffic restraint in response to concern about the impact of congestion on the quality of life and urban efficiency. They concluded that the best method of achieving this was to introduce a Supplementary Licence system whereby a paper licence would have to be purchased and displayed on any vehicle which was in the designated area during the day. It was expected that this scheme would generate substantial economic and environmental benefits and produce more revenue than was needed to meet the set up costs of the scheme and associated measures. However, concerns were expressed about the impacts of the scheme upon lower income groups, the economy, the problems caused by diverted traffic and the practicalities of enforcement. For these reasons the proposals were never taken forward.

In the 1980s the London Planning Advisory Committee (LPAC) commissioned research into a number of transport strategies as part of its work in providing the Government with strategic planning advice for London. This work concluded that the management of congestion was central to transport policy in London. The improvement of public transport by itself was not seen as sufficient; there was a need for direct measures to restrain road traffic and to obtain a better balance between the demand and supply of road space. Various possibilities were suggested as methods of achieving this, again with congestion charging seen as the most favourable. Consequently, congestion charging was recommended as an appropriate policy for London in LPAC’s 1998 Strategic Advice to the Secretary of State.

In 1991 increasing concern about congestion led the Department of Transport to commission the London Congestion Charging Research Programme. The study was published in 1995 and reported that the introduction of congestion charging in London would reduce congestion, yield net revenues and provide a rapid payback on the initial costs in both financial and economic terms. The study also concluded that it seemed unlikely to have a significant impact on the economic strength of London, and may even improve it. However, it noted that there would be some losers and a need to protect some of the more vulnerable individuals and groups of society.

The next major research programme to be commissioned was the Road Charging Options for London (ROCOL) study in 1998. This forms the basis for the proposed central London congestion charging scheme of today and is discussed in more detail in section 2.2 below.
2. THE PROCESS OF IMPLEMENTING THE PROPOSED CENTRAL LONDON CONGESTION CHARGING SCHEME

2.1 Introduction

This section discusses the major milestones that were necessary in laying down the foundations to make the implementation of the scheme possible. These seem to fall into four major areas which are:

i. Commissioning of the Road Charging Options for London (ROCOL) report which identified all of the possible scheme options ranging from the geographical area the scheme should cover to the technology it should use and the timescales associated with each option.

ii. The passing of the 1999 GLA Act (amended by the Transport Act 2000) which gives the Mayor of London the powers necessary to introduce congestion charging schemes in Greater London.

iii. The successful election of a Mayor who made a manifesto commitment to introduce a congestion charging scheme in central London.

iv. Setting up a project team dedicated to implementing the Mayor’s election promise.

The background surrounding each of these milestones is discussed in more detail below.

2.2 The Road Charging Options for London (ROCOL) Study

The Government Office for London set up an independent working group of experts in 1998 to prepare a report on how a congestion charging scheme in central London could be put into practice. The Road Charging Options for London report (ROCOL) examined a range of options for a charging system in London, ranging from a paper licence to electronic road pricing. It concluded that an area licensing system, enforced by Automatic Number Plate Recognition (ANPR) technology with a £5 daily charge, could have a significant impact on traffic conditions in central London, reducing traffic by around 12%. Improvements would be seen in terms of journey speed, reliability and economic benefits of reducing congestion would help businesses.

In contrast, the ROCOL report concluded that an area licence, based on a paper permit displayed in the windscreen and checked visually by inspectors could lead to a high level of non-compliance, such that the system might fall into disrepute. With more sophisticated electronic road pricing requiring in-vehicle equipment, the ROCOL report found that it was unlikely that such a scheme could become operational in central London within four years.

The recommendations of the ROCOL report form the basic design of the proposed central London congestion charging scheme. A more detailed discussion of the specific elements of the scheme design can be found in section 4 of this paper.
2.2 Greater London Authority Act 1999

In 1999, Parliament passed the Greater London Authority Act which created a unique form of strategic citywide government in London. This Act formed the Greater London Authority (GLA) which is made up of an elected Mayor who has an executive role, making decisions on behalf of the GLA and a separately elected London Assembly which has a scrutiny role. Along with transport, the GLA has responsibilities in a number of areas, including economic development planning, policing, and fire and emergency planning.

The GLA Act (as amended by the Transport Act 2000) is also the legislative instrument which gives the Mayor the powers to introduce congestion charging schemes in London. It sets out that:

- The charging authority is Transport for London, whose role is to implement the Mayor’s transport strategy and manage the transport services for which the Mayor is responsible.
- The Mayor will have considerable discretion over the design of a charging scheme. However the Government has powers to intervene on issues such as the maximum level of penalty charges, exemptions or discounts in line with national policy, or ensuring value for money in terms of how the proceeds from a scheme can be spent.
- As with decriminalising penalties for parking enforcement within London, the Act allows for secondary legislation making failure to pay a congestion charge or penalty a civil liability, falling on the registered keeper, rather than a criminal offence.
- For at least ten years all net proceeds from a scheme must be spent upon improving transport in accordance with the Mayor’s transport strategy.

Two sets of Regulations were made by central Government in 2001 to deal with matters such as penalty charges, vehicle clamping and removal processes, adjudication, representation and appeals processes and the recovery of penalty charges.

2.3 The Mayoral Elections

The campaign for Mayor of London began in 1999 with four main candidates from each of the main political parties and an independent, Ken Livingstone. Of these candidates three made election promises to introduce a congestion charging scheme in Central London. Although this was a brave decision because congestion charging could be seen as a notoriously difficult policy to sell to voters, at the same time it demonstrated the high level of political commitment to the policy. However, for Ken Livingstone, this political gamble paid off and in May 2000 he was elected as Mayor of London.

Ken has set himself a significant challenge. Of the one million people that work in central London one in seven travel by car. At peak times over 50,000 vehicles per hour are coming into central London resulting in an average speed of 9 miles per hour throughout the working day. It is anticipated that the proposed scheme will reduce
the traffic in the central zone by 10-15%. This will reduce queueing delays by 15-30% within the central zone and improve conditions on main roads into the zone.

2.4 The creation of a dedicated Transport for London congestion charging team

In July 2000 the Mayor asked Transport for London to investigate the options for implementing a congestion charging scheme in London. This led to the appointment of Derek Turner as Director of TfL Street Management and the creation of a team committed to fulfilling the Mayor’s election promise. In addition to the teams outlined below, there are two Assistant Directors who oversee the running of the project and play a part in all key policy and procurement decisions. The team is also supported by a dedicated project management function and general procurement capability.

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3. THE PUBLIC CONSULTATION PROCESS

In July 2000, the Mayor began the process of consulting on his plans for introducing congestion charging in central London through publication of a discussion paper ‘Hearing London’s Views’. This paper was sent to nearly 400 key stakeholders such as the London boroughs, London MP’s, MEP’s, business groups, transport operators, motoring organisations and disabled groups. The results of this exercise revealed that six times as many stakeholders supported the concept of introducing a congestion charging scheme in central London, as opposed the initiative.

The next step in the consultation process was the publication of the Mayor’s draft Transport Strategy in January 2001. This document set out the Mayor’s plans for transport in London. The proposed central London congestion charging scheme is an integral part of this Strategy and is one element of a package of measures which will be instrumental in achieving the Mayor’s objective of providing London with a Transport system fit for the 21st century. The consultation on the Strategy generated
some 8,000 written responses which demonstrated that the public, stakeholders and other interested parties were broadly in favour of the proposed congestion charging scheme and the Mayor’s plans for Transport in London more generally. In July, the Mayor published his Final Transport Strategy, which, after taking into account the response to the Draft Transport Strategy consultation, confirmed proposals to introduce the congestion charging scheme in early 2003.

On 23 July, TfL made the Scheme Order; this document provides the legal basis for the implementation of the scheme and sets out in detail its key aspects. The Scheme Order was sent to more than 500 stakeholders to consult them on the finer details of the Mayor’s proposals.

Opinion polls conducted throughout the consultation period have continued to demonstrate clear support for the Mayor’s scheme. For example, a poll conducted by Mori in April showed that 51% of people are in support of the Mayor’s scheme, with only 35% against.

During August and September, TfL ran an exhibition and hosted two public meetings as the final part of the consultation process. These events gave Londoners the opportunity to find out more details about the scheme and discuss any issues or concerns directly with TfL staff. The importance of conveying details of the scheme accurately is central to the public relations strategy. To this end, TfL has ensured that senior staff are available to deal with any media interest associated with the scheme, this has included radio, television and press coverage.

Having listened to people’s views, a number of modifications have been suggested by TfL to the original congestion charging scheme proposals. Londoners were consulted again in January 2002 on these suggested modifications.

Following this, the Mayor of London decided in February 2002 to go ahead with the scheme.

4. KEY FEATURES OF THE PROPOSED CENTRAL LONDON CONGESTION CHARGING SCHEME

This section describes the key features of the congestion charging scheme that TfL wish to implement in central London. The details of the scheme outlined here include:

i. Where the charges apply.
ii. When the charge will apply.
iii. When the charges have to be paid.
iv. Which vehicles will be charged.
v. How the scheme will work in practice.
vi. How the scheme will be enforced.
vii. The complementary measures associated with the scheme.
viii. How the impacts of the scheme will be monitored.

Each of these areas are discussed in turn below.
4.1 Where will the charges apply?

The scheme covers the very heart of central London (21 square kilometres) the area is bounded by the Inner Ring Road. There will be a charge for use of vehicles on roads within the charging zone, but not for using the Inner Ring Road itself.

4.2 How much is the charge and when will it apply?

The standard charge will be £5 per vehicle per day. Charges can also be paid weekly, monthly or annually. Charging hours will apply from 7:00am to 6:30pm, Monday to Friday. There will be no charge on public and bank holidays.

4.3 When will charges have to be paid?

To drive or park (unless in a residents bay) on the street within the central zone during hours of operation, the registration number of each vehicle (unless exempt) will have to be notified to TfL as the charging authority and unless subject to a 100% discount, the charge paid. Normally this will be done in advance of the vehicle being in the central zone. However, vehicle registration numbers can be notified up to midnight on the day of travel. For payment after 10:00pm but before midnight on the day of travel the charge will be £10 to encourage pre-payment, better planning of journeys and to assist enforcement.

4.4 Which vehicles will be charged?

The congestion charge will apply to all motor vehicles except exempt vehicles and those registering for a 100% discount. Examples of vehicles that are fully exempt include:

- Motorcycles and mopeds;
- Vehicles classified as emergency vehicles by the Driver and Vehicle Licensing Agency;
- National Health Service vehicles which are not liable for Vehicle Excise Duty (e.g. patient transport vehicles);
- Buses and coaches (Public Service Vehicles) with 9 or more seats;
- Vehicles used by disabled persons and disabled carrying vehicles (e.g. Dial-A-Ride that are not liable for Vehicle Excise Duty (VED)
- London licensed taxis (‘Black Cabs’) and licensed mini-cabs.

It is proposed that some vehicles will be eligible for a 100% discount from the congestion charge though it will be necessary to pre-register these vehicles and verify their status. Examples of these vehicles include:

- Certain categories of military vehicle;
- Additional operational vehicles used by the emergency services (e.g. vehicles used to attend incidents, such as those used by police forensic teams);
- Key vehicles used by central London Boroughs – such as refuse vehicles, ‘meals on wheels’ and street maintenance vehicles;
• Community mini-buses.

It is proposed that some vehicles will be eligible for a 100% discount but that an annual registration fee of £10 will be required to cover the costs of administration and verification. Examples of these vehicles include:

• All alternative fuel (i.e. gas, electric and fuel cell) vehicles (including bi/dual fuel vehicles). Vans and lorries would be required to meet Euro III emission standards. Cars would be expected to achieve emission savings 40% above Euro IV standards;
• Specially adapted recovery vehicles (e.g. those used by motoring organisations for break down removals);
• Breakdown vehicles in use to provide roadside assistance or recovery services operated by independently accredited organisations (e.g. AA, RAC, Green Flag);
• Vehicles driven by or being used for driving disabled persons in receipt of a Blue Badge (formerly known as an Orange Badge).

It is proposed that private vehicles registered to a keeper within the central zone will be eligible for a 90% discount of the congestion charge. This discount will be subject to confirmation of residency status, vehicle ownership, and payment of an annual £10 registration fee. This discount will apply to a minimum of one week’s charge (£2.50). Residents with a relevant parking permit, living inside the central zone can park all day in a residents’ on-street parking place within their local parking zone without paying the charge. However, if they move their vehicle within charging hours they will be liable to pay the discounted charge.

4.5 How will the proposed scheme work?

Drivers using a vehicle in the central zone will pay the charge in advance or on the day of travel, to have the registration number if their vehicle entered into a database. T/L will maintain the database of the vehicle registration numbers. Inclusion of an individual’s vehicle registration number on the database could be for a day, a week, a month, or on an annual basis. Accounts will be available for certain fleet operators. Drivers can pay the charge and notify their vehicle registration numbers at retail outlets, by post or phone or over the internet. No permit or equipment has to be displayed in the vehicle.

4.6 How will the scheme be enforced?

The number plates of vehicles entering or moving in the central zone will be ‘inspected’ by a network of fixed and mobile cameras. Parked vehicles could also be ‘inspected’ by foot patrols. The registered keeper of any vehicle, which has been identified within the central zone without an appropriate congestion charge having been paid, will be liable to a penalty charge of £80. This will be discounted to £40 for payment within 14 days. If a penalty charge has not been paid and there are no representations or appeals, a charge certificate will be issued after 28 days and the registered keeper will be liable for a penalty charge of £120.
There will also be a system of vehicle clamping and/or removal to deal with persistent evaders, i.e. when there are three or more penalty charges with respect to the vehicle. The system of clamping and/or removal will apply within Greater London and not just within the central zone. Bailiffs will also be used to recover the debts of persistent evaders.

In addition, the charging scheme will have a system of appeals and independent adjudication comparable to the current arrangements for adjudication of disputed parking penalty charges.

### 4.7 Measures to complement the proposed scheme

Congestion charging will be complemented by a range of measures designed to make public transport and other alternatives to car travel easier, cheaper, faster and more reliable. Revenue from congestion charging will enable these initiatives to be developed and expanded. Particular emphasis has been placed upon the improvements to the bus service because they can be implemented quickly and help promote social inclusion. The following diagram shows some of the complementary measures that will be implemented both before the scheme is in place and those made possible by the revenue stream it will generate:

**Likely Impacts and Benefits of the Scheme**

The main aim of congestion charging is to reduce traffic in central London and so tackle congestion. Congestion charging is expected to reduce traffic in central London by up to 15% - to levels experienced during the summer holidays - and time spent in queues will be reduced by 20%-30%. Outside the zone, there may be some increases (up to 5%) in traffic on orbital routes but traffic will decrease (by 5-10%) on radial routes into the centre of the capital.
Estimates of how much congestion is costing London’s businesses varies widely – the CBI offers a figure of £10 billion each year. Congestion charging will benefit business by substantially reducing traffic in central London, improving the reliability of journey times and so improving business efficiency.

The benefits from the scheme are now estimated primarily from LTS model projections of traffic and transport impacts. They include:

- time savings to vehicle occupants who continue to travel on the roads
- inconvenience to those previous car users who transfer to public transport to avoid the charge
- improved journey time reliability, over and above direct time savings
- accident changes resulting from transfer of road users to public transport together with an increase in motorcycles and pedal cycles
- reduced fuel and other vehicle costs.

Secondary benefits would also be expected as a result of the traffic management measures required for the scheme.

The money raised from congestion charging must, by law, be spent on improving London’s transport system providing further benefits to Londoners and visitors to the city. Congestion charging will generate additional net revenues conservatively estimated at about £130m annually. This will enable substantial investment including: further bus network improvements to offer a real alternative to the car; safety and security schemes to improve personal safety and reduce transport-related crime and fear of crime; accelerating road and bridge maintenance programmes to benefit motorists.

6. MONITORING THE IMPACTS OF THE SCHEME

An extensive programme of impact monitoring will be put in place by TfL so that any necessary or desirable adjustments to the scheme can be identified and introduced, both in the short and long term. The monitoring will not only cover operational traffic and transport impacts but the potentially more subtle impacts on, for example households, different social groups, businesses, schools, public services, tourism, leisure and the environment. The monitoring programme commenced in spring 2001 and will continue in the event that the scheme is confirmed.

7. LESSONS LEARNT

In top-line terms, the key lessons learnt from the progress of congestion charging’s development in London are:

- Translating the theory into practice
- Presenting congestion charging as part of an overall strategy
- Informing the public how the scheme will work
- Improving public transport
Implementing traffic management measures

8. CONCLUSION

The Mayor and TfL have made a great deal of progress towards achieving their goal of implementing the central London congestion charging scheme by early 2003. The scheme design is based upon robust research which has carefully analysed the advantages and disadvantages of the different implementation options. Political backing and the legislation to introduce the scheme has been secured. Now the Scheme Order is confirmed, the congestion charging project team are putting the theory of congestion charging into practice.

9. REFERENCES


