

The London Congestion Charge Scheme

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Steve Norris: Executive Chairman Jarvis from 2003; Former Member of Parliament and Minister of Transport 1992-1996 and former Vice-Chairman of The Conservative Party ; Unsuccessful candidate for the Conservative Party in both the 2000 and 2004 London Mayoral elections; Transport for London Board Member 2000-2001 and 2008 to date; Former Director General of the UK’s Road Haulage Association.

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Of course any discrepancies in this paper are totally the responsibility of the author.

2. Executive Summary

By 2000 London faced huge traffic problems. There was general acceptance that something had to be done but no agreement on any one course of action.

Ken Livingstone showed political courage in declaring, before his election, that he would introduce Congestion Charging in his first term of office and having been successfully elected he exercised determination and attention to detail in the way he faced a multitude of critics and drove the congestion charge through as one of his flagship policies in his first administration.

As well as his personal leadership he appointed an unusual team of “can doers” and achievers, rather than the usual government officials whose natural response to change and innovation is to find and exaggerate every problem, obstacle and difficulty in the attempt to frustrate implementation.

The success of the London Congestion Charging Scheme is a personal monument to Ken Livingstone and has meant that London gained a world-wide reputation and attention as it changed the whole debate around road pricing.

In the event, the London Congestion Charge Scheme has successfully shown that road pricing is an effective tool for reducing or stabilising traffic levels in urban areas but it is a relatively expensive way to raise revenue and therefore policies like natural resource rentals (or annual land value tax) are a much more desirable way to raise public finance and ensure that valuable idle land is not left to waste, destroying the potential for goods, services, jobs, homes and leisure activities.

3. Introduction – The Problem

With a population of over 7 million, Greater London is the largest urban area in Europe. Over 1 million people work in London and it attracts almost 2 million visitors in August each year.

Since the end of the Second World War the ownership and use of motor cars in London and the UK generally has grown substantially. Various factors have fed this growth including higher disposable incomes, reduced costs of both buying and using a private car, greater reliability and hence lower costs of more modern motorcars with lower maintenance requirements and achieving more miles per gallon (mpg), the provision of cars as an employee perk (often for income tax reductions and particularly in the 1960s and 1970s as a method of avoiding periodic pay restraints), better traffic management increasing traffic flows, the upgrading of existing roads and the building of new roads

including motorways for inter-city journeys, expensive unreliable and poor quality public transport and the greater convenience of the motorcar for door to door journeys.

There was an assumption among academics and transport planners in the 1950s and 1960s that road building would resolve London’s traffic problems. Many new radial highways were built in London and some existing roads were widened. But a proposal at the end of the decade from the Conservative-led Greater London Council (GLC) to build a series of new motorway-style ring-roads around London was soundly defeated by London voters in the 1970s who did not want their communities divided by new roads, did not want familiar and much-loved homes and other buildings to be destroyed and who preferred improvements to public transport and reasonable fares rather than the building of new roads which could actually generate more traffic. In the event, the UK government only built one London ring-road - the M25 “outer ring” about 15 to 20 mile radius from Central London. This new road has led to a change in commuting patterns and the road filled to capacity within a few years of opening (often described as the “M25 car park”) and even in December 2010 the UK government is again widening this road at various places to try to accommodate the ever-increasing demand. The reason that new roads of this type soon fill to above capacity is that people respond to the new facility by seeking a wider catchment area for jobs and are prepared to travel much greater distances by car (often giving up rail journeys).

Never ones to give up easily, road engineers and the pro-roads lobby tried to complete some of the former ring-road proposals in a piecemeal fashion but ironically the most recent of these, the Thames Gateway Bridge in East London proposed by Mayor Ken Livingstone has recently been dropped by Boris Johnson his Conservative successor.

The building of new roads can often be self-defeating, with the new road generating more traffic than before and on occasions the Braess’ Paradox can be witnessed where individual drivers’ decisions to minimize their own journey times would lead to an overall delay in the system with a new road. This paradox was modelled where the delay for everyone increased from an index of 83 to 92 when a new road was added to a network.

By the time of the creation and first election of a Mayor for the whole of the Greater London area in the UK in the year 2000, 40% of England’s traffic congestion occurred in the London area. The traffic entering Central London each weekday morning was equivalent to 25 lanes of busy motorway traffic; this meant that drivers spent 50% of their time in queues.

London’s traffic problems meant that average vehicular traffic speeds in 2000 were only 9mph, no greater than during the horse drawn era of Queen Victoria. Despite London enjoying 85% usage of public transport for commuting to Central London, the worst effects of traffic congestion were felt in the Central London area during the whole of the working day – it was not just a peak time problem.

Additional traffic not only created the costs of congestion but also caused an increase in the costs of road crashes, (as well as the distress caused by deaths and injuries), traffic management, policing, pollution, barriers to pedestrian movement, noise, disruption of bus and tram journeys, road maintenance, the waste of fossil fuels (peak oil) and climate change.

The cost of London’s traffic congestion was estimated to be £2-£4 million (\$3.3-\$6.6m) every week in terms of lost time.

Although by the early 1990s there was an almost unanimous consensus among academics and transport professionals that congestion charging could make an important contribution to relieving these traffic difficulties there was also a resignation to the fact that no politician with only a 4-year term of office would be brave enough to take the unknown risks of policy detail, the complexity of exemptions (and upsetting those not exempted), the possible technical pitfalls and, unknown response of drivers in terms of compliance and not least to confront a public opinion 40% opposed and only 40% in favour, the animosity of London motorists (who had votes), the hostility of the press (not just the motoring press but the whole of Fleet Street newspapers, magazines and the electronic media (TV and Radio) who oppose any radical change, irrespective of its merits – just for the sake of opposition – and who could also influence many voters), the motoring lobby consisting of vehicle and parts manufacturers and distributors, motor repair garages and breakdown services, petrol companies, vehicle hire companies, lorry operators, etc. etc. and bureaucrats who by the nature of their chosen profession are naturally risk adverse and normally resist change as a threat to their comfortable lives.

Success was not guaranteed and congestion charging could have ended up as a gigantic failure as indeed subsequently happened in Edinburgh (2005) and Manchester (2008) where they chose to hold a referendum before implementation and failed to gain support.

That these difficulties were overcome successfully in London depended in no small part on the unique character of Ken Livingstone and the determination with which he pursued the project.

Undoubtedly Ken Livingstone was assisted by the new Labour Government of 1997 introducing a directly Mayor of London in 2000 and including powers for the introduction of congestion charging.

All the first Mayoral candidates in 2000 addressed the traffic problems in their manifestos but of all the main contenders for the post, only Ken Livingstone, a Labour Party MP but an independent socialist candidate in the 2000 election, promised to introduce congestion charging in his first term of office.

However, Ken Livingstone’s approach was not to view congestion charging as a single, stand-alone policy which would solve London’s transport problems on its own but to present congestion charging as part of an integrated package of transport and social policies designed to reduce fares, increase parking and loading enforcement and improve traffic management, buses and bus priority, the Underground, trains, trams (street-cars), walking and cycling. In the event he was helped to achieve this by the legal requirement for the new Mayor to publish and consult on a statutory plan for transport in London – “The Mayor’s Transport Strategy”.

4. The Theory of Marginal Cost Pricing

Marginal cost pricing has been much discussed by economists although mostly ignored when the implementation of tax systems occurs. William Vickrey, the American Nobel Prize winner was one of the most prominent and influential economists promoting this theory. He applied it too many policy areas but especially to the field of traffic constraint and road pricing. He also advocated annual land value tax as a method of marginal cost pricing which would give incentives for the better utilisation of the planet’s natural resources including its land area.

The theory is based on the human principle that we all avoid wasting resources if we have to meet the cost of those resources at the point of consumption. This can readily be recognised when considering the option of pricing water as it is delivered from the taps or pricing a general annual fee on all water consumers irrespective of individual usage. Authorities may resort to exaltation and ask consumers not to waste their water supply but which consumer is most likely to expeditiously repair a leaking tap – the one paying the marginal cost on direct usage or the one paying an aggregate annual fee which disregards individual usage?

Similarly, the pricing of road space can vary between a generalised annual road fund licence tax which makes no impact on road usage or direct pricing based in some way on the amount of road usage and indeed on the time of day and/or traffic conditions.

5. The History of Different Road Pricing Solutions

The idea of road user charging is not new. In the past there have often been measures introduced to recoup the cost of roads and road bridges by charging a toll on the users. In the UK you can still sometimes see the former toll gate stone lodges built in medieval times but now either derelict or used as homes. These often stand out because of their

particular shape and as they lie immediately adjacent to the road itself with no garden or grass verge between the building and the carriageway. The tolls collected would usually be used to recoup the initial cost of building and/or to pay for the regular maintenance required. This principle is still much in evidence today, for example where tolls are paid by motorists to use the bridges of New York and in the UK to cross the Severn Bridge between England and Wales and in Birmingham UK where a relief motorway is managed privately and tolls collected from road users who wish to avoid traffic congestion on the M6 itself. Unless in private ownership, the levels of tolls are usually quite modest and are set to provide sufficient income for their purpose and not to maximise profits nor to provide traffic constraint.

However there are exceptions. Interstate 394 in Minnesota, USA is an example: car commuters from the west of Minneapolis can use a 10 mile High Occupancy Toll lane (HOT Lane) where high occupancy vehicles travel free whilst other vehicles pay a fee to enter the lane. The fee charged for new entrants can change from 80 cents to \$8 every six minutes in order to depress demand when traffic volumes increase, and ensuring that high occupancy vehicles (that the lane was originally intended for) can continue using the lane unimpeded by the fee-paying traffic. Other HOT Lanes are in operation in Denver Colorado, Houston Texas and Orange County and San Diego in California.

On-street car parking meters were first introduced in Oklahoma City in 1935. Since the 1950s on-street parking controls and charges have been widely adopted in the UK to keep roads clear for moving traffic and many cities now recognise that a reduced quantity of parking space provision and a higher price level can deter motorists entering the CBD (Central Business District) and provide useful net revenues. In the UK, local authorities have (by law) to spend these net revenues on other transport projects such as roads, traffic management, green travel planning, buses, trains and paratransit. This revenue is really the economic rent of the street whereby valuable city centre land, dedicated to cars has a high rental value. This is demonstrated by the differential amounts charged in London where the City of Westminster charges as much as £8 (\$13) per hour in Central London and an outer London Borough that may only charge 60p (\$1) per hour.

The UK Government has also given local authorities the powers to tax workplace car parking spaces but at the time of writing (December 2010) although several cities (including Leeds and York are reported to be conducting early investigations) only Nottingham in the Midlands has serious plans for implementation with a £250 (\$409) in 2012 rising to £350 (\$573) by 2014 for all employers with 9 or more employees. There is some doubt whether this tax will reduce congestion directly but as well as increasing the cost of car use for employers it should provide additional funding with which to improve public transport. Depending on the level that the tax is applied, if it is successful in reducing the demand for car parking spaces (as economic theory would suggest) then

many new city centre developments could utilise land more efficiently by only providing car parking spaces for the wealthy or essential users such as people with disabilities, with the released space then being used for a more economically-efficient purpose.

The first modern road pricing scheme in the UK was introduced in the North-Eastern English City of Durham in October 2002. As this covered only one street mainly serving Durham University and the Durham Cathedral it was not nearly as significant as the London Congestion Charging Scheme and bears no real comparison.

6. Road User Charging Studies in the UK

There is a debate about the use of the terms “road pricing” and “congestion charging”. Some see the latter as a public relations approach to “sell” the idea of road pricing to a sceptical public but many traffic engineers, transport planners and others see a discernable difference between the two concepts. The term “congestion charging” is normally applied to a small discrete scheme designed directly to resolve a localised problem of traffic congestion whereas the term “road pricing” or “road user charging” is more generally regarded as a pricing mechanism to reduce traffic generally and raise funds from the motoring public with little regard to specific congestion effects on any particular road or locality.

Because of the high costs incurred in introducing road pricing and congestion charging some commentators, experts and politicians advocate much greater increased petrol duties at the pump whereby the drivers of the thirstiest vehicles and those doing the most mileage make the largest contribution with no additional administration costs. (It is argued that in the UK instead of creating a surveillance infrastructure and perhaps invoicing millions of motorists individually every month, the petrol duty increase only requires receiving 20 payments each year from the 20 or so major petrol companies.

The idea of using road pricing to cut traffic congestion is not new. As early as 1844 Dupuit was describing how road congestion creates costs on others and how congestion charging could not only return these costs to the individual but by doing so, would incentivise the individual to reduce their own costs, and hence the costs on others (what Richard Arnott, 1992, describes as internalising externalities). This theoretical approach has been developed by other economists, most notably Pigou (1912), Knight (1924) and the Canadian, Nobel Prize winner William Vickrey (1959).

Since the 1920s, when the car was first beginning to make an impact on traffic levels in the UK, economists and planners have examined the possibilities of road pricing to reduce UK traffic levels. William Vickrey (Principles of Efficient Congestion Pricing,

Columbia University June 1992) and James M Buchanan (The Pricing of Highway Services, 1952) and others discussed the economic theory of marginal cost pricing being applied to road pricing in order to reduce traffic jams and achieve greater road network efficiency. Most of this discussion failed to impact on political implementation at the time but it did lead to some very useful, practical and less theoretical work in the UK. For example, discussion between William Vickrey and the UK Government led to the 1964 Smeed Report “*Road Pricing: The Economic and Technical Possibilities*” being commissioned by the Ministry of Transport (MoT). Reuben Smeed’s report examined the benefits and feasibility of road pricing in congested towns and cities. Similarly, other UK policy studies included:

- “*A Better Use of Town Roads*” [Ministry of Transport 1967]
- “*Methods of Limiting Car Use in Urban Areas: Traffic Restraint and Public Transport Support*” [Department for the Environment Transport Policy Consultation Document 1976 conducted by Labour Minister, Anthony Crossland]
- “*A Study of Supplementary Licensing*” [GLC 1974] (Described as “a near exact template” for the initial London Congestion Charging scheme).
- Three GLC area reports on cordon pricing: “*South West Sector of London*” October 1974, “*South East London*” November 1974, “*North East Sector of London*” December 1974.
- “*Area Control – A Scheme for Reducing Car Traffic Through Central London*” [GLC 1979] (This was kept “secret” by the Conservative GLC and was only published for public debate in 1981 by the then new in-coming Labour administration’s Transport Committee chaired by Dave Wetzel). This opened the debate re the feasibility for road pricing although the suggested use of low-tech solutions such as coloured, printed discs for display in vehicle windscreens would have offered many opportunities for fraud.
- “*The London Congestion Charging Research Programme*” [UK Government 1995] (This report was commissioned by Steve Norris when Conservative Minister of Transport) this provided the intellectual case for charging in Central London and opened up the political debate on the acceptability of congestion charging.
- “*The Integrated Transport White Paper*” [UK Government July, 1998] This statutory consultation document announced that the new Labour Government were minded to give charging powers to a future Mayor of London.
- “*The ROCOL Report*” [The Review of Charging Options for London (ROCOL) working group, Government Office for London, March 2000], This report was commissioned to illustrate the options for and likely effects of the powers being proposed for the newly elected London Mayor in the government’s White Paper. It was important for not only setting out the issues of congestion charging, but actually outlining the means by which it could be achieved and suggesting such detail as the area that might be charged, possible level of charge, time of day, days of the week, methods for charging, penalties required,

exemptions, admin and income/expenditure estimates etc. It was published two months prior to the first London Mayoral election and although not followed exactly it was, in the event, a useful guide for the incoming Mayor and his transport team as they planned the introduction of congestion charging and it certainly played an important role in enabling the Mayor to introduce the London congestion Charge Scheme in his first term of office.

- More recently there have been further attempts to promote discussion on road pricing beyond urban areas and especially on the UK’s Motorway system. The previous government (Labour 1997-2010) raised the debate on several occasions but never attempted to introduce road pricing except as a congestion charge in urban areas and one limited, short new relief motorway – The M6 Toll.

- The TfL Congestion Charge Monitoring programme and annual reports has given academics and transport professionals alike, detailed information to compare the conditions immediately before congestion charging in London was introduced and annually thereafter.

- In November 2010 the Institute for Fiscal Studies (IFS) published “The Mirrlees Report” which is independent of Government. The study in this report took 4 years to complete and it looks at all aspects of UK taxation. Much of the report deals with suggestions and ideas for simplifying the UK tax system but there are three recommendations which may be of interest to readers of this report:

- i) That both congestion charging and road pricing should be adopted widely in the UK and used to replace fuel tax.
- ii) That the business property tax should be replaced with annual land value taxation on commercial and farm land.
- iii) That a new property tax on housing should replace the current “Council Tax”. This would be based on the individual valuation of each home. Because of the regressive nature of Council Tax the Mirrlees suggestion would reduce the tax payable on below average priced homes and increase considerably the tax payable on more valuable homes (homes that generally on the more expensive sites).

7. The First London Mayoral Election. May 2000.

Margaret Thatcher was the conservative Prime Minister of Britain from 1979 to 1991. In 1986 she abolished the Greater London Council (London’s city-wide tier of government) dividing its powers between the 33 local London authorities and passing most of its strategic responsibilities to Government Departments or quangos (Quasi Nongovernmental Organisations) funded and usually appointed by Government.

It is argued that London suffered having no city-wide administration or voice. The division of city-wide services was inefficient and in addition Londoners lost a strategic body that enjoyed an elected mandate.

The Tony Blair, Labour Government, elected in 1997 soon passed legislation to create a new Greater London Authority and a directly elected Mayor for the whole of London. (This was part of a wider decentralisation policy that included an elected Assembly for Wales and an elected Scottish Parliament for the first time since 1707). These elections gave Londoners for the first time the experience of proportional representation voting (supplementary vote), rather than the winner takes all - “first past the post”. The legislation included powers for the Mayor to introduce congestion charging and a workplace car parking tax without needing to seek approval by Government Ministers. It was stipulated that any net receipts from congestion charging should be spent on transport. (An early example in the UK of a hypothecated tax).

The selection of candidates was very colourful and dramatic with Jeffrey Archer (Lord Archer a former MP) the original Conservative candidate, having to withdraw because of a court case concerning a £2,000 (\$3,276) payment to a prostitute (he eventually served a prison sentence for lying in Court) and Tony Blair gerrymandering the Labour Party’s selection process to ensure a former cabinet colleague, Frank Dobson, and not Ken Livingstone, became the Labour Candidate. In the event Ken Livingstone stood as an independent socialist candidate and won decisively on the second ballot with Steve Norris (the eventual Conservative Candidate) second and Frank Dobson (Labour) taking third place - only just beating Susan Kramer for the Liberal Democrats’ candidate.

The whole question of transport policies and traffic problems played a prominent part in the election campaign. The motoring lobby generally opposed the principle of congestion charging but London First, the influential business lobby representing the capital’s leading employers supported congestion charging but opposed the idea of taxing workplace parking spaces. (In the event, Transport for London officers advised that the latter was impractical and it was never proceeded with – although many “Greens” and other transport professionals would challenge that assumption. It will be interesting to assess whether Nottingham has overcome these “insurmountable” difficulties when their workplace parking tax goes live in 2012).

Ken Livingstone made transport policy generally, and congestion charging specifically, a prominent part of his campaign and was the only Mayoral candidate who bravely promised, if elected, he would introduce congestion charging in his first term of office. The Green Party advocated a much more ambitious scheme but some of the smaller parties opposed congestion charging altogether and one candidate who stood as the “Pro

Motorist Small Shop Party” got a derisory 9,956 votes compared to Ken Livingstone’s 667,877 first preference votes.

8. London Congestion Charging – The Mayor’s First Steps

The new Mayor faced a daunting task. Not only had he to begin running London with the limited powers provided in the legislation but he had also to set-up from scratch a completely new administration. Transport was just one of his many responsibilities.

Transport for London was to be created from circa 16 former bodies or agencies that provided transport services for London, such as the Government Office for London, London Buses, The London Underground (this railway was not handed over until 2003 after the Government had signed-off the disastrous Public Private Partnership), Docklands Light Railway (initiated in 1981 by The Docklands Development Corporation and the GLC Transport Committee chaired by Dave Wetzel and when Ken Livingstone was Leader of The GLC), the Croydon Tram, London Rail (now The London Overground), London traffic operations previously controlled by the 32 Boroughs and the Traffic Director for London, London’s traffic signals, major road construction schemes, road safety, river services, fares and ticketing, road safety and small scheme grants to London boroughs, licensing taxis (and introducing private hire minicab licensing) etc. etc.

Because of the importance he placed on his transport programme, the new Mayor chose to personally Chair his transport agency “Transport for London” (TfL) and appointed his former GLC colleague, Dave Wetzel as its Vice-Chair. The appointment of Wetzel was controversial and when Ken was formally asked by GLA members why he had appointed a former bus conductor to be the TfL Vice-Chair on a salary of £45,000 (\$73,728) he referred to Wetzel’s family-run Chinese restaurant and replied “Anyone who has popped down to Dave’s restaurant and tried the Honey Roast Pork will realise that this is someone you would want on your side” [see Appendix 2 for full replies].

The TfL board consisted of a mix of transport practitioners and campaigners many experienced in local government, academics, Steve Norris and Susan Kramer the defeated Conservative and Liberal-Democrat Mayoral candidates (Frank Dobson the defeated Labour Candidate refused to join), people with disability and trade unionists. Despite the political mix everybody on this board of 17 members supported congestion charging at that time and indeed Stephen Glaister, one of the academics had served on ROCOL.

The Mayor supported congestion charging in order to relieve traffic congestion and help bus movements, reduce pollution and provide funds for sustainable transport initiatives. However he also stated that even if congestion charging income only met its costs i.e. no surplus to invest in transport, he would still proceed in order to achieve his

primary goals of easier movement and less pollution. This is one of many reasons why Congestion Charging should be considered a “charge” like car parking fees and not a “tax” like fuel duty. (This is not just semantics as the American Embassy in London refuses to this day to pay their £4m (USD \$6.55m) congestion charge bill because they claim it is a tax and not a charge).

The Mayor immediately instructed TfL to prepare for the introduction of congestion charging in Central London only by the summer of 2002 (mid-term for his first term of office). In the event, because of administrative, legal and technical delays the scheme was not introduced until 17 February 2003, 14 months prior to his next election. The introduction of the congestion charge was always planned to occur during school holidays when traffic levels are not only down because teachers and older students are not driving to school/college but general commuting is reduced as working parents take their offspring on vacation.

It was very fortunate that the three key people appointed to introduce congestion charging were available in 2000. Derek Turner, the former Traffic Director for London was appointed Managing Director of TfL Streets which included introducing the congestion charge as well as building new roads, traffic signals, bus priority, road maintenance and traffic regulation. Michéle Dix and Malcolm Murray-Clark (former GLC transport planners) were appointed to head up the congestion charge team on a job-share basis.

Ken Livingstone was very hands-on and headed-up regular weekly meetings in his office to discuss progress, problems and policy decisions needed for implementation with his advisers, Board Member Paul Moore, Derek Turner MD Street Management and other senior TfL officers.

In order to control such a complex organisation Ken Livingstone appointed Bob Kiley from New York as London’s Transport Commissioner. Bob had many strong attributes and was just the type of person needed for TfL in its early days. However, he did delay the congestion charge for a few weeks by insisting that his new team should assess the wisdom of the technology to be used. Nevertheless, Bob Kiley almost certainly later saved the scheme when a few months before implementation almost all of Ken Livingstone’s advisers suggested that because of press and hence public hostility he should delay implementation to his second term. If he had done this then he probably would not have had a second term but when asked, Bob Kiley was adamant that Ken should proceed but offered a let-out clause by promising that if the congestion charge were deemed to be a failure it could be removed within six weeks.

One of the early considerations was to assume that the motoring lobby, at some point, would present a legal challenge to the scheme and seek high level legal advice at

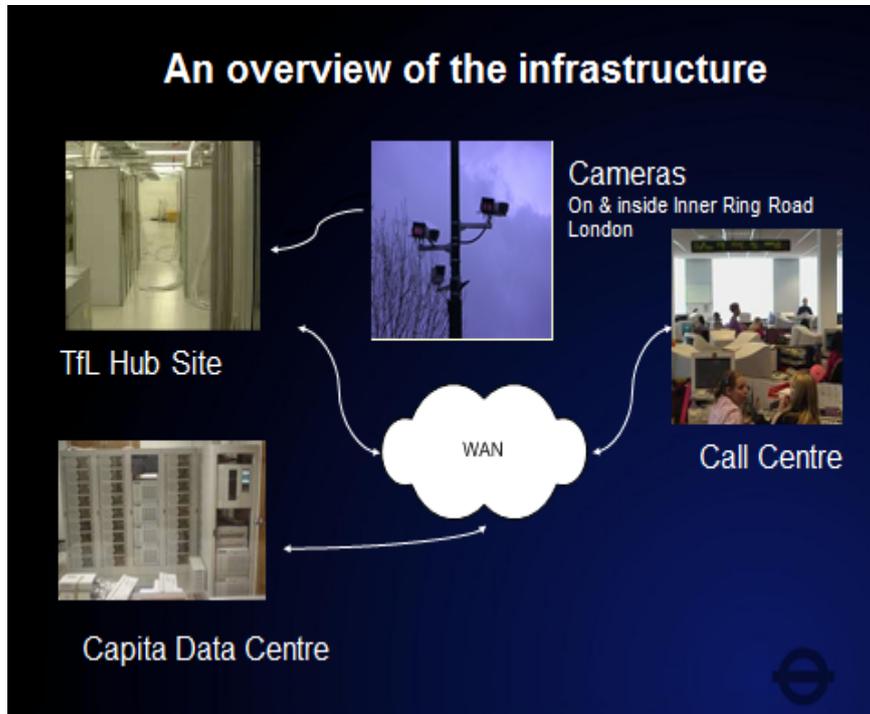
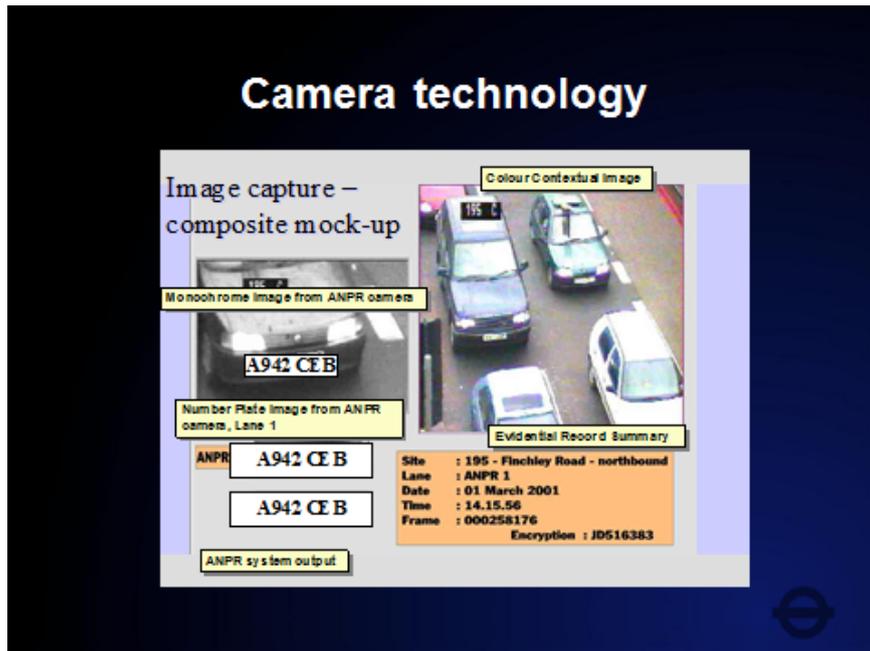
every stage of the scheme. Ken Livingstone, Paul Moore and Dave Wetzel had experience a successful legal challenge in 1981 to their GLC “Fares Fair” policy where bus and Underground fares were cut by 32% and Bromley Council successfully challenged in the courts. The GLC had learnt this lesson and successfully introduced the subsidies necessary for Travelcard in 1983 and the night-time and weekend lorry ban in 1986 after an unsuccessful legal challenge by the Freight Transport Association. In the event, it was Westminster Council that took The Mayor to court for not holding a public inquiry supported by Stephen Plowden, an environmentalist and transport planner, who opposed the ban because it did not include powered two-wheelers (motor bikes, mopeds and scooters being a real danger to cyclists and pedestrians and the most likely vehicles to suffer badly in a crash) but this challenge failed.

The area chosen for the congestion charge, Central London, is only a small area of London; it covers 8 square miles whereas the whole of Greater London encompasses an area of 659 sq miles.

Congestion charging zone in the context of London as a whole



It was decided to use over 700 simple automatic number plate recognition cameras for enforcement as the technology was well-tried in American car parks and the use of using newer technology might have meant unnecessary risks and delays.



Another early decision was to appoint one company (Capita) responsible for the integration of all the elements for implementation of the scheme. TfL did not want to be in a position that the supplier of one element of the scheme could blame another supplier for any problems. A competitive process produced Capita as the successful bidder.

The disparity between the bids was quite large as the scheme was unknown territory and it was therefore difficult for the bidders to predict the risks with absolute accuracy as the actual out-turn revenues and costs were relatively unknown. The more successful the scheme, fewer vehicles would pay the congestion charge and the revenues would be low.

The methods for payment were decided with no toll booths at the roadside but congestion charge being payable at retail shops, on line, by telephone and by post. The use of text messaging was a later decision but accounted for about 20% of all payments soon after introduction of the scheme.

9. Monitoring

It was also decided to carry out regular “before and after” surveys so that the effects of the congestion charge could be studied and understood by all.

In the event, six impact monitoring annual reports have now been published and shown on line at www.cclondon.com

The monitoring programme was guided by the following principles:

- monitoring should robustly detect and characterise the main expected effects of congestion charging;
- monitoring should enable unexpected or unanticipated effects to be determined;
- monitoring should seek to understand as well as measure;
- monitoring should aim to meet the legitimate needs of all stakeholders for information;
- monitoring should provide Best Value.

The monitoring programme is continuous and consists of over 100 directly-sponsored survey and research activities, designed to investigate specific questions and complement the wealth of existing information gathered by third-parties such as the public transport operators, other official sources and stakeholder groups. Information was also obtained from the Operational and Traffic Management functions within TfL’s Congestion Charging Division. The TfL monitoring team continue to be supported by a number of specialist academic and professional external advisers.

These annual reports comment on congestion; traffic patterns and traffic conditions, public transport operations and passenger levels, travel behaviour and secondary transport effects, social impacts including vulnerable groups, business and economic effects, environmental impacts – especially air quality and case studies.

Probably the most important early decision was not to hold a public enquiry on congestion charging as this would almost certainly have delayed the implementation of the scheme for several years but instead use the statutory Mayor’s Transport Strategy to aid implementation and hear people’s views.

10. Consultation, Publicity and The Mayor’s Transport Strategy

Despite not needing to seek Ministerial approval it was necessary and desirable to fully consult on the scheme being proposed by the Mayor. To avoid the need for a full public enquiry (which could take years not months) it was decided to include congestion charging in the Mayor’s Transport Strategy which was published as a statutory document in July 2001 after wide consultation.

The Mayor made it absolutely clear at all stages, that this exercise was not to consult on the principle of whether or not to introduce the congestion charge, this had been decided by the voters when they elected him as Mayor on the clear understanding in his manifesto that he would introduce congestion charge. The consultations would be about the particular scheme he was proposing and a genuine opportunity to amend its details.

In the event, consultations took 18 months and the scheme that emerged from the consultations was considerably changed (and improved) from the original plan. It included more exemptions, a generous 90% residents’ discount, slight changes to the boundaries of the area, a wider number of people with disabilities to be exempt, powered two-wheelers (motorcycles, mopeds and scooters) were excluded, a shorter operating day, a fleet scheme and the charge for freight vehicles cut to the same as that for cars (from a proposed £15 (\$24.58) to £5 (\$8.19)). Most of these changes reduced the actual income from the original estimate of circa £200k (\$327k).

The exemption area for residents (who only paid 10% of the charge) was also changed so that people living just outside the zone, but had major connections and associations just within the zone (such as shops, health facilities, schools, employment etc.) could be treated as zone residents even though they actually lived just outside the zone.

A publicity/information campaign was conducted. This campaign had two purposes. One was to alert motorists to the approaching start of the scheme and ensure that they knew when it would apply and fully understood the options for how to actually pay the

charge. In Melbourne, Australia, when the City Link toll road had been introduced in January 2000 with electronic tolling (no pay booths) the computer payment system was overwhelmed by customers wishing to pay. This “bow wave” effect was partially due to the inexperience of the customers having to discover for the first time how to make the payments. TfL was determined to avoid, or at least minimise these problems. As well as pre-publicity it was also decided to employ two telephone call centres for the first few weeks in order to avoid a total collapse of the computer systems or unacceptable delays for motorists trying to pay their congestion charge and as mentioned earlier by introducing during school holiday times many motorists (about 15%) would be away on holidays.

The press and media campaign against congestion charging had to be seen to be believed. Probably because the UK media is largely based in London and most journalists had cars almost every page would carry hostile articles re possible adverse impacts. The political pages were against, the motoring pages were against, the fashion page editors asked how will I get to Bond Street? The gardening page asked readers how will we get to the gardening centre? – you can’t take a 6 foot bush on a bus! The cartoonists also had a field day, for example in one instance showing a Royal Duke in ermine and a crown driving along in his chauffeur driven open-top Rolls Royce along an empty London street with a “Vote Ken” placard on the back of the car - and so on; and so on.

So the other purpose was to address this barrage and remind people, especially Londoners, that despite the press and media criticism, that the purpose of the charge was to begin to tackle the real problems of traffic congestion in London.

Thousands of leaflets were distributed, large notices were displayed on the roadsides of all approaches to London, adverts were placed on TV, radio and newspapers, billboards were hired and posters displayed on bus shelters, the call centre (0845 900 1234) and website (www.cclondon.com) were advertised, information packs were distributed and e-mailed to businesses and face to face activity was arranged in the Boroughs most directly affected.

11. Public Transport Improvements

It was always intended that the introduction of congestion charging should be accompanied by a real quantum improvement in public transport. As it would take many years to upgrade train services dramatically only marginal improvements could be achieved on London’s rail systems and in any case the Mayor had no direct control over the Underground until 2003 and parts of the Suburban Railway until 2007. Therefore it was the bus services that could be mobilised to improve public transport services in the short term. Not all bus improvements were directly geared to supplement congestion charging (e.g. a major improvement to the frequency of night bus services including a doubling of

their routes) but special attention was paid to increasing bus loading capacity across the new congestion charging boundary with bigger buses and new routes and as feeders to suburban stations by the creation of new routes, increasing seating capacity by changing from single-decker buses to double-deckers, increasing frequencies and providing greater bus priority. Cashless buses were introduced in the central area to speed loadings and reduce dwell time whilst bus ticketing was simplified with fewer tickets and automated with the introduction of Oyster smartcard ticketing on bus and Underground. New buses were introduced to enable entrance and exit through different doors and European articulated “bendy buses” with a capacity of 120 (ironically these are being phased out now by Boris Johnson the Conservative Mayor elected in 2008).

Ken Livingstone also introduced improvements for cyclists and pedestrians.

12. Outline of the Scheme as First Introduced February 17th 2003

The original congestion charge scheme had a daily charge of £5 (\$8.19) for all vehicles entering the central London zone from 7am to 6.30pm, Monday to Friday. (It was originally intended to operate 7am to 7pm but brought forward half an hour to meet observations from “theatreland” and the West End restaurants that finishing half an hour earlier would encourage more visitors). Representations had also been made for the congestion charge to operate at peak times only but in London there are no obvious peaks and traffic levels are high all day long.



Charges

- Pay the charge daily, weekly, monthly or annually for individual vehicle registration number

LVT 123 DCW

- Flat charge of £5 per day (Monday-Friday 7am-6.30pm) for all vehicles
- Late payment until midnight, but charge rises to £10 after 10pm
- After midnight penalty of £80

The early discussions centred around a £7 (\$11.47) charge but this was leaked to the press who made headlines out of it and it is thought that that the decision to change it to £5 (\$8.19) was made to prove the press wrong and it also had the psychological impact on motorists that £5 (\$8.19) is not as bad as £7 (\$11.47).

Many people thought that they would have to pay the congestion charge each time during the day that they had to cross the boundary but the advertising and press publicity was used to make it clear that the congestion charge was a once only daily payment irrespective however many times the zone was entered into by the same vehicle that day. However the charge could be paid on a daily, weekly, monthly or annual basis but with no discounts for pre-payment.

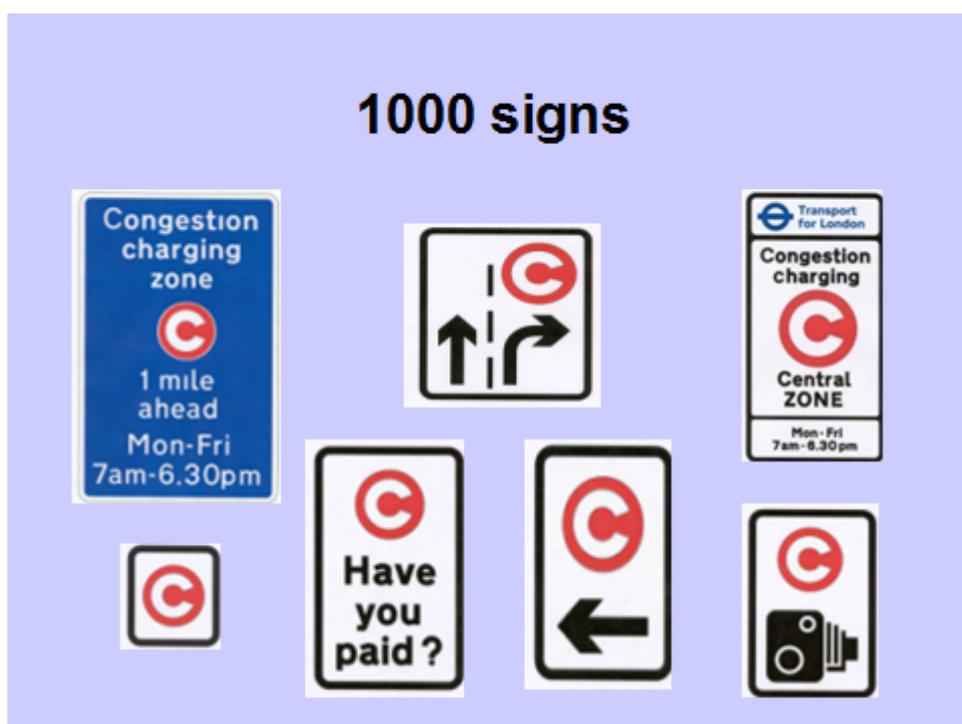
As mentioned earlier enforcement was by Number Plate Recognition cameras. Each vehicle entering the zone would pass at least 3 cameras one of which would provide a colour photo. This was necessary as unlike at the entrance to a car park where a camera could be sited on a gantry across the road perpendicular to the path of travel, in London, with its many historic buildings and the need to be unobtrusive, the cameras were often sited on existing traffic furniture or hidden behind architectural features and consequently the angle of the shot would be off-centre and therefore not always capturing a clear image. In about 5% of cases a vehicle could enter the zone without being caught accurately on any camera, but of course if they entered every day, on average they would be caught 19 days every 20 days they entered during a four week period.

Motorists could pay their £5 (\$8.19) congestion charge days in advance or up to 10pm on the day they entered the zone. Between 10pm and midnight the charge increased to £10 (\$16.38) and then after midnight a full penalty of £80 (\$131) applied.

Exemptions included motorcycles and other powered 2-wheelers, 90% discount for residents, emergency vehicles and certain fire-fighters in their own vehicles, doctors and some other medical staff, taxis and minicabs, disabled people, buses, coaches and minibuses, breakdown and recovery vehicles and cleaner fuel vehicles.

Enforcement powers included the right to impound vehicles for which the congestion charge was not paid and to even have the vehicle crushed in extreme cases of non-payment.

1000 signs were erected on all of the roads entering the zone, in the zone signs and advertising was used to remind motorists to pay and warn motorists that cameras were operating and more signs were positioned on main roads and motorways approaching London so that all motorists were well informed that they were approaching the zone.



13. Traffic Engineering Improvements

One of the complimentary measures introduced as part of the congestion charge scheme was to improve traffic flows at pinch points especially on the excluded ring-road around the congestion charge area.

One of the often repeated early criticisms before the scheme was introduced was that this ring-road would become congested as motorists stuck to it in order to avoid the £5 (\$8.19) congestion charge by crossing the ring-road and entering the zone. The ring-road was not a purpose-built road but a collection of existing main roads that for historical and structural reasons offered different vehicle capacity at different parts of the ring. Timings on traffic signals were changed to facilitate the flow of traffic on the ring-road itself and various engineering methods were employed to change street layouts and the siting of street furniture in order to improve traffic flows. (In the event, the congestion charge was so successful that fewer vehicles than expected were crossing the ring-road into the zone on radial routes that the traffic light timings at junctions could be shortened on the radial routes to the Centre and the extra time given to pedestrians, cyclists and movements around the zone on the ring-road itself).

14. Early Results

The early results of the scheme were quite dramatic. For the first week schools and colleges were on holiday so traffic levels were down by 15% from normal. In addition, regular road maintenance had been postponed in order to reduce congestion caused by lane and road closures.

Even so, even for the first day, the reduction in traffic due to the new congestion charge was quite dramatic and much better than anyone had predicted. London’s Evening Standard was one of the fiercest opponents of the scheme but on the first day (17th February, 2003) they published the headlines: “Many roads half empty at rush hour” and “Tube stations busier than expected”.

It was almost embarrassing as the expected congestion before 7am did not occur (it was predicted by opponents that the rush hour would become 6am to 7am as motorists arrived early for work to avoid the charge). On the first day TV cameras were sited at expected pinch points like Tower Bridge on the ring-road where it was physically impossible to mitigate a pinch-point and as arrived instead of the predicted stream of traffic crossing the bridge cars arrived about one every half minute!

The TV cameras also went to a residential road which had lobbied to be excluded from the ring-road where Steve Norris, the defeated Conservative candidate had joined a residents’ protest against their road being included in the ring-road. The small number of vehicles on this stretch of road defied all predictions and made the demo seem to be totally pathetic.

Two telephone call centres were employed from day one. This was to mitigate the extra time motorists would take to use an unfamiliar system with each call taking longer than might be expected once the motorists had called several times. In the event, the second call centre was closed after a few weeks as its use became redundant. There were

a number of reasons for this: 1) the number of motorists paying the charge was fewer than expected; 2) more motorists were using SMS and text than had originally been expected; 3) the retail outlets in shops etc. were successful as most motorists were used to purchasing lottery tickets, paying for mobile phone (cell phone) top-ups and purchasing prepayment vouchers for their energy bills etc. 4) the excellent training of call centre staff ensured that call times were kept to a minimum; 5) once a motorist had registered their number plate and payment details the first time – these were kept on record (with customer consent) to speed up future transactions.

After the first few weeks, when the school holidays ended and road maintenance was resumed it was expected that a few problems might arise but as traffic levels rose it was clear that the congestion charge was a huge success as journey times to Central London were reduced by 14%.

There had been a few snags and glitches as would be expected with any new technically based system that had never been tried before on the large scale that London introduced. For example the colour photos in different light conditions due to the time of day or weather sometimes showed the vehicle as being a different colour to the vehicle registration document and in addition a problem arose when a motorist might describe their number plate as a letter “oh” rather than the number zero or vice versa. These problems were quickly ironed out but the press just loved the stories that emanated like the Scottish owned tractor that had never left the highland village but had received a London Congestion Charge penalty charge or the Rolls Royce displayed since the 1950s in a Northern motoring museum also receiving a charge notice.

The success of the scheme in reducing traffic levels greater than predicted (the actual flow was at the bottom of a range of outcomes predicted by TfL officers) meant that the revenues were less than had been predicted. Together with the lost revenues from more generous discounts introduced by the Mayor for good reasons of fairness and political acceptability meant that many of the critics of the scheme far from admitting their previous predictions were wrong now criticised the scheme for failing to produce the revenue previously predicted in the earliest calculations. In addition the press continued to highlight the difficulties faced by individual motorists like the low-paid nurse who lived outside the zone but needed a car to drop her infant child to nursery before entering the congestion charge zone to work at a Central London teaching hospital. Similarly some motorists with two cars would enter the wrong registration number and then claim they had paid for the car that received the penalty notice. However, no automatic relief was provided but motorists could appeal. In some cases, because the information of all cars entering the zone was kept for a while, it was possible to prove with camera evidence that in a few instances both cars had entered the zone.

Right from the start over 100,000 people were paying the congestion charge daily and yet there were no major faults with the systems.

Many businesses in Central London blamed the congestion charge for their loss of trade in early 2003 but there were other factors affecting trade including the loss of the Central Line Underground railway for several weeks following a crash at Chancery Lane. As the Central Line runs under the length of London’s busiest shopping street, Oxford Street, it is not surprising that this resulted in a huge meltdown of retail activity.

The published details show that the benefits of the original scheme exceeded its costs by around 1.5:1. This ignores any use of the surplus revenues. For the western extension the costs and benefits were more finely balanced.

25. Major Changes

There have been many changes to the original Congestion Charging Scheme since its first introduction. The £5 (\$8.19) basic charge itself has been increased several times and from 4th January 2011 it has risen to £10 (\$16.38) but only £9 (\$14.75) for vehicles paying a £10 (\$16.38) annual registration fee and using Auto Pay. There have been changes to the timing of penalties and the introduction of a fleet scheme to allow owners to pay a small increased amount for any vehicle registered as part of a fleet when it enters the zone. In 2008 the first Mayor, Ken Livingstone proposed to abolish the charge for small cars with less polluting combustion engines whilst at the same time charging £25 (\$41) for gas guzzlers (cars over 3 litres). However after he lost the 2008 Mayoral election and this plan was dropped by the new Conservative incumbent.

In 2007 Mayor Livingstone introduced the controversial Western Extension to the zone. It would have been possible to operate two zones, each with a separate charge but the Mayor’s decision was to incorporate the new Western Extension with the existing Central zone. This meant that vehicles still only paid one daily charge and the residents in the new extension could for the first time, drive in the original zone only paying a residents’ discount charge of 10% = 80p (\$1.31) not £80 (\$131).

After several consultation exercises Boris Johnson, the Conservative Mayor elected in 2008 dropped the Western Area congestion charge on 4th January 2011. This policy received a mix reception as there were clearly winners and losers.

15. Mayor’s Re-Election 2004

Prior to the success of the London Congestion Charge all of the Labour Government had disowned Mayor Ken Livingstone as they didn’t want to be associated with a possible

failure but after the event they were keen to associate with a dynamic and purposeful politician.

In the lead up to the 2004 Mayoral election Ken Livingstone was planning to stand again as an independent socialist candidate but the official Labour Candidate was trailing in the opinion polls so the Labour Party readmitted Ken Livingstone as a member to enable him to stand as the official Labour Candidate.

The Conservative Party chose Steve Norris again who stood on a platform of removing the London Congestion Charge if elected. The effect was that congestion charging played a bigger role in the second Mayoral election than in the first election of 2000. The election resulted with the re-election of Ken Livingstone as Mayor with more votes (but a reduced majority as Steve Norris also polled even more votes for the Conservatives) and the transport world recognised his re-election as testimony that congestion charging could be both efficient and popular with voters.

In practice of course, the majority of voters in London used public transport which was improved by funds from congestion charging, whereas by definition many motorists who paid congestion charge to enter Central London were not even voters in the Greater London elections as they commuted from the Home Counties around London and even further afield.

16. The financial effects of congestion charging

The London Congestion Charge Scheme cost £180m (\$294m) to set up for the commencement of operation in February 2003 and by 2005 had annual running costs of £120.8m (\$197.92m) with an annual income from motorists of £190m (Congestion Charge payments of £120m (\$196.61m) and a further £70m (\$114m) in penalty charges.

As a method for reducing traffic, congestion charging is superb but as a method for raising public funds it leaves a lot to be desired. The cost of collection and running the scheme is over half the revenue collected each year.

However, the real financial effect is the massive savings made by making essential journeys by motor vehicle more reliable with much less time spent in traffic queues.

17. Election of Conservative Mayor 2008

In May 2008 Boris Johnson, a Conservative MP and “TV character” (especially in a popular light-hearted news quiz show) replaced Ken Livingstone and was elected Mayor of London.

One of Ken’s difficulties was the unpopularity of the Labour Party among voters because of the Labour Government’s involvement in the Iraq war and other debacles. Ken Livingstone was defeated even though he polled more votes than in 2004 and enjoyed a higher percentage than his party nationally.

Winning elections is not just getting your own vote out but trying not to rouse the opposition voters in the hope that they will ignore the polls – with an unpopular Labour government in Parliament this seemed unlikely in London. Ken had always been a controversial, forthright and passionate but personable politician and many conservative voters literally hated him for his left-wing views and policies whilst many other non-Labour voters supported him for his ability to ridicule and defeat the establishment.

However, a major difference with previous elections was that the London local evening paper, the London Evening Standard, had a new right-wing woman editor very hostile to him (she never met Ken Livingstone and was alleged to have claimed that this was her deliberate policy as she did not want to fall under his spell!). Because of its timing and position in London, The Standard’s news stories are often picked up by the Fleet Street national dailies the next morning and in 2008 this meant many Londoners read anti-Ken stories on their breakfast tables or the train to work. The Evening Standard had reporters observing Ken’s every step; they even followed him to the doorstep of private parties and reported his remarks when he rightly objected to being accosted as he left.

There was a campaign to discredit some of Ken’s closest advisers for alleged misconduct but after the election all were cleared of any wrongdoing but of course the damage had been done. Ironically, in his first year Boris had to sack several of his Deputy Mayor’s and advisers and one Deputy Mayor (a former council leader) was even convicted in court for misuse of his expense account.

On policy issues, motorists and many residents had opposed the idea of a West London Tram (streetcar) because the road system was narrow and householders feared that too many cars would avoid the tram route and rat-run through their residential neighbourhoods. In 2006 Labour lost control of all 3 local authorities along the route mainly because of the tram issue and even though Ken dropped the tram proposal having spent circa £50m (\$81.92) on it – with an unpopular Labour government as well it was probably too late to change opinions.

Similarly, in East London Ken was planning to build a new road toll bridge (The Thames Gateway Bridge) that was opposed by many greens and also residents worried that additional traffic on local roads using the bridge would destroy their neighbourhoods. Boris Johnson promised to scrap the bridge.

Apart from some controversy around Ken’s 2007 western extension of the congestion charge to Kensington and Chelsea (implemented against much local opposition and which Boris Johnson promised to abolish) there was a general consensus among the main parties that the Central London Congestion Charge should remain.

18. Lessons Learnt from the Introduction of the London Congestion Charging

- i) The most important lesson learnt is probably the hardest for any other authority to copy and that is strong political leadership. There were many occasions when a less determined Mayor than Ken Livingstone might have wavered or withdrawn the scheme in the face of such huge hostility and so little apparent support and yet Ken Livingstone whilst remaining firm and resolute was also able to be flexible in his approach to fresh problems as they arose. Ken Livingstone’s leadership and attention to detail whilst engaged in many other important issues encouraged his Congestion Charge team to not only give of their best but “to walk the extra mile”.
- ii) With the best political will in the world, innovative projects like Congestion Charging don’t just happen, they require expert project management. Keeping control over the budget and working within a tight time-frame are normal management targets but throw in the uncertainties of a new and untried system, the public/media interest and the opportunities for errors in planning or commission then the challenge becomes so much greater.

The TfL management from the Transport Commissioner upwards deserve much praise for their expertise and professionalism.
- iii) The teamwork created between local government officers and private company suppliers was also an essential element.
- iv) The procurement policy and implementation was a crucial aspect and had to be planned well in advance with clear political policy guidance but officers and contractors had then to be left alone to achieve the best results.
- v) It was essential that drivers found the congestion charge easy to pay whether by retail shop, internet, telephone, SMS or mail.
- vi) The congestion charge was never seen as a stand-alone policy and much of its success has been the integration of congestion charging with the other transport improvements including rail, bus and streets.
- vii) Finally, although very expensive, the publicity campaign was used to avoid a logjam in the first few weeks, by alerting motorists to the first day of

implementation and describing exactly how to pay for their congestion charge tickets.

In addition it was important to keep people knowledgeable about how the scheme was progressing and give constant reminders that traffic levels in London could only get worse if congestion charge was not adopted.

19. Conclusions

The major conclusion to be drawn from the experience of the London Congestion Charge is that it is possible to successfully implement a controversial radical policy.

It requires political leadership and motivated staff.

As Luke Pearce wrote in his 2009 report: “One effect of the Manchester and Edinburgh experiences (where congestion charging schemes were turned down in referendums) was to highlight just how remarkable London’s introduction of the congestion charge was. Numerous obstacles stood in the way of the scheme’s implementation, including the objections of influential lobby groups, a significant proportion of public opinion, press hostility, an unsure electorate, the Congestion Charge Scheme’s unpredictability due to its relative novelty and the time limit of a Mayor’s four-year term. In the space of a few years, the Mayor, Transport for London and supporters of congestion charging brought into reality on London’s streets an innovation that, at least in the UK, had languished in academic circles since 1961 when Alan Walters wrote the theoretical background to the 1964 Smeed Report.”

Dave Wetzel FCIT, Transforming Communities

(DaveWetzel42@googlemail.com)

20. Appendix 1. Author’s cv

Dave Wetzel Fellow of the Chartered Institute of Logistics and Transport 2002 to date.

General Secretary of The IU (International Union for Land Value Taxation and Free Trade)

Formed in 1926. An NGO registered with The United Nations. Campaigns and produces books, films and other materials in order to promote a new tax system worldwide.

www.TheIU.org 2010 to date.

CEO Transforming Communities

Transport, Housing and Land use consultancy with contracts in South Africa, the Middle East, China, USA and Europe. 2008 to date.

Vice-Chair of Transport for London.

A £7bn (\$11.47bn) transport agency providing London Buses, London Underground, London Overground, Trams, Docklands Light Railway, Traffic Management and Road Safety for London’s residents, businesses and visitors. New initiatives included the London Congestion Charge, the Oyster smart-card ticketing system, improved transport for people with disabilities, Smart Travel Plans utilising travel demand management techniques, major investments in modernisation, road safety initiatives, bus priority and the introduction of i-bus the on board passenger information system. 8 years.

Restaurateur and Antique Dealer.

All aspects of running two small family businesses successfully. 6 years.

Leader of the London Borough of Hounslow.

Leading this local authority adjacent to Heathrow Airport providing Education, Leisure, Development and Planning, Housing and Social Services to a population of circa 200k. New initiatives included new bus services, greater emphasis on equal opportunity policies, improved education services for all age groups and the creation of new leisure facilities including West London’s first community farm in an urban area. 4 years.

Executive Director DaRT

The Dial-a-Ride and Taxicard Association. Expanded this charity controlled by its membership from 3,900 to 21,000 members, lobbied Parliament and organised in 1989 the first conference in the UK on low floor bus design. 5 years.

Chair of the Transport Committee Great London Council

Responsible for £2bn (\$3.28bn) expenditure and policy control of London Transport and all the roads in London. New initiatives included planning and building the Docklands Light Railway with partners, Dial-a-ride and Taxicard for people with disabilities, wheelchair accessible taxis, the successful Travelcard, the London Lorry Ban, three new major Highways, BR station modernisation, revised traffic management in favour of buses, cycling and pedestrian facilities, modernisation (signalling and trains) of the Central Underground Railway and the wider utility of pensioners’ bus passes. (Also elected member of the Inner London Education Authority). 5 years.

Previous experience in retail, politics, logistics, passenger transport and engineering.

Voluntary Activity: School Governor, Labour Party activist, President of the Labour Land Campaign, Chair of the Professional Land Reform Group.

Appendix 2. Mayor’s Question Time, 27th July 2000

Conservative Opposition Challenging Wetzel’s Appointment.

Transport for London

Question by [Bob Neill](#)

Will the Mayor please state:

- (a) if any members of The Board are receiving a salary in respect of their services, and
- (b) if yes, what are the names of such Board members and what is their salary; and did the Mayor have any role in either recommending or agreeing the salary, and, if so, on what basis?

Answer by Ken Livingstone

The TfL Board Members (and Special Advisers) will receive remuneration for their services. Members may choose to waive this, or may be required to have the pay directed to their primary employer and this will be arranged as appropriate. The level of remuneration has not yet been finally determined and will relate to the amount of time each individual contributes to the work of TfL Board. It is expected to be in the range of £7,000 (\$11,470) pa for one day a week. The full-time vice chair, Dave Wetzel, will receive £45,000 (\$73,728) pa.

Question by [Bob Neill](#)

In agreeing that salary of £45,000 (\$73,728) per annum for Mr Wetzel, did you regard his qualifications and experience as being appropriate for the full time executive Vice Chair of Transport for London and given your commitment to seeking world class management for London Transport, do you regard Mr Wetzel's appointment at that salary as part of your package of world class management?

Answer by Ken Livingstone

I think Dave Wetzel has one qualification that nobody else has on this, well he has two qualifications, several qualifications. I mean apart from having driven a bus at one time, which I think is quite a good qualification, he has one that nobody else on the face of this planet has got. When he was last responsible for running London Transport, he increased the number of rides by 70%. Well, I will be happy if he can just do a quarter of that this time round.

Question by [Brian Coleman](#)

One other qualification that Dave Wetzel has is he happened to sign your nomination papers as Mayor and he is about to be expelled from the Labour Party for his pains. His more recent qualifications in business have been running an antique shop in Devon and a restaurant in Brentford. Can you understand that perhaps there is a suspicion in some people's minds that you might be laying yourself open by appointing so close a political associate to a job at public expense, that you might be laying yourself open perhaps to accusations of jobs for the boys.

Answer by Ken Livingstone

No. Anybody who has popped down to Dave's restaurant and tried the Honey Roasted Pork will realise this is someone you would want on your side.

Question by [Bob Neill](#)

Thank you. You told me in an answer to a question I asked you much earlier this morning that you admired Mr Wetzel's sense of humour. Which must be good. I think it is the most expensive sense of humour since Bob Hope looking at the answer to this question.

Answer by Ken Livingstone

Bob Hope gets this a minute I think.

Question by [Bob Neill](#)

I just wonder if you could tell us how you are going to measure Mr Wetzel's performance and what targets he will need to achieve to have been a success in the job so that we can all learn and see if he is as good as you make out?

Answer by Ken Livingstone

The quality of advice I have had from Dave has been absolutely excellent. He has lead in constructing the fares package that TfL will be introducing this afternoon. He did all the detailed work when I wanted to look at the possibility of introducing a 5p increase on the underground. Coming back, checking that out, making sure that we didn't make an error in that. He will be pushing through a whole range of bus improvement measures. Making certain that we get the congestion charge right. I really do think those who worked with Dave Wetzel on the GLC, in the early `80's, had no doubt, not only was he committed to improved public transport, but he also demonstrated the capacity to deliver it when he had responsibility before, which is why I asked him to be Vice Chair of Transport for London.