

# LONDON'S TRANSPORT SUCCESS

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**Vice-Chair  
Transport for London**



# TfL's responsibilities

- Cycling and Walking
- Underground
- Buses
- River services
- Streets & traffic control
- Road Safety
- Congestion charging
- Smart Travel (TDM)
- Oyster
- DLR – Light railway
- London Overground
- Croydon Tram
- Victoria Coach Station
- Freight policies
- Licensing Taxis & Minicabs
- Information including Journey Planner and i-Bus



# The Mayor's agenda for TfL

- 1. To serve the Economy of London***
- 2. Tackle Climate Change***
- 3. Address Social Inclusion***



**There is no bigger task for humanity than to avert catastrophic climate change.**

**The world's largest cities can have a major impact on this.**

**Ken Livingstone,  
August 2006**





# TfL travel facts

Every weekday in Greater London:

6 million journeys are made on London's buses

3.4 million on the Tube

11 million car / motorcycle trips

155k + passengers on DLR

9.5 million walking or cycling trips

70% of National Rail journeys begin or end in London



# Challenges for London's future

## London Today

- 7.5m people
- 4.6m jobs
- 27m trips per day

## By 2025...

- +0.8m people (↑11%)
- +0.9m jobs (↑20%)
- +4.0m trips (↑15%)



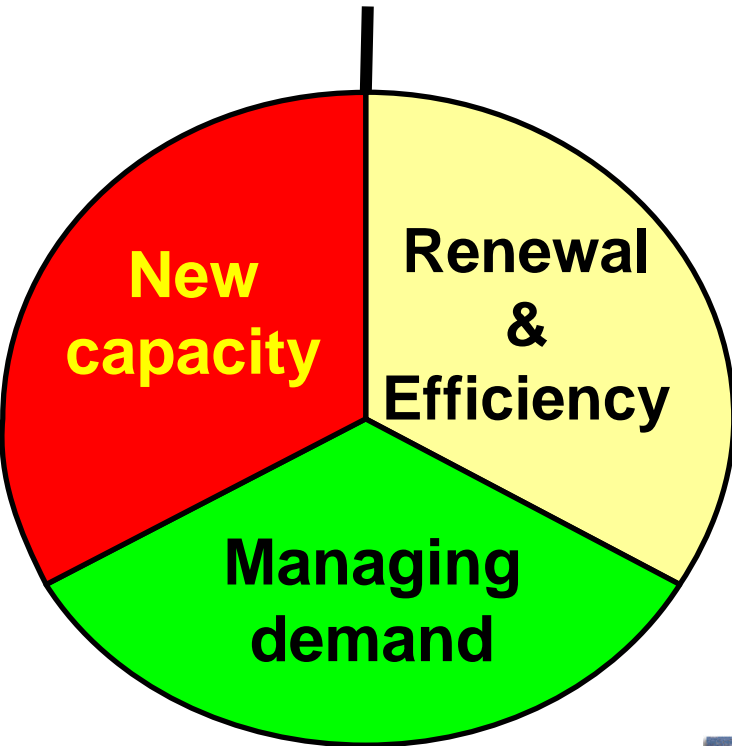
# Link transport with land use in a framework of sustainability



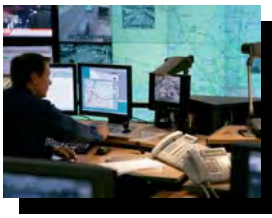
- The London Plan sets out a spatial strategy for development in London
- The Mayor's Transport Strategy meets the transport needs of London
- T2025 sets out London's long term transport needs to support future growth
- The needs of the people in a city should be reconciled with the needs of a city, i.e.
  - Mobility
  - Safety
  - Public realm
  - Quality of life
  - Access to amenities

# In London there are six transport strategies to meet the sustainability objectives of economy, environment & society

**Start here**



1. Renew the existing system
2. Ensure the existing system is efficient & safe
3. Reduce the need to travel
4. Influence travel behaviour
5. Reduce congestion & emissions
6. Provide new sustainable capacity



# Travel demand management is critical to maximise infrastructure investment

## SMARTER TRAVEL

### How is it different?



- 1 TDM measures will be implemented together in the same place
- 2 Programme will be adequately funded (£5m over 3 years)
- 3 Performance will be measured before, during and after pilots

**Project Impact = 4-5% reduction in vehicle km**





# Where are we now?

- **Record levels of ridership**
- **Dramatically improved bus services**
- **Underground improvements**
- **Innovative strategies:**
  - **Congestion charging**
  - **Oyster Smartcard ticketing**
  - **i-Bus**
  - **Journey Planner**
- **Building future capacity:**
  - **East London Line Extension**
  - **Crossrail**
  - **Underground capacity improvements**
  - **DLR extensions**
  - **Bus Transit and Trams**





**Buses**

# Bus services

- 700+ bus routes
- 8,500 buses
- The youngest bus fleet of any UK city
- Operated mileage up 35%
- Waiting time down 47%
- All buses low-floor and fully accessible (except for 2 “heritage” routes using RouteMasters)





# Improving bus services – over 30 new policies

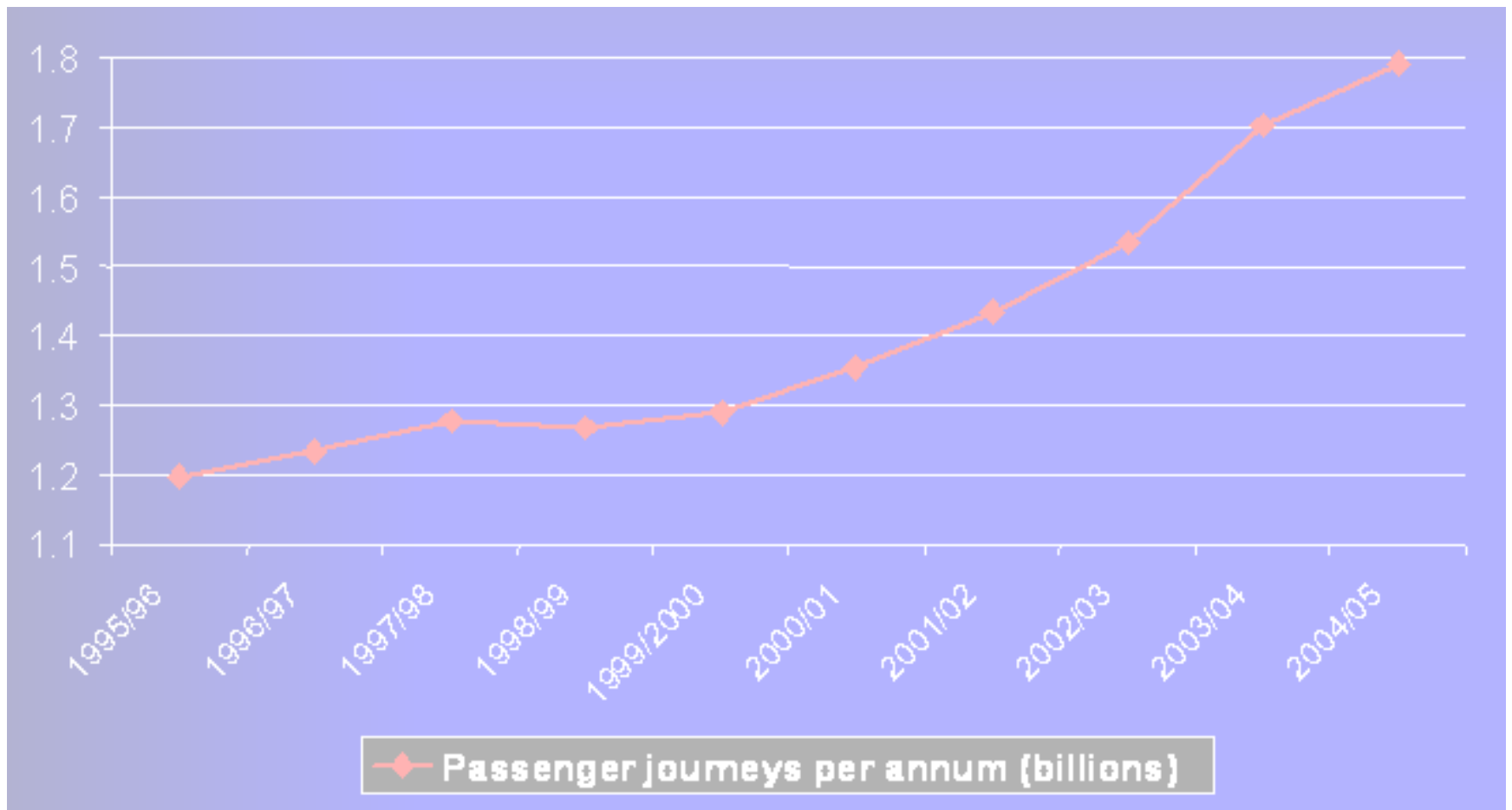
- Oyster fares
- Expanding the network
- Better frequencies
- Better pay for staff
- More bus priority
- Improving security
- Bus lane policing
- More night services
- Moving ticket sales away from on-bus
- Better information Maps and Timetables – simpler to read





# Bus passenger numbers 1995/6 to 2004/5

**53% increase since March 2000!**





# London Underground

**13% increase in operated mileage**

**19% increase in ridership**

# London Underground's main challenges

- Harnessing private finance to rebuild and manage disruption
- Address overcrowding on trains and at stations
- Step-free access at stations
- Maintain the system's heritage and improve its customer orientation
- Security
- Increase capacity on most lines by about 15%
  - Jubilee Line will see greater increase of about 46%



# Congestion charging





# Congestion charging

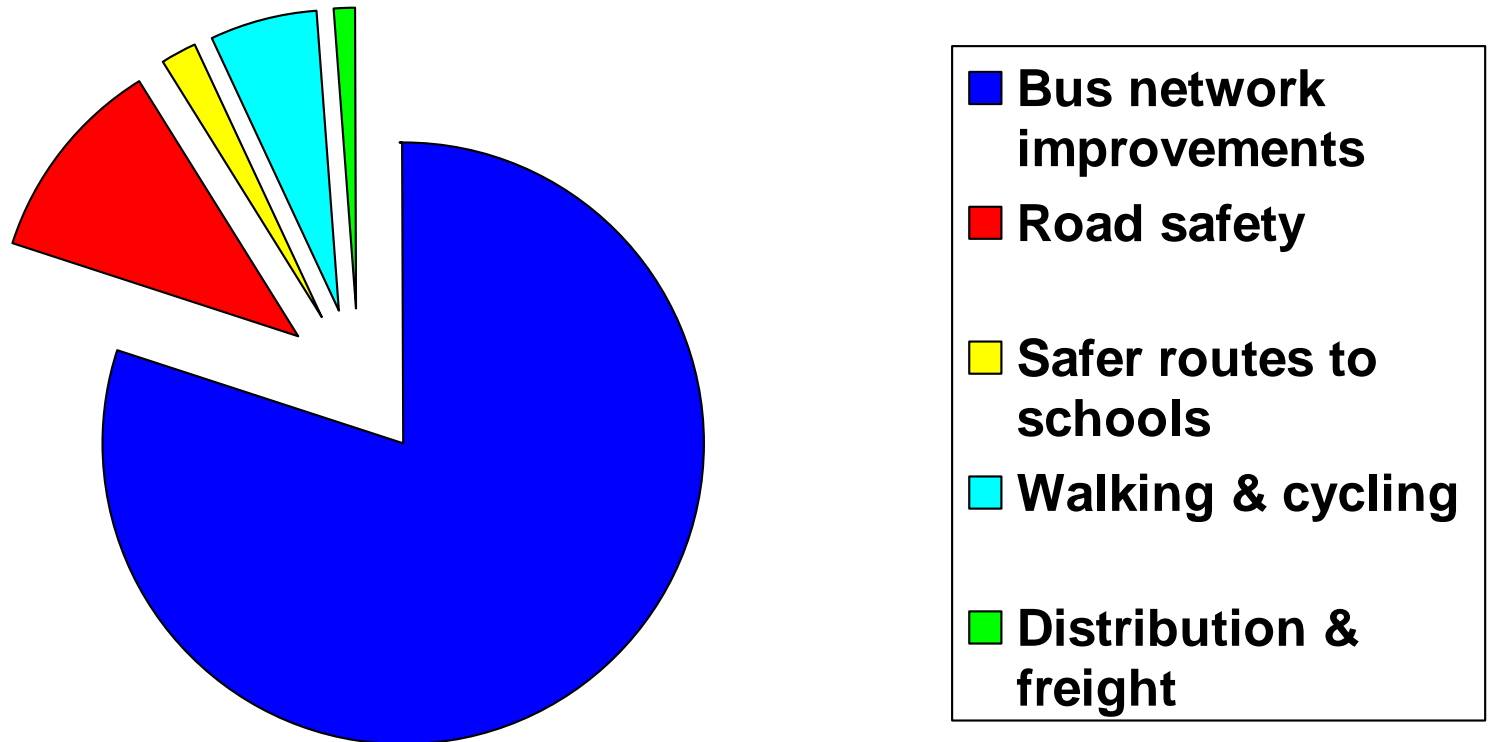
- Began February 2003 -  
extended in February 2007
- Payment for individual vehicle
- Flat charge of £8 per day (was  
£5 up to July 2005)
- Monday to Friday  
7.00 to 18.00
- 70,000 fewer vehicles entering  
the zone each day
- £130m pa raised for transport  
investment



# The congestion charging zone



# Net revenues spent on public transport





# Less road traffic emissions

The Charge is helping it happen





# Mayor's Climate Change Action Plan sets challenging CO<sub>2</sub> targets

**60%**

**CO<sub>2</sub> reduction target  
for London by 2025**

- Existing UK targets are very challenging
- But science suggests tougher targets needed
- Success requires contributions from all sectors – including transport!



# TfL's Climate Change Fund



- £25m over 3 years to help meet Climate Change Action Plan targets
- Supplement initiatives funded through Business Plan
- 3 focus areas:
  - Delivery of short-term CO<sub>2</sub> savings
  - Market signalling longer term opportunities
  - Awareness raising



# WALKING AND CYCLING

## Walking and Cycling

- 70km added to 500km London Cycle Network+
- More than 80% increase in cycling
- Tour de France Grand Depart (2007)
- Local walking schemes

## Next steps

- Infrastructure investment
- Public space improvements
- Legible London wayfinding initiative





**World's first double-decker hybrid operating on Route 141  
London will have 900 Hybrid Buses by 2012**







## Implementation:

- October 2008 –introduction of higher charge of £25 on gas guzzlers
- 100% discount for smaller, cleaner cars
- By 2010 – review of charges





Oyster



**Ten million  
taps a day**



# Key Oyster Benefits

**Change in customer behaviour**

**Old: purchase a ticket and then travel**

**New: streamlined travel for customer**

**Reduces queues**

**Minimises cash handling**

**Tackles fraud**

**Speeds customers through gate**



# Achievements

- **Modal shift from car to public transport just over 5%**
- **Road traffic crashes down (2010 target already beaten)**
- **Cycling increased by 90% on TfL roads**
- **Borough grants for transport activities almost doubled**
- **Low Emission Zone for lorries implemented 4<sup>th</sup> February 2008**
- **Dial-a-Ride free for people with disabilities**
- **78% growth in passengers using river services (but from a very low base)**
- **113% growth in DLR ridership (with new infrastructure)**



## **The Future: Challenges and Opportunities**





# City challenges - environmental

**Improve air quality**

**Reduce road traffic crashes**





# Solutions – clean power and tough standards

- Clean fuel technology – hydrogen, bio fuels and hybrids
- Solar powered infrastructure and more efficient vehicles
- Low emission / environmental zones combined with tough but realistically achievable EURO standards



# Addressing travel demand

## Road pricing

- Finite resource, an economic value tackles increasing demand
- Achieves reduction in both congestion and emissions
- Generates revenue for public transport improvements
- Unique circumstances of cities

## Soft measures

- Informing people on transport choices and costs
- Smart transport measures such as work and school travel plans
- Pricing for the peak
- Restricting parking, particularly office parking



# Reducing the need to travel

Land use planning can have a direct impact on travel demand. High quality compact development will support use of sustainable transport modes by:

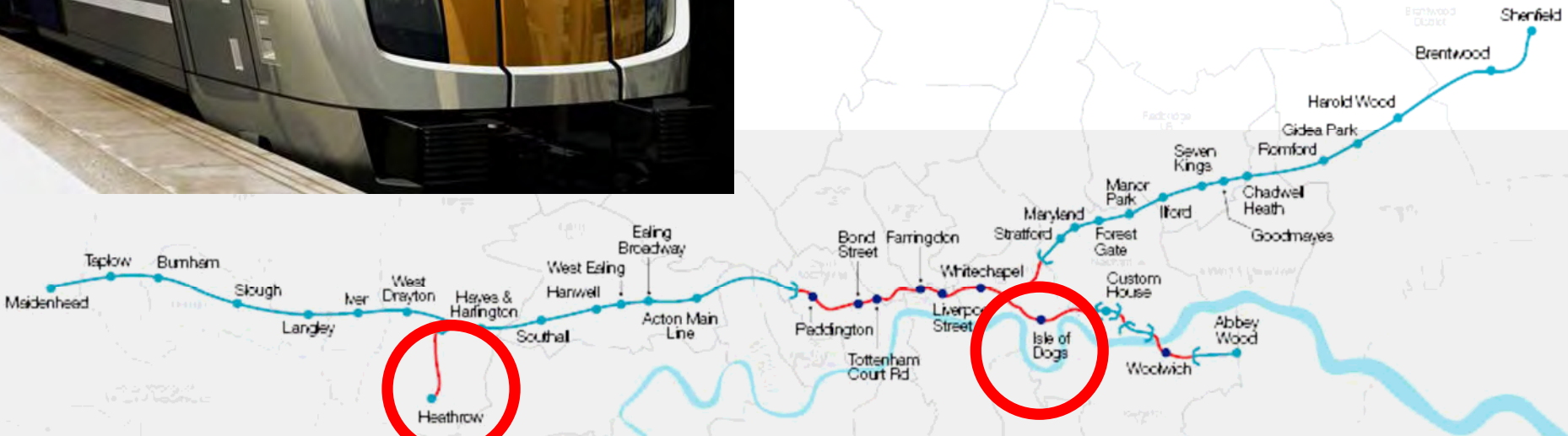
- Ensuring jobs, shops and services are within close proximity of residential areas
- Facilitating more local journeys by walking and cycling
- Designing-in public transport provision from the outset
- Limiting the provision of residential parking.





**New capacity:  
Crossrail**

# New capacity: Crossrail



Heathrow

Docklands

— Existing lines — Tunnel — Portal



# Crossrail: benefits and costs

- **Crossrail is unique among large infrastructure projects with a**
  - Very attractive benefit cost ratio of 2.6:1
  - GDP benefits of £30 billion
  - Incremental tax to exchequer of £12 billion
- **But costs are staggering: £15.9 bn.**
- **Innovative funding package agreed in November 2007 includes:**
  - DfT: £5.6bn contribution
  - TfL underwritten £7.7bn (partially through borrowing and tax on business contributions)
  - Other contributions £2.5bn (including Network Rail)



# CANARY WHARF in London's disused Docklands in the 1980s



# The role of transport in global cities: London Docklands

1980



2025?



High capacity mass transit is critical to achieve further growth, e.g. Docklands, London



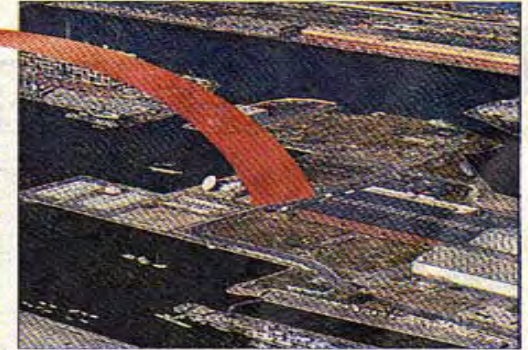
# CANARY WHARF

**Imagine the drop in value of this land, if this massive public investment in transport infrastructure had not been provided, and less than 6,000 people were able to access the site daily.**





## Umbrella maker's lonely plot in derelict Docklands grows into major asset



Bargain: the acre on the quay bought by Arnold Fulton in 1985, above and in its new surroundings today, left

# A £650,000 gamble that turned into £30 million

By Nilufer Atik

WHEN Arnold Fulton was offered a plot of land in a derelict corner of London's Docklands he wasn't sure it would be a good investment.

Having just established his umbrella making business, the budding entrepreneur took one look at the desolate surroundings of the site and shook his head.

But after developers showed him their ambitious proposals for the abandoned quays he decided to throw caution to the wind and purchase an acre for the bargain price of £650,000.

It was the best business decision he ever made — the plot is now one of the most sought after locations at the docks and worth £30 million.

Despite several development companies expressing a strong interest in the land — which is increasing in value almost by the week — Mr Fulton is refusing to budge.

The 71-year-old businessman from Hampton said: "It is amazing. When I bought this acre the area was just derelict. It was surrounded by rubble and not much to look at."

"But over the years, as more and more companies have set up home in the Docklands, it has gradually grown into one of the world's most important business centres."

"I knew the value of the land had



"I've been very lucky": Arnold Fulton

develop the site seemed very good so I thought I would take the risk."

It was a gamble that paid off. As Mr Fulton's umbrella business grew into a worldwide brand with an annual £12m turnover, the Docklands were transformed into London's third economic district. When major players like HSBC, Citicorp and Morgan Stanley moved into Canary Wharf, nearby locations became priceless. Only last week John Lewis and Waitrose opened new premises there.



# FINANCIAL TIMES

12 February 2003

**“Buyers who predict  
new road and rail links  
can make a fortune”**

# Empty buildings

**Deny local people**

**Jobs**

**Homes**

**Shops and**

**Leisure activities**



# The Effect of an Annual Land Value Tax on empty sites

- **Owners will bring their land into use**
- **The supply of land will increase**
- **Land prices will fall**
- **Business premises will become cheaper**
- **Homes will become affordable**
- **Families will buy or rent homes closer to where they live**
- **Urban Sprawl and hence transport costs will reduce**
- **Pollution and Co2 will reduce**



# Why tax land?

- Land is a natural resource
- Land values are created by whole communities
- Landowners do not create land values
- Expenditure on public services usually leads to an increase in land values
- The planning process often provides landowners with huge windfalls
- Taxes on labour and capital act as a drag anchor on the economy





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# Land Value Tax

- LVT is a fair way of paying for public services
- LVT encourages new capital investment
- LVT promotes the use of empty sites
- LVT helps prevent urban sprawl



# Land Value Tax

- LVT cannot be avoided - unlike other taxes
- LVT is cheap to collect
- LVT would provide automatic compensation
- LVT facilitates lower interest rates
- LVT evens out the property cycle



# OVERSEAS EXPERIENCE OF

**Denmark,  
Australia,  
New Zealand,  
USA,  
Taiwan,  
Hong Kong  
and Canada**

**all have experience of Land Value Taxation for local revenues.**







# HONG KONG

- All land is publicly owned
- Land users pay for land leases
- The value of the land leases are freely determined by auctions
- The income pays for new Metro and new airport
- Taxes on incomes are lower than in the West
- No sales taxes!



# **Harrisburg, the Capital of Pennsylvania, USA**

- **Has a relatively modest annual Land Value Tax**
- **85% of empty sites are now used – urban sprawl reversed!**
- **5,000 new homes have been built or renovated (pop 50k)**
- **Businesses paying taxes have grown from 1900 to 9000!**
- **New office blocks, shops, restaurants and bookstores**
- **19% reduction in unemployment**
- **Crime rate has dropped 58%!!**
- **Harrisburg was the bottom of USA cities now TOPS the list!**

# Concluding comments

- Planning for London's growth by maximising what we have and building Crossrail
- Pioneering innovative techniques (including innovative funding)
- Track record in achieving modal shift
- Working to address climate change and social inclusion



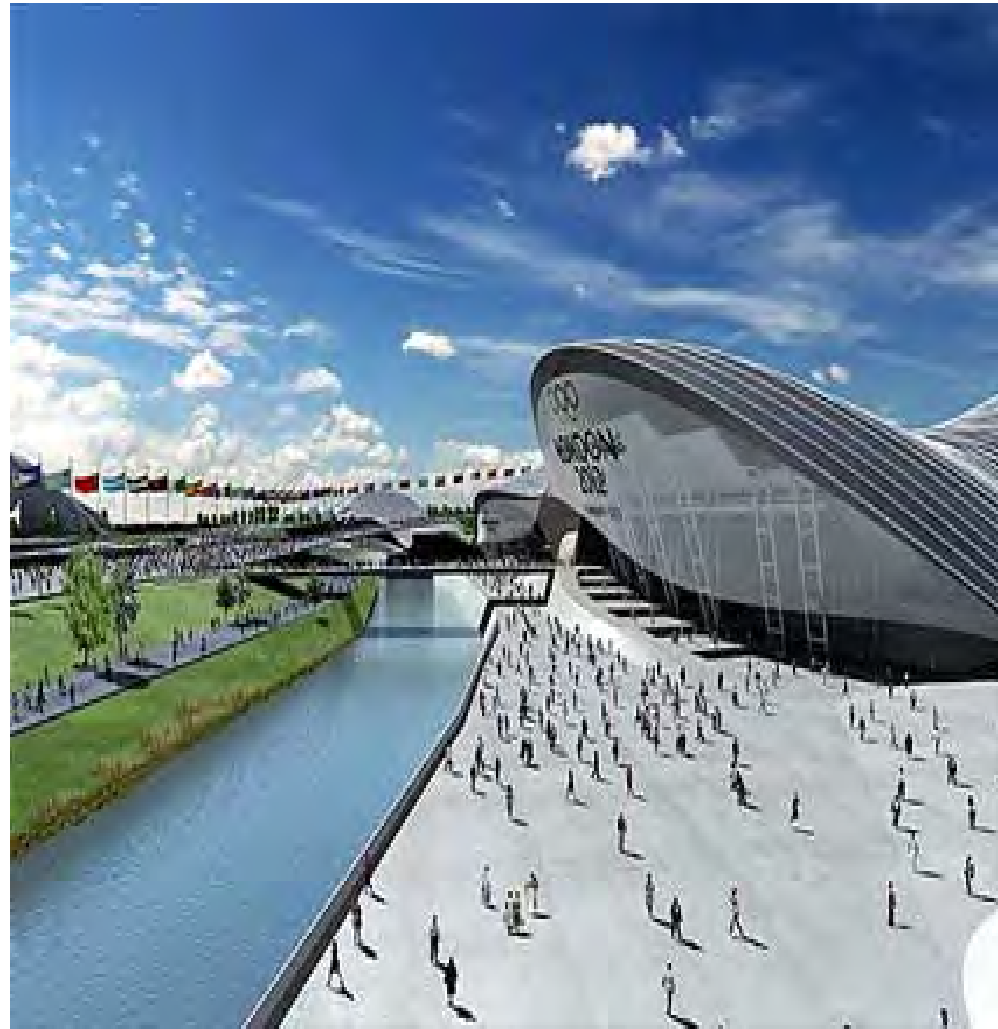
# Concluding comments

- **London and other global cities face similar challenges**
- **Need to undertake in-depth analysis to understand what the challenges are for a specific city**
- **The challenges should be met using a framework of sustainability**
- **Success requires strong leadership and working in partnership with stakeholders**





The 2012 London Olympics have already created  
land speculation and higher land prices in  
East London – a gift to landowners!



[www.tfl.gov.uk](http://www.tfl.gov.uk)



- [www.LabourLand.org](http://www.LabourLand.org)
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