

THE PROPOSAL TO EXTEND THE CENTRAL LONDON CONGESTION CHARGING SCHEME

The views of The AA Motoring Trust

Summary

The AA Motoring Trust believes the following issues need to be addressed in the consultation on the proposed extension of the congestion charging scheme:

- Will the benefits of extending the congestion charging zone outweigh the costs to businesses, individuals and London as a whole?
- Should there be an inquiry into the extension of the scheme as happened in Edinburgh?
- Is the existing scheme over reliant on penalty income and will the extension also require contraventions to make it pay?
- The financial modelling for the existing scheme was 100 per cent wrong and so using the existing scheme experience as the basis to extend is a gamble;
- the existing scheme has not been in effect nearly long enough to claim that it is proven;
- to what extent is extending the scheme beyond the distinct core of Central London, a space shared by the world where the car has little role for the majority, a new venture? There is no Ring Road, there are many more businesses and residents, the car is essential and free through routes will add to confusion and driver error;
- a sample survey of 300 drivers in towns near the zone showed 71 per cent were opposed to any extension (of those 57 per cent were strongly opposed);
- What is the opinion of Londoners to the schemes extension?
- Will free routes through the middle of the charging zone(s) confuse motorists and generate substantial additional penalty income.

THE AA TRUST'S VIEW ON CHARGING

The AA Trust takes a very close interest in the development of road user charging schemes in the UK undertaking a 'watchdog' role on behalf of road users to ensure schemes are well founded on evidence, properly developed and risks examined and managed.

The Trust has helped develop enabling legislation and does not object to congestion charging where there are clear goals, it is popular, and is part of a clear strategy. Worldwide experience and British mathematical models show it is not necessary to

increase charges overall to reduce congestion. The world's most successful scheme in Singapore has led to a reduction in motoring taxation.

In May 2000 the AA policy unit produced the leaflet "Paying to use Roads" which is a worldwide survey of motorists' attitudes to paying for roads.

The leaflet "Innovations in Road Developments" gives further information on new approaches to charging schemes, particularly US HOT lanes.

"From Victims to Customers" gives motorists' views on road charging in general: this was the subject of a seminar in the UK Parliament which included the Secretary of State for Transport.

"Going Underground" reviews the growth worldwide in tunnels.

The AA Trust is a member of the DfT's UK Road User Charging Group.

The AA Trust made a formal objection to the Central London Congestion Charging Scheme Order.

The AA Trust has published its assessment of the Central London Scheme one year on

The AA Trust has submitted precognitions to the inquiry into the Edinburgh charging scheme.

CURRENT INTERNATIONAL EXPERIENCE OF CONGESTION CHARGING

Norway - The schemes in Norway were popular when first instigated. Their purpose was to fund road infrastructure (e.g. new roads and tunnels) and as such were 24-hour flat toll schemes with relatively low toll rates. They were not intended to reduce congestion and indeed, after the initial 'bedding down' period, had no such impact.

Road users in Norway have changed their opinion on the scheme as the government moves to shift the schemes towards congestion control and revenue-raising contrary to the agreements on which consensus was built.

Singapore - The textbook electronic road pricing (ERP) scheme in Singapore is widely accepted. Drivers and local motoring organisations support it, as the scheme does not seek to raise extra revenue from motorists. The revenue has been used to reduce fixed motoring costs so that the average motorist in Singapore now pays less with congestion charging in place. The charges are set using a clear algorithm whose only purpose is to manage congestion. The scheme is also highly versatile and offers 'free' alternative routes around it. Heavy investment in the ring road and public transport was put in place (the MTR) before ERP was introduced.

Austria and Netherlands - In recent years there have been mass protests against road user charging schemes in Austria and the Netherlands where proposals have been withdrawn.

United States - The AA Trust has also noted with interest the successful new experiments in the USA where the Transport Equity Act has led to 'choice' as a key element in developing charging schemes. This has led, in particular, to the implementation of combined bus/pay lanes on key arteries with free access for car sharers. Up to 85 per cent of motorists, independent of income, support extension of these schemes. These HOT lanes are used typically one day in five by motorists when time is at a premium.

WHAT IS CHARGING FOR?

Reducing Congestion

In London, the policy need to improve the ring road, to make congestion charging work, led to a 5 per cent increase in capacity through simple but effective traffic engineering improvements. The AA Trust believes that there remains scope in London to improve the environment and reduce congestion by defining high value road improvements and focused traffic management.

Experience in road user charging from around the world suggests combining charging and selective road improvements works well and is popular. In particular drivers may be prepared to pay to use routes bypassing well known congestion hotspots. The evidence shows tolling in this way addresses the fear that road improvements are self defeating. It appears to encourage desirable car sharing and time shifting through choice. The AA Trust remains convinced that there is scope for road improvement schemes linked to charging that might be supported, particularly tunnels – even in cities. The Versailles tunnel in Paris, soon to open, is an outstanding example of value engineering benefiting the economy the user and the environment.

In Central London the scheme's initial traffic benefits were promising however, as roadworks return to normal and the re-assigning of roadspace continues those drivers happily paying £5 will begin to regard it as poor value for money. This is nowhere more clearly displayed than on main routes near Trafalgar Square. The removal of traffic capacity at this location has had a significant adverse impact on congestion including delays to buses.

Will revenues be ‘additional’?

A "charge" that cannot be avoided and does not relate directly to services relevant to those paying is a "tax".

In central London, despite repeated assurances to Parliament, government grants to Transport for London may have been substantially reduced due to the congestion charging revenue stream being "taken into account". Far from accelerating programmes such as road maintenance and traffic signal improvements, these programmes are now being cut back. The AA Trust believes London may be worse off overall as a result of implementing congestion charging.

Is the scheme fair?

Many non-car owning low income households rely on the car of family or friends as their prime method of getting to and from work and accessing basic services. Many car-owning families spend large proportions of income to run a car. Increasing the cost of car use for such groups has a significant negative impact and their involvement in low paid shift work is a further factor which may reduce social inclusion.

AA Motoring Trust research has shown that attitudes to congestion charging remain very divided and opinions run high. Those who find themselves “on the wrong side” of the zone will feel discriminated against by the scheme.

It is unclear to the AA Trust why charges must be paid by midnight on the day of travel. A true charge should be payable within a convenient time period and not geared to a very quick shift into a penalty zone.

The AA Trust is particularly concerned at the increasing role that penalty income is making as part of the overall income budget. In London it is shameful that £50 Million of the scheme’s £68 Million net annual income is set to come from penalties and the authorities are targeting to increase penalty revenue rather than increase compliance with regulations. The AA Trust is concerned that the current scheme fails the ‘natural justice’ test – and indeed may be challengeable in law.

The Mayor of London is still reviewing the performance of the chosen contractor who has already been fined £1 Million for failing to reach agreed performance targets for customer service.

The AA Trust supports tough sanctions against deliberate non-payment or avoidance of lawful charges but unfortunately in London many innocent drivers have become embroiled in the process. The combination of a previously relaxed national vehicle registration regime, mistakes in entering number plates, and deliberate ‘cloning’ of vehicles has brought many into contact with a system that shows little regard for the consumer. Customer care must be brought to the top of the agenda if public acceptance is not to decline in the future. Why for example, do registered users receive dozens of penalties? Any business with loyal customers would spot something badly wrong after the first incident and contact the customer to say “please get in touch urgently”.

Investment

The London scheme is never likely to make any significant contribution to transport investment strategies in the capital. London’s transport needs require sums in a different league to those currently being produced by congestion charging. It is especially disappointing that projects linked to charging revenue have been cut back because of gross over estimation of revenue and gross underestimation of set up and operating costs. The requirement for bus subsidy and tube investment in the billions means it is impossible to regard congestion charging as a rational revenue source.

Effects on the Capital’s economy

The AA Trust wants to see a clear value for money and risk analysis presented for all transport projects – London’s congestion charging scheme has never received independent professional peer review.

The previous revenue estimation models were wrong due to a combination of escalating implementation and running costs and lower than expected revenues (yet traffic reduction was as predicted). Both the existing and extension scheme’s economic and financial viability is in doubt. The proposed extension to the central London Zone is wildly premature and according to forecasts it will not break even financially for at least a decade. In economic terms, this is a marginal scheme with high and uncertain running costs.

CONCLUSION

In short, London would be no better or no worse off overall were the existing congestion charging to stay or be scrapped. It is not material to London’s overall welfare as a city. The extension of the scheme appears to be a poor use of Londoner’s money, socially harmful and an unpopular unnecessary risk.