

This article notes the total failure of the London congestion tax other than to line the pockets of the bureaucrats who run the system. Congestion there returned to pre-tax levels. It remains clear that the best means to address congestion focuses on its roots causes as outlined in [Alternative Approaches](#) and investing in mass transit funded by broad based revenues and the infusion of support that ought to come from Washington, Albany and City Hall.



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BRITISH CITIES SHUN LONDON'S WASTEFUL CAR TAX

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BY STEVEN SWINFORD

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.

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.

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."

London operating costs have absorbed 47% of all revenues since 2003

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.

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.

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.

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.

Boris Johnson, the Tory candidate for London mayor, has pledged to review the congestion charge if he gets into power. He said:

"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.

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.

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

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