



## Best Practice: Congestion Charging Program

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**CITY: LONDON**

**POLICY AREA: TRANSPORTATION**

### BEST PRACTICE

London's **Congestion Charging program** has been in effect since 2003. Motorists are charged £10 (approximately \$16 USD) daily for driving in central London on weekdays from 7:00am to 6:00pm. The program was designed to encourage motorists to use other modes of transport, thereby cutting congestion and traffic levels and helping to reduce emissions.

### ISSUE

Traffic congestion was a major problem in London at all hours of the day and the worst traffic was in the center of the city. As a result, London faced substantial economic, environmental and quality of life issues.

### GOALS AND OBJECTIVES

The primary aim of Congestion Charging is to reduce traffic in central London. By doing this, it also facilitates a greater use of transportation alternatives, produces environmental and safety improvements and raises substantial net revenues. By law, all money raised through Congestion Charging must be invested in improving transportation in London.

### IMPLEMENTATION

Studies assessing the viability of a congestion charge in London have been conducted since the mid-1960s. The Technical Assessment Report on the Road Charging Options for London (ROCOL) was published in 2000, forming the basis for the Congestion Charging scheme of today. The Greater London Authority Act of 1999 gave the Mayor authority to provide guidance and directives to London's transportation entity, Transport for London (TfL).

Congestion charging was introduced successfully under world-wide scrutiny in February 2003 and without the technical problems predicted by many commentators. This included a legal challenge by the Westminster City Council who claimed that a charge would increase pollution and breach human rights in the city. It covers 22 square kilometers (8.49 square miles) and comprises 1.4% of the total London area. A range of complementary measures were introduced designed to make public transport and other alternatives to car travel easier, cheaper, faster and more reliable.

The scheme is enforced through a network of cameras located at all entry and exit points to the charging zone, as well as at key locations within the zone. Initially, the charge was set at £5 (approximately \$8 USD) to drive in the zone between 7:00am and 6:30pm on weekdays. This was increased to £8 (approximately \$12 USD) in July 2005 and to £10 (approximately \$16 USD) in January 2011. In February 2007, the charging hours were shortened by 30 minutes and the scheme now operates between 7:00am and 6:00pm.

In February 2007, the zone was also extended westwards, increasing its size to 42 square kilometers (16.2 square miles). Following the election of a new Mayor in May 2008 and extensive consultation, this western extension was removed in December 2010 when the zone returned to its original boundaries.

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There are some vehicles that are automatically exempt from the charge including buses, emergency vehicles and taxis. In addition, there are 100% discounts for certain vehicles such as low emission cars and all electric vehicles. There are also certain individuals, including disabled people in possession of a Europe-wide "Blue Badge", who may apply for a discount. People residing within the charging zone are entitled to a 90% discount.

Methods of charge payment have changed over time. Initially, retail channels saw the most usage, however in recent years payment using web facilities has become the most popular method. In 2011, a new channel – CC Auto Pay – was introduced. For registered CC Auto Pay users, the charge is automatically deducted from the driver's bank account. People who chose to pay via this method receive a £1 discount on the standard £10 (\$13 USD) charge.

### COST

The initial costs of the program were approximately £180 million (\$268.7 million USD) were covered by a £200 million (\$298.5 million USD) transportation subsidy from the national government.

### RESULTS AND EVALUATION

From the introduction of the plan in 2003 until 2008, the TfL produced detailed annual Impacts Monitoring Reports, reflecting a commitment to monitor the scheme for five years following its introduction. Key findings:

- The initial traffic reduction and decongestion impacts were broadly in line with TfL's expectations, with a 20% reduction in traffic in the central zone.
- The traffic reduction impacts of the plan have been sustained over time – and have intensified, reflecting a wider trend towards reduced traffic in central and inner London.
- However, despite this, congestion has tended to return, reflecting the reallocation of effective road network capacity to other transport priorities, as well as increased road works and development activity in central London.
- Charging (combined with improved vehicle technology) led to reductions in emissions (i.e. CO<sub>2</sub>, NO<sub>x</sub>, and PM<sub>10</sub>).
- There were no significant adverse impacts of the scheme on the wider economy of central London, which in recent years has out-performed other parts of London.
- The majority of London residents have remained unaffected by any potential negative social impacts of Congestion Charging.
- The plan raises significant net revenues which, by law, are used to fund other elements of the Mayor's Transport Strategy. Net revenue in 2011 was £173.5 million (\$231.4 million USD).

### TIMELINE

In July 2000, the Mayor began the process of consulting on his plans for introducing congestion charging in central London. From the announcement of the program in 2001, it took two years to develop capacity and policies to effectively implement the program. During this time there was extensive public and stakeholder consultation. The original pricing zone was introduced in February 2003 with a further extension of the zone westward in 2007. In 2008, a new Mayor consulted stakeholders again and the westward zone was removed two years later in 2010 resulting in the CC zone's return to its original boundaries.



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### LEGISLATION

The primary powers to implement congestion charging are derived from the Greater London Authority Act 1999. Secondary legislation providing the framework for the operation in central London is contained in the consolidated Greater London (Central Zone) Congestion Charging Order of 2004. This Order outlines how and where the plan will operate, who qualifies for a discount or exemption and how the revenues from Congestion Charging will be spent.

### LESSONS LEARNED

Effective communication with the public and stakeholders is vital when trying to institute a policy such as Congestion Charging. Public information campaigns and both formal and informal consultation have been a key feature of implementation and operation of the scheme. Additionally, a comprehensive monitoring program such as the one developed for the central London Congestion Charging Scheme is essential to demonstrate the benefits (or otherwise) of the policy.

### TRANSFERABILITY

Congestion Charging is a flexible policy that can be used to achieve a variety of aims. Given thorough consultation and careful tailoring, it could be applied in other suitable locations.

### CONTACTS

For more information, visit <http://www.tfl.gov.uk/roadusers/congestioncharging/>

Facts and figures in this report were provided by the highlighted city to New York City Global Partners.