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In 1998 the UK Government expressed interest in congestion charging with the publication of the White Paper on the Future of Transport 'A New Deal for Transport: Better for Everyone'¹, and empowered local authorities to do so with the Transport Act (2000), the Transport (Scotland) Act 2001 and the Greater London Authority Act (1999). But, as yet while a scheme was successfully implemented in central London in February 2003,

vehicles and the vehicles which are part of the City of Edinburgh Car Club. In addition, there were to be exemptions for Edinburgh city residents living outside the outer cordon. The non-payment fine was to be set at £60. It was expected that the scheme would earn in the region of £760m which would be used for investment in public transport improvements over a 20 year period.

In February 2005 the proposed scheme was subjected to a referendum

bit like asking people to vote for a 20 pence supplement on a Mars Bar, even if money raised were to be hypothecated to pay for health, weight watchers, gyms and so on. Instead, a consultation exercise could have been the most sensible option, not least given the aversion to referenda in the UK. Indeed, at a push the necessary 'majority support' result could have been provided by the overall support for 'congestion charging and improved public

Implementation issues a of congestion charging

Stephen Ison and Marcus Enoch look at the reasons for holding a referendum and ask what the failure to get a positive vote means for other authorities seeking to introduce a charge.



with the exception of a single street in the City of Durham, there is no other congestion charging scheme in existence in the UK.

In Scotland the City of Edinburgh has been looking to implement a congestion charging scheme as a way of tackling congestion for a number of years, but a recently held referendum on the issue resulted in a 'no' vote. This article seeks to outline why an instrument which has the general support of academic economists in terms of an efficient market-based instrument did not find favour amongst those who voted in the referendum. The following paper provides a brief background to the proposed Edinburgh congestion charging scheme, detailing the reasons behind the referendum and exploring the reasons for the 'no' vote. Finally it offers some conclusions.

Background

The City of Edinburgh Council proposed to implement a congestion charging scheme based on two cordons, an inner cordon in the city centre and an outer cordon, inside the city bypass. A charge of £2 was planned operating inbound Monday to Friday (excluding holidays) between 0700 and 1830 for the inner cordon and between 0700 and 1000 for the outer cordon. It was proposed that certain vehicles would be exempt, namely buses, Blue Badge holders, motorbikes, emergency service

of city residents and resulted in the scheme being rejected by 74 per cent of those who voted. The turnout was 62 per cent, with 133,678 voting against the charge and 45,965 for. If there had been a 'yes' vote the plan was to introduce the scheme in 2006.

Reasons for the referendum

There appears to be a lack of clarity as to the reason why a referendum was instigated.

In planning for the congestion charge the Scottish Executive required the City of Edinburgh Council to administer further in-depth consultation in order to demonstrate support from the general public. It has been suggested that the City Council interpreted this to be a call for a referendum.

Initially, this seemed a sensible step forward. With 40 per cent of Edinburgh city households without the use of a car it could possibly have been envisaged that a 'yes' vote was the likeliest outcome. And, it could also be argued that the charge of £2 was set artificially low in order to bring about a 'yes' vote even though it would probably fail to make inroads into the level of congestion.

But, with hindsight the referendum could be seen as a flawed strategy and one that was bound to lead to a 'no' vote. Indeed, the view of one insider was that the idea of a referendum was a

transport' expressed in the consultation undertaken in the lead up to the 1999 Local Transport Strategy.

Reasons for the 'no vote'

This section posits reasons, by no means exhaustive, for the failure to achieve a 'yes' vote in the referendum. There are clear lessons to learn, for other local authorities contemplating the implementation of a congestion charging scheme.

The congestion charge was seen as a way of funding transport improvements, not least a tram system which was viewed to be somewhat ambitious, taking a long time to come into operation and being only partially effective in addressing the issue of the morning congestion period.

On a related issue it is difficult to 'sell' the concept of congestion charging to the electorate before the benefits of improved public transport have been achieved. The strategy was for a congestion charge to be introduced in 2006 followed in 2009 by new tram lines linking the city centre to the airport and the waterfront. By comparison in terms of Central London the congestion charging stick was introduced after the carrot of increased bus capacity had been implemented. In the Edinburgh case, the timing could be seen as important. Towards the end of the referendum campaign, new buses had been introduced and the Edin-

burgh Park station had been opened in addition to the development of the tram and cross rail proposals. However it would seem that by polling day these improvements had either already been forgotten about or else people thought that things were improving without the introduction of the charge.

In Central London prior to the introduction of the charge congestion appears to have reached wholly unacceptable levels throughout the day. This

ties. The exemption of Edinburgh residents from paying the charge, if they lived outside the cordon, was a political decision contrary to the advice given by officers. The granting of exemptions is clearly a major issue when contemplating the implementation of a congestion charging scheme and as such it requires very careful consideration.

One observation made was that a few months before congestion charging was adopted in Central London the

on the price of houses in the area. Whilst the second cordon may have been necessary from a technical perspective, it may have made more sense from a public acceptance viewpoint to develop a staged approach, introducing a single cordon in the first instance and then the second cordon at a later date once the first had been understood and accepted.

A report² on the impact of the London congestion charge on the retail sector focusing on the Oxford Street John Lewis store stated that the charge had influenced sales by somewhere between 5 and 9%. This had an effect on the thinking of the retail sector in Edinburgh and the referendum result in that there was a lack of support from the business community for the Edinburgh congestion charge. In particular, there was concern that the introduction of a charge would lead to shoppers switching to other retail centres, most notably Glasgow and out-of-town retail centres, with the Forum of Private Business expressing reservations in that the charge would result in trade draining from the city centre to out-of-town shopping centres and in fact to shopping via the internet. In addition small shop keepers were distributing leaflets encouraging people to vote against the charge pointing out that their businesses were under threat. Finally, even the larger companies such as the Royal Bank of Scotland did not endorse the scheme – a major problem.

Conclusions

Congestion charging as a market-based approach to dealing with excessive traffic in urban areas has long been advocated, in one form or other, particularly by economists. It would appear though, that issues need to be resolved

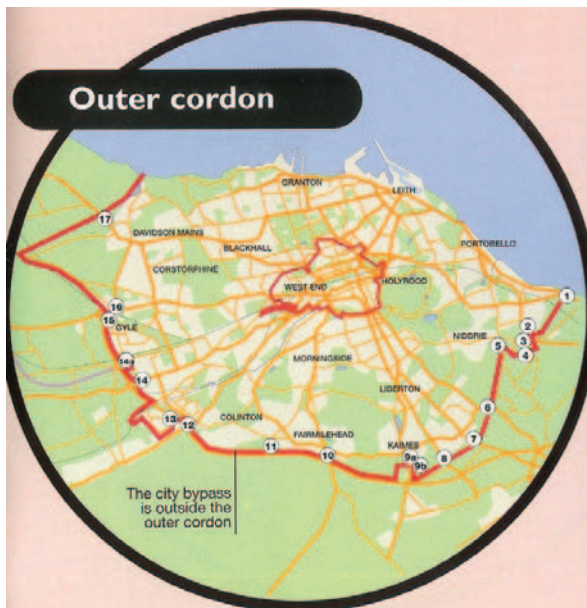
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however does not appear to have been perceived to have been the case in the City of Edinburgh.

Also in the London case, the Mayor Ken Livingstone had overall authority in terms of the charge and whilst there was opposition from London Boroughs this did not ultimately represent a major hurdle. The Mayor was central in heading off criticism that could have seriously damaged the successful implementation of the scheme. By contrast in Edinburgh the neighbouring authorities of West Lothian, Midlothian and Fife were major opponents of congestion charging, not least because the scheme proposed to exempt city residents living beyond the outer cordon but to charge those from other authori-

scheme had 60 people working on it whereas at the same stage in the development of the Edinburgh scheme it had only six. Whilst this does not necessarily account for the 'no' vote in the referendum it would seem to illustrate the difference in the level of commitment to the respective schemes.

In London the scheme introduced was relatively simple whereas the proposed Edinburgh scheme was somewhat complex, not least in terms of a second cordon being added. It was argued that the area between the two cordons would result in motorists intent on avoiding the charge 'rat running' in residential areas which included a number of schools. It was also suggested that such activity would impact



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in the political arena if congestion charging schemes are to be widely adopted in urban areas throughout the world.

In terms of the lessons learnt, then the alternatives to congestion charging have to be clearly in evidence before a referendum is embarked upon, with congestion seen as unbearable. Criticism has to be robustly countered, not least in terms of the reasoning behind proposed exemptions. Simplicity would also appear to be key, since the more complex the scheme the more room there is for confusion and misunderstanding. Whilst the business community may never fully support a congestion charging scheme prior to it being introduced planners need to be aware of their concerns and make steps to allay their fears.

It could be argued that Edinburgh has set an unnecessary precedent by holding a referendum which could make it that much more difficult for other authorities contemplating the introduction of a charge. If residents of a city are not prepared to accept a relatively modest charge of £2 per day as a means of combating congestion then a

more draconian scheme is likely to face much greater opposition and as such be less politically acceptable.

Overall whilst the 'no' vote may have presented local authorities with a short term difficulty it is clear that the problem of congestion will not dissipate. There is a theoretically sound economic argument in terms of a need to limit demand in order to bring about an efficient use of a scarce resource, namely road space. The level of congestion within the City of Edinburgh may not have reached unacceptable levels to date but with traffic forecast to continue growing not only in Edinburgh but also other cities nationwide then the issue of congestion charging is likely to remain on the political agenda. It is easy to be wise after the event but a more sensible course of action could have been to mirror the Stockholm strategy of a single cordon implemented on a trial basis so that the benefits could be clearly assessed. Whilst it has been stated that 'politicians have dropped the idea of congestion charging for good' with it now being dead and buried, clearly a week is a long time in politics and if other au-

thorities pick up the baton and subsequently implement a charge then Edinburgh may well revisit this specific market-based approach at some point in the future.

While Edinburgh, and local authorities generally, seem to be rather good at suggesting and planning transport schemes, the plain fact is that they are far less successful at implementing them. If this is to change, they need to learn from such painful lessons and take more account of the problems of gaining political and public acceptance than they have hitherto.

References

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- 2 Bell, M.G.H., Quddus, M.A., Schmöcker, J.-D., and Fonzone, A., M. (2004) *The impact of the congestion charge on the retail sector*, Centre for Transport Studies, Imperial College London.