London Congestion Charge Report – A Damning Indictment

Transport for London (TfL) have recently published their fifth annual monitoring report (see cover left). Its 265 pages of dense prose attempts to justify the scheme, but is in reality a minefield of obfuscation and misleading statistics. In addition in June they published a report entitled "Ex-Post Evaluation of the Quantified Impacts of the Original Scheme" which attempts to provide further financial analysis and justification. Both reports can be obtained from the internet (although TfL tends to move them around) if you have the time to read them. Otherwise the following highlights some of the salient points.

On page 2 of the Fifth Annual Monitoring Report it admits that "*During 2006, TfL has observed a sharp increase in congestion inside the central London charging zone*." But they blame this primarily on increased road works, although they also admit elsewhere in the report that other changes that have been made such as reallocating road space to pedestrians and buses might have had some impact.

They also say that "*In addition, there is some evidence of a longer term 'background' trend of gradual increases to congestion*". In other words, congestion got significantly worse in 2006, and that has been part of a trend ever since the congestion charge was introduced in 2003. In reality congestion charging has not worked. Traffic speeds and congestion as measured by "excess delays" are almost back to where they were before the charge was introduced – and bear in mind that the year before the charge was introduced was a particularly poor one for congestion – allegedly due to manipulation by TfL according to some people.

The report also says that reductions in "*emissions of key pollutants in and around the charging zone continue to be apparent*" – but as we have pointed out before, this is not evident in actual measurements of pollution taken on the ground and the report itself confirms this (more information is available on actual measured air pollution levels if you require it).

Here is a breakdown of changes in vehicles entering the congestion charge from 2002 to 2006 (taken from Table 2.1 of the report):

Chargeable	
Cars	-36%
Vans	-13%
Lorries and others	-13%
Non-Chargeable	
Taxis	+13%
Buses and coaches	+25%
Powered 2 wheelers	0%

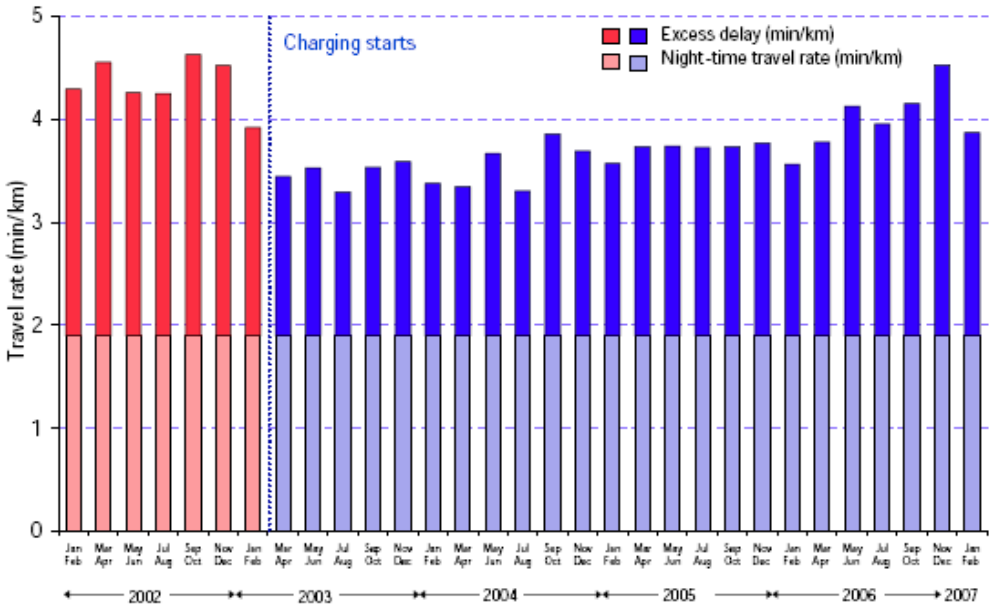
This tends to explain why pollution has not reduced because taxis and buses are generally diesel powered and often relatively "dirty" in comparison with modern cars. Even though the absolute numbers of taxis and buses may be lower, one bus generates a lot more pollution that one car, and as reported in another TfL publication entitled the "Environment Report 2006", there is not much difference in terms of pollution per occupant between buses and cars taking the average occupancy of each type of vehicle. In reality the former car users tend to have moved to using buses and underground usage has not changed much, so there is little or none environmental benefit.

In 2006, congestion within the zone probably worsened because the cars, vans and buses who entered the zone actually drove further – up by 4%, 3% and 3% over the previous year (see table 2.4). That rather demolishes the argument that the extra congestion was caused by road works, because if that was the case they would have probably been stuck in queues and been able to drive fewer miles, not less!

Traffic Volumes and Speeds

The report also says (page 29): "*The data are tending, however, to consistently suggest increases in the numbers of non-chargeable vehicles circulating within the zone*". In other words, the free road space created by charging private motorists has been filled up over the years by more vehicles such as buses and taxis with the net result that traffic on some road links is back to where it was before.

Figure 3.1 Congestion in the central London congestion charging zone during charging hours (07.00-18.30). Moving car observer surveys.



The above figure taken from the report which shows the "excess delays" is particularly revealing. Just look at the peak in Nov/Dec 2007, where congestion is back to where it was before the charge was introduced. *(Author: and backs up my personal experience of driving in central London at that time when congestion seemed to be worse than ever).*

To take another statistic, average road network traffic speeds in 2002 were about 14 km per hour. To quote from page 47 of the report: "*Since 2003, average observed charging hours speeds have progressively fallen back, to about 16 km per hour in 2005 and 15 km per hour in 2006*". Of course they allege that speeds would have fallen even further if congestion charging had not been introduced, but they provide no substantive evidence to support that claim.

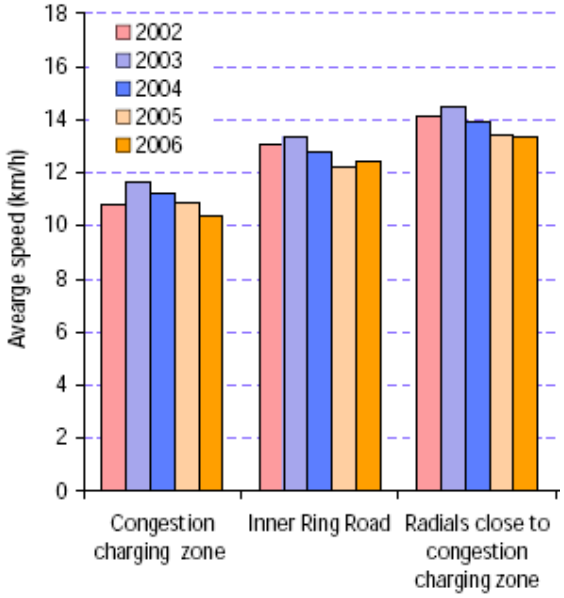
Evening Standard Confirms Falling Traffic Speeds

The London Evening Standard has confirmed that traffic speeds have been falling by performing independent tests. This involved drivers taking set routes and repeating tests that were also performed in 2006 and 2005. They claim that in February, after the western extension of the Congestion Charge was introduced, average traffic speeds fell to 6.1 mph (from 8 mph in 2006 and 12 mph in 2005).

The TfL report provides little information about the impact of the western extension on the original charging zone which was expected to increase traffic within the original zone because many more residents will be eligible for a discounted pass.

Buses Are Going Slower Also

It's not just general traffic that is going slower, even bus journeys are taking longer, as the following chart from table 4.2 of the report shows. Bus journey times, particularly within the congestion zone have been getting worse consistently since 2003.



Air Pollution

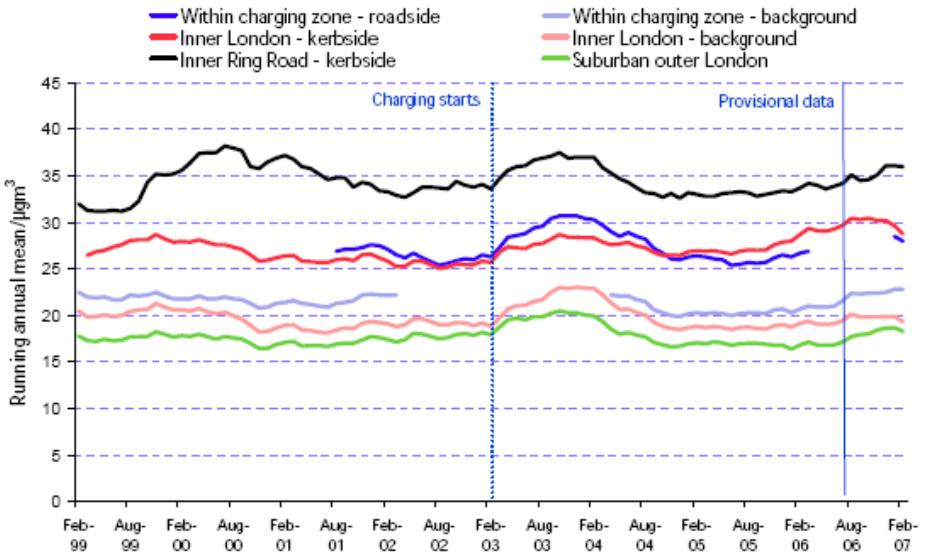
Page 56 of the report really gives the lie to their claims on air pollution benefits. It says "*Trends in actual measured air quality (as opposed to emissions) across London continued to reflect the diversity and dominance of external factors in determining pollutant concentrations and, as such, did not allow the identification of a clear 'congestion charging effect'.*"

In fact there should have been measurable reductions in pollution because TfL have calculated that the updating of road transport vehicles with new technology should have reduced NOx by 17.3%, PM10 by 23.8% and CO2 by 3.4% within the charge zone from 2003 to 2006 (page 66). But even that impact is not measurable so it seems that pollution has increased for other reasons to offset those benefits (which of course have nothing to do with the congestion charge implementation).

Of course if vehicles drive around the zone to avoid paying the charge, then total pollution can increase within the zone because pollution can blow into the zone from outer London.

Here's an interesting chart from the report which shows the mean PM10 concentrations (diesel particulates – known to be cancer inducing). Notice any trend?

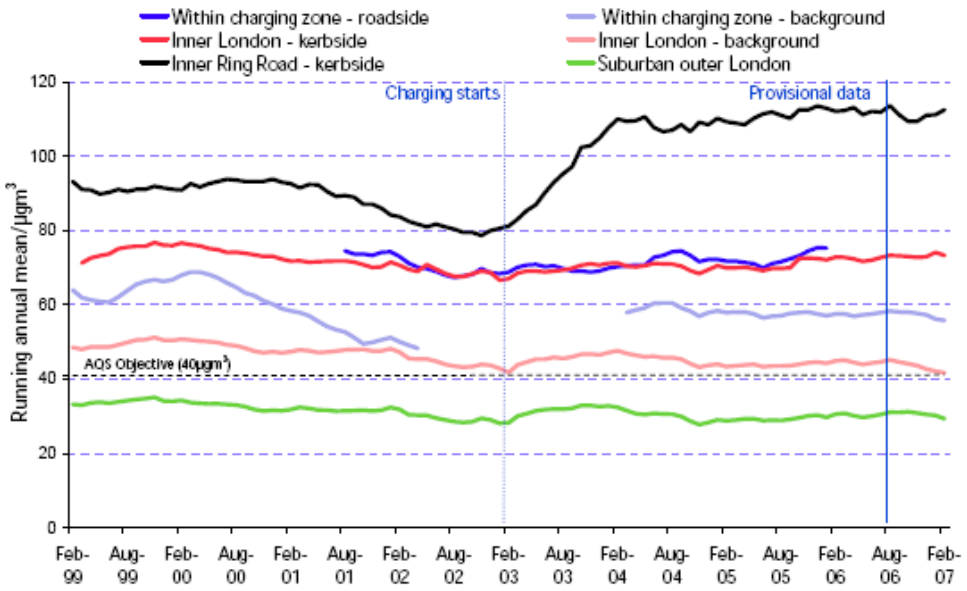
Figure 4.7 Running annual mean PM_{10} concentrations at congestion charging indicator sites.



Yes you're right – there is no discernable trend!

Or look at the following charts of NOx concentrations:

Figure 4.10 Running annual mean NO_2 concentrations at congestion charging indicator sites.



Not much change except on the "Inner Ring Road – Kerbside" where it is clearly worse.

Penalty Charge Notices

It is worth looking at the number of penalty charge notices issued (at £100 each of course, with a discount for prompt payment). The number issued has been coming down – at least that was the case although the impact of the western extension on the numbers is not yet known. But they are still averaging about 100,000 per month. In addition 26% of them are not "recovered", ie. never paid presumably. As a result some 741,000 warrants have been issued to bailiffs since the start of the scheme.

(Author: it seems astonishing to me that any scheme is seen as successful when there are so many infringements. These are presumably both deliberate ones and accidental ones, but if the former, then there are obvious defects in the system and if they are the latter, then public support is clearly weak).

The Economics

This is what TfL gives as the economics of the scheme in the last year:

Table 6.2 Scheme revenues and costs, financial year 2006/2007. (£million provisional).

Revenues	
Standard daily vehicle charges (£8)	125
Fleet vehicle daily charges (£7)	27
Resident vehicles (£4 per week)	6
Enforcement income	55
Total revenues	213
Total operation and administration costs	-90
Net revenues	123

But when you study the other report mentioned above, you find there are £25m per annum of amortised "infrastructure costs" not included in the above. In reality the economics actually looks like the following – this is a table taken directly from page 99 of the TfL "Annual Report and Statement of Accounts".

	Note	Group and Corporation 2006/07 £m
Revenue	2	252.4
Direct expenditure:		
- Toll facilities		(130.1)
- Traffic management		(0.3)
		122.0
Other expenditure:		
- Financial assistance		(2.5)
- Depreciation		(4.8)
- Western extension zone start-up costs		(12.2)
- Administration and support services		(13.4)
Net income on congestion charging		89.1

Note how low the proportion of net income is to revenue – it must be one of the least efficient methods of collecting tax ever devised with 65% of revenue being wasted on collection. And without the income from "enforcement" of £55million it would be unsustainable.

The report shows that 82% of the surplus is spent on supporting bus operations and none on other transport modes other than walking and cycling. But of course, the improvement in bus services in London has not been financed by the congestion charge – the contribution last year according to TfL was £101m when the subsidy to bus operations is running at more than £600 million per year, excluding the subsidies paid by the London boroughs to fund free bus use for their elderly residents which TfL counts as "income" (see page 72 of the TfL Annual Report and Statement of Accounts).

But Ealing Councillor Phil Taylor has pointed out that even the above figures do not reflect the true situation. What matters with any major capital investment project is the actual cash flow. From the above, one might conclude that cash is being generated to fund public transport, but this is far from the reality. The following is his analysis of the data showing the actual cash movements related to congestion charging since the scheme was introduced:

£ million	2002/3	2003/4	2004/5	2005/6	2006/7	Totals
Revenue	18.5	186.7	218.1	254.1	252.4	929.8
Expenditure - Toll facilities	-58.2	-120.9	-120.8	-143.5	-155.7	-599.1
Expenditure - Traffic management	-4.2	-2.0	-0.6	-0.4	-0.3	-7.5
Financial assistance/deferred charges	-14.0	-17.2	1.7	0.0	-2.5	-32.0
Depreciation	-0.3	-1.1	-1.6	-2.8	-4.8	-10.6
Capital financing charges	-0.1	-0.2	-0.4	-1.1	???	-1.8
Net income	-58.3	45.3	96.4	106.3	89.1	278.8
Capital spending	-161.7	0.0	0.0	0.0	-103.0	-264.7
Cummulative cash flow	-220.0	-174.7	-78.3	28.0	14.1	14.1

So you can see that he estimates that the total cash generated by the Congestion Charge since it was introduced is actually only the paltry sum of £14 million in total over the five years it has been in operation. A truly ridiculous level of return on the capital invested in this project. More information is available from Phil Taylors blog at: http://philtaylor.org.uk/?p=726

Summary

Surely these reports are damning evidence of the failure of the congestion charge system? But nobody in TfL seems to be willing to admit it. What a great shame that all this money and the efforts of thousands of people were not redirected into a more productive channel than recycling money from motorists into the pockets of Capita Plc (who operate the system) and its call centre operators.

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