

Phil Taylor

Ealing councillor sounds off

Congestion Charge - income Â£930 million, surplus Â£14 million

Another thing that stood out from the TfL numbers I found yesterday was how badly the finances of the Congestion Charge are going. I say stood out. I mean I spotted them because I was looking for them. They were actually buried on page 99. See below, click to enlarge.

26 Congestion charging

	Note	Group and Corporation 2006/07 £m	Group and Corporation 2005/06 £m
Revenue	2	252.4	254.1
Direct expenditure:			
- Toll facilities		(130.1)	(129.9)
- Traffic management		(0.3)	(0.4)
		122.0	123.8
Other expenditure:			
- Financial assistance		(2.5)	-
- Depreciation		(4.8)	(2.8)
- Western extension zone start-up costs		(12.2)	(3.8)
- Administration and support services		(13.4)	(9.8)
Net income on congestion charging		89.1	107.4

Congestion charging was introduced on 17 February 2003 in central London at a daily rate of £5 per car or goods vehicle. The daily rate was increased to £8 on 4 July 2006. The net revenues from the congestion charge are spent on improving transport in line with the Mayor's Transport Strategy. The western extension zone of the Congestion Charge came into effect on 19 February 2007.

TfL have restated them without saying so. In last year's numbers they included Â£1.1 million of Capital financing charges and had done for the previous 3 years. This year they have mysteriously disappeared. They have also laid them out differently to make the surplus look bigger. The Mayor talks about a Â£120 million surplus but he can only make this ludicrous claim by ignoring indirect costs such as advertising (although how indirect can an Â£8.7 million campaign on the Western extension be?). The Audit Commission makes him bring indirect costs into the picture which bring his headline surplus down from Â£122 million to Â£89 million.

Bizzarely the income is down Â£1.7 million. You may remember that in 2005/6 30% of income came from fines. I can only think that due to the ability to pay next day and people's changing behaviour this fines income has dropped away. Obviously it is a good thing if fewer people are picking up penalties.

As you might expect from out of control TfL costs are up. Up Â£16.6 million or 8.5%. The net effect of less income and more cost is that the surplus from this scheme is down a massive Â£18.3 million.

Few people paying their Â£8 a day realise that practically none of this cash is serving any good purpose. I have just updated the cumulative cash flow that I did for [ConservativeHome](#) to mark the fourth anniversary of the Congestion Charge. Previously I had used estimates for 2006/7. Now I can use TfL's actual numbers. Income: Â£930 million. Cumulative surplus after over 4 years of operation: Â£14 million. See below, click to enlarge.

£ 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

Notes

Figures in blue taken from TfL annual reports

Figures in green provided by Kevin Austin, 9th February

Depreciation line does not include depreciation of main capital spending (confirmed by Kevin Austin)

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