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cc: JLV

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21 February 1983

Dear Tony,

Enclosed is a copy of the reply my Secretary of State proposes to send to the Fifth Report of the Commons Transport Committee, on "Transport in London". The Report was published last July so a response is now overdue.

The reply does not deal substantively with the Committee's recommendation for a Metropolitan Transport Authority for London. This would not be appropriate in advance of the White Paper my Secretary of State will be bringing forward about the Government's plans for London's transport organisation. The Report's other recommendations are answered in detail in the letter and supporting annex.

I am copying this to Michael Scholar (No.10), Imogen Wilde (DES), Muir Russell (Scotland), Adam Peat (Wales), Jonathan Spencer (Industry), David Clark (DHSS), John Gieve (Chief Secretary's Office), Barnaby Shaw (Employment), John Rhodes (Trade), David Edmonds (Environment) and Richard Hatfield (Cabinet Office). I should be grateful for any comments by Thursday evening, 24 February.

Yours sincerely,

Richard Bird

RICHARD BIRD
Private Secretary

DRAFT LETTER

From: The Secretary of State

To: Chairman of Select Committee on Transport

SELECT COMMITTEE 5th REPORT : TRANSPORT IN LONDON

I think you will appreciate the reasons why I have not responded earlier to your 5th Report: Transport In London. I share the Committee's view that a balanced approach is needed to transport policies for London and that better decision-making machinery needs to be devised. This raises wide-ranging issues which the Government are still considering, so that it is not as yet possible for me to reply in full to the many matters raised in your report. I nonetheless thought it might be helpful at this stage to indicate how matters stand and to provide the Committee with the Government's response on those issues where it is possible to do so.

2. First let me repeat what I said when your Report was published, namely that the Government warmly welcome this balanced and wide-ranging document. The breadth of your inquiry, embracing as it did the whole of transport in London, and the associated evidence which has been collected and analysed has enabled the Committee to make an imaginative and authoritative contribution to the debate about the future of transport in London.

3. The Government share the Committee's view that the adequacy of London's internal transport arrangements is a matter of national as well as local importance. They agree with the Committee's analysis of the many important problems facing London's transport, in particular that a balanced view has to be taken of the need for movement on the roads as well as by public transport; that the effects on public transport of falling patronage, congestion and rising costs must be recognised; that the important role of capital investment in helping to reduce operating costs and increase patronage through improvements in the quality of service should not be damaged through excessive syphoning of resources into low fares policies; and that the solutions must provide greater stability in transport policies and investment programmes, and achieve closer co-operation between operators.

4. The heart of the Committee's recommendations is concerned with new arrangements that would achieve a more balanced approach to London's problems and more effective decision-taking. The second major concern of the Committee is the need for adequate resources to be devoted to London's transport system.

5. On the question of new arrangements, as the Committee knows, the Government are still reaching conclusions about questions of organisation for London's transport, and considering these in the wider context of similar problems that arise in some degree elsewhere. They are also considering the report of the Serpell Committee into Railway Finance which provides a dimension for some of the subject matter of your report. In so far as it is practicable while the fundamental options for change are still being considered, I am enclosing a response to a number of your detailed recommendations in the attached annex. I have grouped these comments under five main themes that seem to me to form the framework of your report; resources, the Metropolitan Transport Authority, public transport generally, roads organisation and traffic management and enforcement.

6. On the question of resources, the Government, like the Committee, believe that as the nation's capital and largest city, London's need for a significant share of resources from the total available is indisputable. This is reflected in the policies the Government is already following. In particular over and above the priority currently being given to completion of the M25, more than a third of trunk road expenditure on schemes due to start within the next 10 years - ~~over £1,000m~~ - will be devoted to London and the South East including major new work to link the North Circular, across the new East London River Crossing, with the trunk routes to Kent ports; almost 30% of the PSO grant for BR services - about £300m - goes to the London and South East sector; and the Government will be contributing about £66m in cash to the recently approved Docklands light rail project and about £14m in cash to the Heathrow Terminal 4 extension, both of which have been designated as projects of regional and national importance.

7. In making this year's Transport Supplementary Grant settlement I have had very much in mind the special needs of London as our capital city. That is why the amount of expenditure - over £460m - which I

have accepted for grant is 15% higher than the figure I accepted last year which was itself very substantial. This means that the GLC will get over £200m in grant, which in cash terms is 11% more in a year when there is actually slightly less money to give in grant for the country as a whole. London will get 25% of the accepted expenditure for England and nearly 45% of the total grant - a record level. This reflects the priority the Government are giving to tackling the special transport problems facing London.

8. Within this increased total, a substantial level of capital expenditure is being accepted - 16% more than for 1982/83. In addition to the extra resources for the GLC's share of expenditure on the extension of the Piccadilly Line to Terminal 4 at Heathrow and on the Docklands Light Railway the public transport element will provide for London Transport's needs to renew their infrastructure as well as a reasonable level of new investment.

9. The level of capital expenditure which I have accepted for highways is almost 20% higher than the corresponding figure for 1982/83. This will permit the GLC to press ahead with work on much needed schemes such as the Rochester Way Relief Road and the Docklands Northern Relief Road and many others. The figure might have been even higher were it not for the recent disturbing pattern of local authority under-spending on highways improvement in London.

10. The Government believe, therefore, that substantial progress has been made in providing adequate resources for the transport needs of London. What has been lacking is the means to ensure that proper use is made of these resources. The Government consider that the scope for capital expenditure to improve London's transport system would be even greater were the GLC to modify their current preoccupation with high revenue subsidies for public transport, and their persistent failure to get a grip on costs.

11. The Government are sympathetic to the need for better forward planning of capital investment in London's transport system. In current circumstances, however, your proposal for 10 year capital programmes for roads and public transport would be difficult to implement. It is certainly possible for the Government to plan its trunk road programme for 10 years and beyond. But in London the oscillations in policy, and in particular the attitude of the current GLC administration, make it difficult to believe that under

the present arrangement any meaningful plans could be drawn up in this way.

12. More generally, the Committee's proposals for formal plans might well produce an undesirable element of rigidity, while at the same time not being binding on future administrations. The Government do not believe that it would be appropriate for such programmes to be endorsed by Parliament. However, the Government share the view that new arrangements to achieve balance and better aligned decision-taking in London must be capable of looking sufficiently far forward, identifying the objectives and priorities and developing effective programmes and resource allocation to achieve these. This will certainly be a factor in the Government's view about the best arrangements to adopt in London.

RESOURCES (Recommendations 1, 2, 11, 12, 13, 15, 35, 36 and 37)

Recommendation 1 (Improvement of London's transport facilities should be regarded as national priority)

1. See covering letter.

Recommendation 2 (10-year roads programme)

2. See covering letter.

Recommendation 11 and 36 (Public Transport is in need of a face-lift - increase investment by 20%)

3. The Government have taken careful note of the Committee's view that the level and quality of service, rather than price, is the major factor in persuading travellers to transfer to public transport.

As the Committee acknowledge, London's public transport already receives a high share of the available resources. A generous level of capital expenditure - £127m - has been allowed for London in the 1983/84 TSG settlement; and, British Rail's London and South-East sector accounts for 30% of the Public Sector Obligation Grant. In the Government's view the priority now is not to allocate yet more resources, but to ensure that the considerable resources available are more effectively used.

4. This raises wider issues about the resource allocation process which any new arrangements for London will need to tackle. Meanwhile the Government welcome LT and BR increased efforts to pursue joint initiatives such as improved interchange facilities and joint operations and will continue to encourage these developments.

Recommendation 12 (Docklands and Heathrow Terminal 4)

5. The Government welcome the Committee's endorsement of plans for the extension of the Piccadilly Line to Terminal 4 at Heathrow and for a light railway link with Docklands. Both projects have been designated as of national and regional importance.

Recommendation 13 (10-year Public Transport Action Programme)

6. See covering letter.

Recommendation 15 (Long-term benefits of capital investment as opposed to fares subsidies)

7. The Government are in full agreement with the Committee's recommendation that greater emphasis should be placed on capital investment rather than high levels of fares subsidies, as the route to reducing, in the long term, the real cost to the traveller and the community of maintaining the public transport system. The Government believe that if more resources are to be freed to invest in much needed capital projects it is essential that current costs are reduced.

Recommendation 35 (Hypothecated Taxes)

8. Although sympathising with the Committee's reasons for finding merit in new forms of taxes to fund capital investment, the Government are not in favour of the introduction of such additional taxes in London. In the Government's opinion a tourist or hotel tax would damage tourism in London by adding to hotel charges and deterring foreign visitors. Moreover there would be pressure to divert the revenues raised to other than transport purposes. An employment tax on top of rate demands would add to London commercial ratepayers' costs, which are already very substantial, contributing to the discouragement of business in London and a consequent reduction in employment opportunities. For these reasons the Government do not believe it is appropriate to pursue at this stage the Committee's recommendation that a separate study should be established into the possible introduction of hypothecated taxes in the London area.

Recommendation 37 (As M25 nears completion similar resources should be earmarked for London's roads)

9. The Government note that the Committee were impressed by the strongly stated views of the representatives of commerce and industry in London that improved facilities for radial movement, and some improvement in orbital movement, are required to sustain and encourage major industrial activity within London. A comprehensive trunk road programme is in fact already planned for London over the next 10 years, including 24 major schemes affecting the A1, A12, A13,

A20 and A40 as well as leading to the progressive upgrading of the North Circular Road. Indeed, in the immediate future, London and the South East will be taking over one-third of all trunk road funds and, on present plans and even allowing for the completion of the M25 by 1986, this proportion will remain broadly the same throughout the decade.

METROPOLITAN TRANSPORT AUTHORITY

(Recommendations 18, 19, 20, 21, 22, 23 and 32)

10. See covering letter.

PUBLIC TRANSPORT (Recommendations 14, 16, 17, 28, 29, 30, 31 and 33)

Recommendation 14 (Union Co-operation)

11. The Government agree entirely with the Committee's view that the long term interests of transport union members lie with the co-operation of their unions in reduction of manning costs in order to provide an efficient and cost effective service which will be fully utilised by the public. Over the next few years there will undoubtedly be pressures to reduce costs and to harness new technology to this end. This will present a major challenge in which it will be essential to have full union co-operation. The Government very much hope that this will be forthcoming.

Recommendation 16 (Sir Peter Masefield's £ for £ proposal)

12. The Government share the Committee's view that there is need for greater stability in support arrangements for public transport. The Transport Bill, currently before Parliament, will establish a reasonable and objective planning process for arriving at and justifying an appropriate level of revenue subsidy. The system of subsidy proposed by Sir Peter Masefield, based on £ for £ matching of farebox revenue by public funds, could lead to open ended subsidy and would not encourage cost consciousness. The Government therefore share the Committee's view that Sir Peter Masefield's proposal is not acceptable as a basis for allocating subsidy.

Recommendation 17 (Alternative "public" transport services)

13. The Government agree with the Committee that new ways of meeting changing transport needs should be encouraged including new forms of taxi and car hire services.

A number of experiments are currently being conducted outside London to assess the likely demand for such services and how these might best be provided.

14. The Government would also like to see greater sharing of cars, to allow flexibility of individual transport, to be combined with more effective use of road space and energy resources. Experience in this country is that other than in special circumstances such as public transport strikes, organised campaigns and formal arrangements for car sharing are not the best way forward. The Government's policy is to remove legal barriers to car sharing and to make the opportunities widely known; it is then open to employers and private individuals to take advantage of the opportunities.

Recommendation 28 (Operators' Partnership)

Recommendations 29, 30 and 31 (Relationships of LT and BR with MTA)

Recommendation 33 (A single Public Transport Users Committee)

15. A response to these recommendations must await the Government's consideration of the Committee's wider organisational proposals. See covering letter.

ROADS ORGANISATION (Recommendation 24, 25, 26 and 34)

16. See covering letter.

TRAFFIC MANAGEMENT AND ENFORCEMENT (Recommendations 3, 4, 5, 6, 7, 8, 9, 10 and 27)

17. The Government share the Committee's concern that enforcement of parking restraint needs to be improved in London. As the Committee recognise the measures in the Transport Act 1982 including the raising of fixed penalties and the treatment of unpaid penalties as recoverable fines will materially strengthen the financial deterrent

to illegal parking. Wheelclamps which are being introduced in Central London initially on an experimental basis are potentially an additional and powerful physical deterrent.

Recommendation 3

18. The Government have carefully noted the point made by the Committee that sufficient wardens should be available to ensure a high level of detection of illegal parking. The Committee recommended that the ceiling for traffic wardens should be increased. The figure of 4,000 traffic wardens proposed by the Committee, however, is understood to relate to the number considered by the police to be required to enforce fully both the existing traffic management schemes throughout the Metropolitan Police District, and those which the boroughs would like to introduce. Although traffic warden strength continues to grow (from 1,200 in 1981 to 1,474 at the end of 1982) it is still some way short of the existing ceiling of 1,800 set by the previous Government in 1978. Consideration will be given to increasing the ceiling as the strength approaches it.

19. The Government have also carefully considered the Committee's recommendation that wardens' pay should be reviewed. London traffic wardens have a pay link to the Administration, Professional, Technical and Clerical miscellaneous grades (used for provincial traffic wardens' pay) and receive in addition inner or outer London Weighting as appropriate. With the traffic warden strength in London continuing to improve, the Government are not convinced that changes in their pay arrangements are justified at present, but they will continue to keep this under review.

Recommendation 4

20. The Government have carefully examined the Committee's recommendation that improved arrangements should be made for monitoring the effectiveness of traffic enforcement action and for consultation about the level of enforcement between the police and the London Boroughs.

21. The police have a duty to promote the safety of the public and the free flow of traffic. In the Metropolitan Police District the Commissioner has the operational responsibility for ensuring that this task is carried out as efficiently as possible. The inspection system within the Metropolitan Police is an aid to this, as are the

annual statistics of enforcement action on motoring offences, "Offences relating to motor vehicles". The special survey arranged for the assessment of the experimental wheelclamps scheme will also provide a useful general insight into the methods that can be used to assess the effectiveness of enforcement action. Similarly, when the fixed penalty provisions of the Transport Act come into force, their impact on the effectiveness of the enforcement system as a whole will be carefully assessed.

22. There are already well established avenues for consultation between the London Boroughs and the Metropolitan Police. About every six weeks representatives of the police and the GLC meet as the Joint Traffic Executive (JTE) to discuss such issues as priorities for enforcement and major policy proposals on strategic traffic management. After every other meeting the JTE meets with the Association of the London Borough Engineers which is a sub-group of the London Boroughs Association. The JTE has its own sub-groups, on which the police are represented, which consider amongst other things the traffic management schemes proposed by the Boroughs, coach traffic and issues related to controlled parking. These sub-groups report formally to the JTE annually, and refer major policy issues for advice and decision ad hoc. In addition to this formal forum there are day to day informal contacts between the Specialist Traffic Management Branch within the Headquarters Traffic Department and the local police with Borough and District Council officials as occasion demands. The Government believe, therefore, that existing arrangements for consultation are adequate.

Recommendation 5

23. The Committee recommended that boroughs should be able to negotiate with the Metropolitan Police for the provision of additional traffic warden services.

24. The Government consider that the effect of implementing this recommendation would be to undermine the operational control which the Commissioner has over the traffic warden force and which the Committee acknowledge should remain with him. Even assuming that the extra wardens could be recruited, the Commissioner would be placed in the position of having to deploy manpower on the basis not of where he considered they were most needed, but to those boroughs

who were prepared to pay. This would result in inequalities of enforcement which would not necessarily accord with the Commissioner's assessment of overall priorities in London.

Recommendation 6

25. The Government accept the Committee's recommendations that it should re-examine the resources available to the police for towing away and impounding illegally parked vehicles; that charges for this service should meet the full cost; and that consideration should be given to contracting out the service to private companies.

26. The overall police and civilian manpower needs of the Metropolitan Police, including the staffing requirements for towing away and impounding illegally parked vehicles, are currently being reviewed in the light of the Commissioner's plans and priorities announced recently. Account will be taken of the outcome of the experiment on vehicle immobilisation and its effects on manpower. The level of charges for the removal of vehicles is reviewed each year in the light of the Treasury's guidelines, based on costing figures supplied by the Metropolitan Police. The charge is set at a level designed to recover full costs except in those cases where it is waived. The Home Office is looking into the possibility of contracting out the service to private companies.

Recommendation 7

27. The Government recognise the Committee's concern that additional resources should be made available to ensure the success of the experimental use of wheelclamps to immobilise illegally parked vehicles; that charges should cover the full costs involved; and that particular attention should be paid to repeat offenders.

28. For the initial part of the experiment the Metropolitan Police intend to find staff from existing complements. But future staffing levels required will be decided in the light of the experience of the experiment, and the overall position on manpower in the Metropolitan Police. It is the intention that charges cover costs. The Metropolitan Police will have the problem presented by repeat offenders very much in mind in conducting the experiment.

Recommendation 8

29. The Committee recommended that the Inter-departmental Working Party on Road Traffic Law should be reconvened to examine further the possibility of prohibiting the re-licensing of vehicles in respect of which fixed penalties or fines for parking offences remain unpaid, or whose owners or keepers have failed to pay such penalties or fines.

30. The Committee's recommendation, which would require legislation, presents a number of problems. In the first place the Government do not believe that it would be right in principle to refuse receipt of a tax in order to deter the non-payment of a fine, and believe such a measure would almost certainly encourage licence evasion. At the practical level, DVLC records of vehicles and unpaid fixed penalties are not available via a computer link to Post Office staff; and DLVC keeper records take time to be updated when a vehicle changes ownership so there would be a real danger of penalising the wrong individual. The Government are sympathetic to the aim of this recommendation, and in the longer term there may be scope for increasing links between fixed penalty ticket offices and DVLC to help combat failure to pay penalties. The Government keep this possibility very much in mind.

Recommendation 9

31. The Committee recommended that local traffic authorities in the Greater London area should be empowered to issue standard reduction orders on private non-residential parking facilities.

31. The Government have some doubts that this measure would effectively reduce congestion or result in net economic benefits. Controversial legislation would be required, including enforcement provisions and penalties for non-compliance. There would be objections regarding the adverse effects on businesses who entered into occupation of their premises on the understanding that parking facilities would be available. Substantial compensation payments would be necessary. A reduction in private non-residential parking would also increase pressure on other available parking and encourage illegal parking.

Recommendation 10

33. The Government welcome the Committee's recommendation that

the Government, while encouraging the introduction of lorry routes in London, should not support any measures proposed by the GLC to prevent the movement of Heavy Goods Vehicles, or particular classes of Heavy Goods Vehicles, in the GLC area as a whole. The Government agree with the Committee's views that while every encouragement should be given to the creation of lorry routes, any generalised lorry bans over the GLC area as a whole would only be detrimental to the commercial and industrial life of the capital.

Recommendation 27

34. The Committee's recommendations, which are carefully noted, concerning the organisation of traffic management responsibilities are bound up with their proposal for a Metropolitan Transport Authority and must await the outcome of the Government's consideration.



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25 February 1983

Dear Richard

"TRANSPORT IN LONDON": RESPONSE TO SELECT COMMITTEE

The Chief Secretary has read the draft response you circulated on 21 February. He is generally content with it but feels that paragraphs 6 and 7 of the draft emphasise rather too strongly the share of total resources going to London and the South East. In the light of the pressures on the Government to do more for other regions, he thinks it would be wise to play down those aspects of the reply.

Copies of this go to Michael Scholar (No 10), Tony Rawthorne (Home Office), Imogen Wilde (DES), Muir Russell (Scottish Office), Adam Peat (Welsh Office), Jonathan Spencer (Industry), David Clark (DHSS), Barnaby Shaw (Employment), John Rhodes (Trade), David Edmonds (Environment) and Richard Hatfield (Cabinet Office).

Yours sincerely

J. Gieve

JOHN GIEVE
Private Secretary

28 FEB 1966

