

Learning the right lessons from London

London attracted worldwide attention by introducing a congestion charge in the centre of the city. The revenue from the daily charge for car drivers entering the charge zone between 7 am and 6 pm began at £8 and has since increased to £10 (which is worth around €12 or \$16). The idea was to both reduce car use and raise revenue for public transport, and the revenue was invested in improving bus services.

As a result of his brave political decision -- which Tony Blair, then Britain's prime minister, thought would bring political death -- then London mayor Ken Livingstone became known all over the world as a politician who took urban public transport and climate change seriously. It is no exaggeration to say that London would not have won the bid to stage the 2012 Olympics without that commitment, because the British capital's transport infrastructure had been regarded up till then as an insuperable obstacle.

Since winning the London 2012 bid, further investments -- especially on the London Overground, which took passengers to the Olympic Park in the east end of the city -- have continued London's progress in public transport. However, the congestion charge is not the only London example that has been followed elsewhere -- and others have been less successful.

Against Livingstone's wishes, Blair's government and its successor under Gordon Brown would only allow London to carry out long-needed renewal of the London Underground infrastructure if it was done through a public-private partnership (PPP). The results have set a global example for all the wrong reasons, because it proved to be a disaster.

Starting in 2003, responsibility for maintaining, renewing and upgrading track, signals, trains and stations on the London Underground was transferred to two

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is a partnership between the International Transport Workers Federation (ITF) and Public World, with the support of Friedrich Ebert Stiftung.

Its purpose is to build the capacity of urban transport unions to campaign for quality services and build alliances with passengers and other civil society organisations to promote sustainable transport systems.

That means services that enable everyone to travel safely, comfortably and quickly, and employ enough securely employed, properly trained and fairly rewarded transport workers to achieve that.

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companies, Metronet Rail and Tube Lines, under 30 year contracts. By 2008, after a series of failures and critical reports, Metronet went into administration. Britain's National Audit Office estimated that the PPP had wasted as much as £410m.

The Tube Lines PPP did a bit better and kept going until 2010, when it too was terminated. Transport for London, the responsible authority for the city's public transport, took over the company and its remaining responsibilities under the contract by buying it up for more than £300m.

Britain's leading transport commentator, [Christian Wolmar](#), says that the PPP meant there has been more investment in the Underground than would otherwise have happened, given that the government would not allow public finance to be spent on it. The refusal of the Blair and Brown governments to allow public investment was based mainly on their wish to keep it off public balance sheets, although they bolstered their argument by pointing to overspends on the then most recent previous big transport infrastructure project, the Underground's Jubilee Line extension.

Wolmar admits that "bringing in outsiders has sharpened up the London Underground management", but adds:

"However, a very heavy price was paid for these improvements. The PPP was dysfunctional and unworkable, and it proved to be neither, as that ghastly management speak expression goes, 'fit for purpose', nor value for money."

He concludes: "As I have written many times, the PPP is one of the great unheralded scandals of our time, having cost the taxpayer hundreds of millions – and probably billions – of pounds that could have been spent on upgrading the system instead of creating this complex system to upgrade the network."

Some commentators estimate that the PPPs have cost as much as £2 billion -- that's around \$3 billion -- more than the same investments would have cost if conventional public finance had been used. Those facts have produced rare and possibly unique agreement between Boris Johnson, the Conservative successor to Ken Livingstone as London's mayor, and Bob Crow, the socialist leader of the main London Underground workers' union, the Rail, Maritime and Transport union (RMT).

According to [Crow](#), "The PPP, like all PFI (private finance initiative) projects, is a complex scam designed to convert public money into private profit." Johnson doesn't put it quite like that, but interviewed by the BBC after Transport for London completed the return of infrastructure maintenance to public responsibility by spending £300 million more to buy Tube Lines, he said the PPP "wasted a colossal sum of money", and added: "The big winners now are London's travelling public and the big losers are the lawyers."

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The International Transport Workers' Federation (ITF) is a global union federation linking 690 unions representing over 4.5 million transport workers in 153 countries.

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