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British cities shun London's wasteful car tax

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IT WAS intended to get London moving, but after five years of Ken Livingstone's congestion charge, and more than £800m of tolls and fines, traffic jams are almost as bad as they were to start off with.

As a new cadre of charge bureaucrats prospers, overheads are now so high that they burn up the equivalent of almost £4 of a standard £8 charge. Money raised to improve public transport has been cut by 10% in the past year.

The scheme's poor value for money risks undermining the government's efforts to push through congestion charging in 10 other areas around England.

Spending on the administration of the charge rose to more than £160m in the past year, leaving £10m less for buses and schemes to improve traffic flow. Traffic has slowed to below 10mph. Livingstone will further polarise opinion next year with a £25 daily charge on cars with high carbon emissions – including 4X4s such as the Toyota Land Cruiser but also the 2.5 litre Ford Mondeo, Vauxhall Vectra 2.8L and Renault Espace 2.0.

Edmund King, executive director of the RAC Foundation, warned that the London scheme had set a "dangerous" precedent for the future of road pricing in Britain. "Everybody looks to London and the danger is that they repeat the same mistakes," said King. "You could end up with cities across the UK burdened with massive administration costs for schemes that don't actually improve public transport or reduce congestion."

The government has asked 10 areas in England to draw up plans for a congestion charge. So far Manchester and Cambridge have made formal bids, while Tyne and Wear, Norwich, Bristol and a scheme in the East Midlands covering Nottingham, Leicester and Derby are consulting and drafting plans.

Manchester wants to impose a peak time charge of up to £5 a day from 2012, which it believes will be more efficient and cheaper than the London scheme.

"The congestion charge [in London] is a pretty blunt instrument because it penalises journeys irrespective of where they originate, their destination, how long they've travelled and what time of day it is," said Sir Howard Bernstein, chief executive of Manchester City Council.

"Our system is more efficient and costs far less. It incentivises drivers to change their behaviour. We hope the government will see it as a pilot that offers a pathway for the future."

While in London operating costs have absorbed 47% of all revenues since 2003, in Manchester predicted operating costs will be just 25% and in Cambridge they are a predicted 16%.

Drivers in London are charged the fee from 7am to 6pm from Monday to Friday, and are required to pay even if they are already in the zone.

Since the launch of the congestion charge on February 17, 2003, Ken Livingstone, the mayor of London, and Transport for London (TfL) have struggled to control the scheme's massive costs. The charge is operated by Capita, which by 2009 will have been paid more than £330m. IBM will then take over Capita's contract.

Last year the scheme's costs rose from £146.7m to £163.3m, a significant rise even after stripping out the £15m spent over two years expanding the congestion charge into west London.

Some of the high costs can be traced to Windsor House, TfL's imposing, 18-storey central London headquarters, where 105 staff enjoy an average salary of £70,000. A further 39 TfL staff are based at Capita's offices in Coventry. David Brown, TfL's surface transport managing director, who has overall responsibility for the congestion charge, earned a basic salary of £250,000 last year with a bonus of £40,177. The costs of running the "toll facilities", which includes a network of 203 sets of cameras, was £130m last year.

Automatic number plate recognition (ANPR) software checks vehicles against a database, and the details of every nonpayer are checked manually before a fine of up to £100 is sent. With about 4,500 people fined per day, the process is time-consuming and ANPR only achieves 90% accuracy.

By law all profits from the congestion charge have to be put into public transport projects. According to one set of TfL accounts, it reinvested just £280m since 2003. The vast majority went on bus garages, stops and digital timetables; new road surfaces, with only a fraction allocated to walking and cycling.

For Livingstone's bureaucrats, London's motorists are a seemingly inexhaustible source of revenue. The standard £5 charge was raised to £8 in July 2005; the area of the charging zone was almost doubled in February this year to include Kensington and Chelsea, and Livingstone now plans to go a step further.

In October 2008 he intends to introduce a pollution-based charge of £25 for cars emitting 225g of carbon dioxide or more per kilometre. Owners of gas guzzlers living inside the zone would lose their residents' discount and be charged more than £6,000 a year.

The new charge could make up to £36m, TfL has estimated. Smaller cars, such as diesel hatchbacks and hybrid vehicles that emit 120g or less of carbon dioxide per kilometre, will become exempt from February 2008. Those emitting up to 225g/km would continue to be charged £8. The Department for Transport said there was no legal cap on the size of the daily charge that councils outside London would be allowed to impose.

Boris Johnson, the Tory candidate for London mayor, has pledged to review the congestion charge if he gets into power. He said: "A small car is just as capable of blocking a road as a big

car. This is just Trotskyist guilt from Ken, which he's trying to expunge by lashing out at bigger cars in the name of emissions.

"It's diabolically expensive. Huge sums have disappeared down the gullet of Capita and a lot has been taken by the mayor, but very little has gone into improving roads and congestion. If we are going to ask people to pay to travel in London, they deserve to get a better journey."

While operating costs continue to rise, some of the initial benefits of the congestion charge are wearing off. At the end of its first year, the results looked encouraging: traffic speeds were the fastest for two decades, rising from 8.69mph to 10.56mph. The benefits were short-lived. Traffic speeds are now back down to 9.32mph while congestion is also on the rise, with the level of delay per kilometre at 2.27 minutes compared with 2.3 in February 2003.

Without the congestion charge TfL maintains that London would have ground to a halt, and states that 70,000 fewer vehicles a day enter the zone than in 2002. It is partly to blame. When the central London zone was extended westwards, an additional 58,000 residents took up the entitlement to the 90% resident's discount. Any further expansion would exacerbate the problem.

The introduction of more bus lanes and pedestrian-friendly measures, TfL admits, have also contributed to congestion. Twenty per cent more traffic lights were added from 2000 to 2005, the latest year for which figures are available, and they are being phased in favour of pedestrians, leaving drivers stuck on red for longer.

There are signs that TfL is concerned that the high costs of its scheme may risk undermining public support. It is considering introducing a cheaper technology called "tag and beacon" by 2010. The system is favoured by both Manchester and Cambridge.

A TfL spokesman claimed that an alternative set of accounts showed the amount invested in public transport had increased from £122m in 2005-06 to £123m in 2006-07.

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JUST a year ago, ministers were bullish about a national road pricing scheme. Ministers were describing it as "inevitable" while plans had been drawn up to use satellite location technology to charge motorists £1.34 a mile at peak times.

Today, however, the government says little on the subject. Instead the Department for Transport is focused on local congestion charging schemes, the first of which will not be rolled out until 2012. Ten areas are interested, tempted by the £1.4 billion in public transport improvements being offered. The shift in policy has been forced on the government by a groundswell of opposition to national road pricing. Earlier this year nearly 2m people signed a Downing Street petition against it.

The government was aware that national road pricing would be a huge risk in terms of both technology and politics, said Edmund King, executive director of the RAC Foundation. "If they can let the local authorities take the risk and responsibility it's better for them."

Experts fear, however, that local road schemes involving cameras, beacons and tags could prove incompatible with a satellite system when it arrives eventually.