

20 April 2004

Congestion Charging
Transport for London
PO Box 44753
London SW1H 0BR

Dear Sir/Madam

Proposed Western extension of the central London congestion charging scheme

As the trade body representing the interests of licensed retail premises in the entertainment heart of the capital, the Westminster Licensees Association (WLA) wishes to submit a collective response on behalf of its members to the current consultation on the proposed expansion of the congestion charging scheme. For this reason we have chosen to respond by means of a letter rather than the standard questionnaire.

Our membership is diverse and ranges from major national chains such as Mitchells & Butler and Spirit specialist London operators such as Urbium, Maxwells and Regent Inns to small, independent companies operating under their own branding such as Soho Bars and Interpub. Many flagship outlets in the West End are also members – Rock Garden, Rainforest Café, Atlantic Bar and even Westminster Central Hall. We currently represent around a third of all licensed premises within Westminster.

The vast majority of these businesses will be located within the current congestion charging zone in the West End, and hence will be less affected by its proposed expansion. However, there are significant areas within the proposed extension where there are high concentrations of entertainment premises, and the experience of our members in dealing with the existing scheme may therefore be helpful in considering the possible economic impact of any extension.

The Impact of the Congestion Charging Scheme

The introduction of a congestion charging scheme in central London has undoubtedly had an impact on travel habits and visitor numbers, but that impact is difficult to assess with any degree of certainty and the full economic impact of the charge remains unknown – a fact acknowledged in a recent report by the Transport Committee of the Greater London Authority.

The congestion charge affects our members' businesses in two distinct ways – the deliveries they receive from food and drink suppliers; and the way in which customers travel to London. Whilst very few will drive to an actual outlet, many will use their car to reach the capital to shop, for a

day trip or as a tourist. The congestion charge is designed to discourage car use and whilst many visitors will swap to alternative forms of transport, a small minority will not. The drop in trade that may be attributed to this may be relatively small, but it can have a crucial impact on the health of individual outlets and the sector as a whole.

In the main, our members are small independent outlets with a strong food and entertainment offering. They operate on tight net profit margins and, in the West End in particular, they are extremely sensitive to changes in their environment. These businesses are an important component of the local retail and business environment, the tourism market and the broader community – they provide good quality food, drink and occasionally accommodation to those living in, working in and visiting the capital. The relationship is a complex one and mutually supportive and the health of one sector is therefore affected by measures which impinge on other. For example, if shoppers are deterred from visiting the West End, then pubs and restaurants will also see a decline in trade.

A recent independent report commissioned by John Lewis concludes that the minority of shoppers who used to come to the West End by car now do not come at all and suggests that more than £300 million may have been lost by traders in Oxford Street as a whole as a result of the introduction of the charge. These findings have ramifications for other related sectors, notably hospitality and leisure businesses, but also on the vibrancy and attractiveness of London as a whole. This reinforces the findings of an earlier Westminster Council survey carried out in October 2003 which showed that 70% of businesses felt the charge has had a negative effect on their business with 66% reporting a fall in number of customers.

Our members have seen a corresponding decline in customer numbers and sales, some of which will undoubtedly be attributable to the introduction of the charge. Whilst there has been a substantial reduction in the number of people traveling into the centre of London, the reasons for this have been complicated and the congestion charge is only one amongst many. However, it is clear that it is an additional factor to be taken into account in making a decision as to whether to visit London. In some cases, it will be the deciding factor, particularly given recent scares over the safety of the tube network and terrorist threats to public transport infrastructure.

In light of the above, and the ongoing uncertainty as to the exact economic impact of the existing scheme on businesses within the capital, we believe that it is premature to consider a dramatic expansion at this time. We would urge the Mayor to put the proposal on hold pending a full, independent and detailed cost/benefit analysis.

Has the current scheme been effective in reducing congestion?

Whilst the WLA would accept that the current scheme has undoubtedly reduced congestion within the charging zone, we would question whether this is the only measure which should be used to assess its success and effectiveness. We would further note that the negative economic impact of the scheme outlined above more than outweighs any marginal benefit to business resulting from reduced congestion.

Our members report that their suppliers have noticed no significant reduction in traffic congestion on the radial routes into the centre – this means that any benefits to journey times resulting from a reduction of congestion within the zone do not translate through into reduced journey times and congestion overall. Moreover, reduction in overall journey times has to be significant to deliver real benefits to business and in particular to have the beneficial effect on productivity claimed by TfL and the Mayor. Whilst some journey times may be shorter, the difference is too marginal and

localised to offer operational efficiencies and in many cases, the benefit is immediately offset by the difficulties in finding space to park and unload, not to mention the time and administrative costs involved. We would urge TfL and the Mayor to take a more holistic approach to this problem and work with local authorities to address issues such as the 24 hour red routes, unloading restrictions and the London lorry ban.

Proposed Western Extension

The WLA does not support the proposed extension of the current charging zone. If the existing scheme has had a negative impact on businesses in the West End, it will clearly have similar consequences for those located in the proposed expansion – specifically Bayswater where many shoppers and visitors to the entertainment businesses will travel by car.

As previously noted, we feel that the proposal is premature given the fact that the full impact of the current scheme is only now beginning to emerge. We are also concerned that the proposal has been brought forward in the absence of detailed evidence of the level and nature of traffic congestion in the area and the problems it is causing and a full cost/benefit analysis.

The consultation paper sets out the proposed boundary to the extension and invites views on an alternative boundary has also been suggested. The following comments on the alternative boundary should not be taken as indicating support for the extension. The WLA strongly rejects the alternative boundary for the extension as this would bring both the Earls Court one-way system and the Embankment within the scope of the scheme. These are two of the “suitable roads to use for traffic wanting to avoid the scheme”.

We support the suggestion that vehicles traveling along the route Edgware Road – Park Lane – Grosvenor Place – Vauxhall Bridge Road should not be charged. This is an important north-south traffic artery which many vehicles using cannot avoid.

How the Scheme could Work

The consultation paper concludes by noting that alternative suggestions have been made as to how the scheme should operate and invites comments on these. We believe that, if TfL is to consider a major revision of the scope of the scheme it should also consider whether there are ways of altering its operation to minimize the effect on business.

The WLA fully supports and endorses the representations made to TfL and the Mayor by Westminster City Council and in particular the recommendation that the beneficial effects of the scheme could be achieved by narrowing the window of charging to the rush hour period eg 7am-10am. This would continue to deter car based commuting without imposing additional costs on business and would crucially protect the evening and late night economy which is particularly sensitive within central London.

We should be happy to provide additional information or comment.

Yours faithfully

Kate Nicholls
Secretary