



**The Mayor's Transport Strategy**

**Response by the  
London Policy Unit of the  
Federation of Small Businesses**

**January 2010**

Contact:  
Hannah Holdroyd  
London Policy Officer  
Federation of Small Businesses  
2 Catherine Place  
London SW1E 6HF  
Tel: 020 8532 2270  
e: [Hannah.holdroyd@fsb.org.uk](mailto:Hannah.holdroyd@fsb.org.uk)

## 1 INTRODUCTION

1.1 In this response, we are representing the views of the 7,000 FSB members in Greater London, drawn from London's micro and small business communities. Small and micro businesses employ nearly 2 million people, and represent 40% of the workforce in London.<sup>1</sup> They have been responsible in recent years for creating two thirds of new jobs in London.

1.2 The Federation of Small Businesses is the UK's largest campaigning pressure group and leading business organisation promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it has 213,000 members across 33 regions and 230 branches; it is non-profit making and non-party political.

1.3 In London, the FSB's policy work is overseen by the London Policy Unit which consists of members who are interested in the development of policy issues affecting small businesses and lobbying for a better deal for London's small businesses. As a business organisation, we are responding primarily with reference to business and the implications for London's economic development. We are grateful for the opportunity to respond on future of London's transport strategy and we will be picking up on a number of the points which we raised in our response to the Statement of Intent (Sol) in July 2009.

1.4 We will be responding separately to the consultations for the London Plan and the Economic Development strategy. We strongly believe that the best outcome for London businesses will be achieved by through an integrated and practical approach to the realities of London's transport needs, the realities of London's spatial needs, and the realities of London's economic needs. As we stated in our response to the Sol, the strategy will not work if it is the subject of review every four or so years as the lead time on such projects is usually considerably more than four years. Considering the future of London's transport without a view to London's longer term transport landscape is short sighted, transversely the challenges now will be that much greater if we do not recognise it is the future of London's small business community that is the key to delivering us from the current economic downturn.

1.5 We note the omission of the Olympics and understand its omission from this longer term strategy document; however we would urge TfL when planning out the Olympic Route Network to

---

<sup>1</sup> The London Annual Business Survey 2007

take into consideration the impact on local businesses and to inform local businesses as early as possible of all the possible implications of the ORN.

1.6 We welcome the Mayor's continued recognition that London's population is growing, leading to the burden on transport becoming more onerous. However, we remain concerned that the realistic needs of business have not been addressed within the document. Many of the alternatives for the car that are suggested are just not viable for small business needs, as many of the tools and materials needed and deliveries made by small businesses cannot be made without a business<sup>2</sup> or commercial vehicle

---

<sup>2</sup> By business vehicle we are referring to any private vehicle, e.g. car, which is used permanently for business purposes, e.g. transport of equipment. A commercial vehicle is used to refer to those vehicles which are designated commercial, e.g. LGVs.

## 2 EXECUTIVE SUMMARY

2.1 As we stated in our response to the Statement of Intent, the FSB believes that the recognition of the importance of a thriving business community in all parts of London is vital for the creation of the wealth and employment opportunities which are needed to tackle the economic, social and environmental agendas contained within the three Mayoral Strategies currently under consultation.

2.2 We are disappointed that the three published Strategies are much more disconnected than suggested in the Sol. The Mayor's Transport Strategy (MTS) appears to be nothing more than an unfunded wish list and we are concerned that the funding issue is not further addressed within the Economic Development Strategy (EDS) and the infrastructure issues within the London Plan (LP). Chapter 7 of the MTS, the *Implementation Plan*, gives no detail about engaging with other areas of policy as detail in the EDS and the LP. Furthermore there seems no obvious link between transport needs/future provision and economic growth.

2.3 We are deeply concerned that the MTS seems to give no real attention to the needs of businesses in London. In particular, scant regard is given to how businesses might transport the goods and equipment needed for services where public transport just does not suffice for entirely practical reasons; and where better transport provisions can provide key regeneration opportunities for deprived areas where transport links have traditionally been poor, for example in the Thames Gateway. Furthermore, journeys within the outer zones (3-6 and beyond) are often impossible without incorporating some business vehicle element.

2.4 In our response to the MTS we will be covering the following key areas:

- Infrastructure: We welcome the efforts by the Mayor to extend orbital links, but remain concerned about radial links;
- The abolition of the Western Extension: We are extremely disappointed no timeline has been given on when this pre-election pledge will happen;
- Further road charging: We are very concerned that the MTS opens the way for further road charging, with very little detail about what this might involve;
- Air travel: We are very disappointed that while the third runway at Heathrow goes unsupported, there is no plan for any alternative, but plenty of plans to increase transport links to Heathrow;

- Freight: We are disappointed that the plans for freight within the MTS bear no useful relevance to small scale freight/transport of goods;
- Low Emission Zone: We remain concerned that businesses will be penalised with unfair costs in relation to complying with Phase 3 of the LEZ, and may still be non-compliant with future emissions standards despite remedial measures already taken;
- Utilities: We welcome the introduction of the lane rental scheme, but would also like to see better communication with small businesses to make them aware of works ongoing;
- Traffic management: We have been very happy with the introduction of the SCOOT system, although are disappointed about the lack of any details about further roll out;
- Public transport: We welcome any efforts to improve public transport; however we would like to see better integration with cars to encourage multi modal journeys.

2.5 We look forward to further engaging with the Mayor and TfL on these issues going forward.

### 3. INFRASTRUCTURE

3.1 We welcome the recognition that London needs better orbital transport links between the metropolitan town centres. We welcome also the commitment to Cross Rail 2 and the Bakerloo line southern extension. However, we remain deeply concerned about how such schemes will be funded, given that TfL money is already committed to existing schemes.

3.2 We remain concerned that much of the MTS's emphasis is placed on enhancing public transport; little detail is given about improvements to the road network. There is no recognition of the difference between 'essential' and 'non essential' journeys where businesses have no choice but to use business or commercial vehicles.

3.3 We support the view of London Councils in their response to the MTS that there needs to be a real understanding of the difference between local and longer distance journeys. For example, how will local needs be balanced when plans for high speed travel are formulated? The proposed depot for the high speed rail link along the West Coast mainline at Old Oak Common is not central and would be inaccessible to many people travelling from the South and East of London within a reasonable time frame. Whilst we appreciate that this falls outside of the specific remit of TfL, it is vital for London that TfL and the Mayor work to make sure that local needs are taken into consideration. We support the London Councils suggestion that Policy 2 should be amended to include a requirement to consider the impact on local services when introducing new services for long distance travel.<sup>3</sup>

### 4. THE CONGESTION CHARGE AND THE WESTERN EXTENSION

4.1 We believe that the lack of clarity detailed in the MTS about the plan to abolish the Western Extension of the Congestion Charge Zone demonstrates an act of bad faith to London's electorate. The MTS states in proposal 127 "The Mayor through TfL, subject to consultation, will remove the Western Extension of the central London Congestion Charging Zone, after putting in place such measures in mitigation of negative impacts." Given the pre-election pledge by the Mayor to abolish the zone, we would see this further attempt to delay the abolition as a betrayal of the electorate, many of whom voted for the Mayor on the basis of his election pledge to abolish the zone.

---

<sup>3</sup> London Councils Response to the Draft MTS, pp. 2-3

4.2 Furthermore, we are disappointed to see no details of any concessions for businesses located within the remaining Central zone. As we detailed in our response to the Sol, at an FSB organised elections hustings meeting in Hammersmith, then mayoral candidate Boris Johnson said:

“I think traders deserve some kind of special understanding. If you are a small business and absolutely depend on bringing your goods into London, there should be some way of reflecting that fact.”<sup>4</sup>

This view was similarly supported by the candidates for the Greens Party, Liberal Democrats and Labour.

4.3 We would also urge that any concession for business vehicles should apply not just to commercial vehicles, LGVs and so forth, but also to those private business vehicles used for commercial purposes. Businesses using commercial vehicles or private (business) vehicles for commercial purposes who are able to demonstrate an acceptance by HMRC or such business usage should be eligible for the same discount on congestion charging as received by residents. Any concessions for business vehicles should be accompanied for an impact assessment to identify all vehicles being used for business purposes which would be eligible.

4.4 The FSB continues to remain resolutely opposed to any charging scheme that does not recognise the unique needs of small businesses. We remain extremely disappointed by the Mayor's lack of action on road charging issues, such as the abolition of the Western extension, where he has made pre-election pledges.

## 5. FURTHER ROAD CHARGING

5.1 We are concerned by a number of statements within the MTS which appear to pave the way for further charging road measures to be levied by the Mayor, or as is possibly suggested, London Borough Councils. Specifically Proposals 124 and 129 and also paragraph 727:

“Charging in London's metropolitan town centres might be considered, with the Mayor working in partnership with local authorities to evaluate the potential for local schemes to support the delivery of the desired outcomes set out in this strategy. Charges or tolls to support specific infrastructure improvements, such as river crossings, might also be examined. And given their potential to significantly reduce traffic, congestion and emissions and raise substantial additional net revenues for improving transport in

---

<sup>4</sup> Quote from FSB hustings meeting, Hammersmith Novotel; 15 March 2008

London, the Mayor will also continue to examine charging schemes covering Inner, and potentially Outer London.”<sup>5</sup>

5.2 Whilst we appreciate the need to enshrine certain principles within the strategy document we would wholly oppose the enshrining of the principle of potentially unlimited road charging. As detailed in Section 2 the FSB are fundamentally opposed to any road charging system that does not make appropriate allowances for business. We would also be extremely opposed to any charging system implemented by the local Borough councils. This would, we feel, lead to a chaotic system, where businesses passing through different areas would be subject to different charging regimes. As stated in the London Councils response, we certainly expect to see further details about any additional road pricing schemes.<sup>6</sup>

5.3 It should be appreciated that a plethora of charging schemes will prove very problematic to businesses seeking to cost a project or service. The impact of this will be felt particularly severely by small businesses. Economies of scale mean that transport costs are disproportionately higher for small businesses – after all, a large lorry delivering £150,000 of goods to a supermarket is better able to absorb road pricing charges than a van delivering goods or a service worth a few hundred pounds. This has never been recognised or addressed by TfL or the Mayor.

5.4 Finally, we are concerned that London businesses are being unfairly discriminated against, in comparison to their counterparts in other major UK cities. We strongly believe it is unfair on London's businesses that they are subject to road charging schemes when businesses in other cities are not, and in the absence of any national road charging programmes we cannot support charging schemes that are discriminatory against London's businesses. Environmental pollution does not observe geographic boundaries, and we feel that London businesses are unfairly paying the cost for environmental concerns.

---

<sup>5</sup> Mayor's Transport Strategy: Public Draft, pp. 253

<sup>6</sup> London Councils Response to the Draft MTS, pp. 5-6

## 6. AIR TRAVEL

6.1 We are extremely disappointed that the Mayor, whilst stating his opposition to the third runway at Heathrow airport, offers no viable alternative to it. In a recent survey of FSB members nationwide it was found that the majority of them, where they do use air travel, do not use London Heathrow for their business trips but instead favour regional airports, they did however express concerns about overcrowding at Heathrow. There is no advantage for Londoners for a policy document to be released where there is no clear view on the issue of Heathrow. This is particularly the case given that there is no recognition of the congestion problems at Heathrow, but the Mayor does support the Air Track link between Waterloo and Reading, which will make it easier to get to Heathrow and presumably therefore exacerbate congestion. A lack of clear leadership on this issue by the Mayor only leads to confusion and a lack of confidence from London's businesses.

6.2 We accept that the Mayor has stated his opposition to expansion at Heathrow however, given the projected potentially doubling in air travel between 2006 and 2020,<sup>7</sup> the Mayor needs to explain in greater detail how he squares this increase with his opposition in expansion to Heathrow and a lack of any feasible alternative provision. Whilst, increased air capacity is not a major concern for the small business community in London, the lack of coherent leadership on this issue, is of concern.

## 7. FREIGHT

7.1 We are disappointed that the MTS makes no recognition of small scale freight needs. Whilst, for example, the utilisation of London's waterways makes sense, it would in no way be viable for small businesses to utilise this to any great extent. The bottom line is small businesses use cars and small vans to make their deliveries and this needs to be recognised and acknowledged as part of a set of 'essential journeys.'

7.2 Given that many small businesses use their business vehicles for commercial purposes, we believe an assessment of all business vehicles, including those private vehicles being used for commercial purposes, should be carried out, in order to fully understand the makeup of commercial traffic in London.

---

<sup>7</sup> Air Transport White Paper Progress Report 2006

## 8. LOW EMISSION ZONE (LEZ)

8.1 We support the Mayor's decision to postpone phase 3 of the LEZ to sometime in 2012 (subject to consultation). However, we are concerned that the strategy, particularly in proposal 124 enshrines a principle of further charging outside of the current LEZ framework. Whilst we are grateful that the Mayor has promised to give business as much notice of any further environmental charging in order to mitigate the impact on business, in reality, businesses do not operate this way. The vast majority of small businesses buying vehicles today expect them to last several years; unlike larger commercial fleet operators, they do not plan to replace fleet regularly. Additionally, Phase 3 also covers specialist vehicles including motor caravans and horseboxes between 2.5 - 3.5 tonnes, the replacement of such vehicles is not straight forward, and their owners generally intend to keep them 'for life.' We urge the Mayor to consider schemes that allow businesses to reasonably phase out old fleet, particularly when they are deemed to have vehicles which are currently compliant

8.2 Furthermore, where businesses are considering buying electric vehicles, the infrastructure is not yet comprehensive enough to support journeys across London. Further details about these initiatives and a practical indication of the timetable of location of the required infrastructure can help businesses make decisions about these sorts of investments.

## 9. UTILITIES AND LANE RENTAL SCHEMES

9.1 We support the details in Proposal 31 to introduce 'lane rental' schemes and an improved lane rental system. However, we would also argue that businesses could benefit from more transparency from utility companies. By being informed of how long utility works are due to take, businesses are able to make contingency plans that allow them to conduct their business, whilst often essential maintenance work is carried out. Greater transparency can only serve to be of benefit to both the utility companies and the businesses inconvenience. There should be recognition that some utility companies are perceived as being habitual offenders by the business community and any system implemented should not be abused by companies who believe that any fines incurred will be eventually passed back to both commercial and domestic customers.

9.2 Small businesses are particularly badly affected by temporary disruption to their normal work patterns: a large business can usually weather such disruptions, but the loss of two or three weeks trading can make the difference between a small businesses surviving or failing. It is therefore

particularly important for road works to be carried out within the planned time frame. The FSB believes that income from lane rental should be allocated where appropriate to those businesses which have been adversely affected and that any fines for over-running utility works should also be passed on to the business community.

## 10. TRAFFIC MANAGEMENT

10.1 We welcome the introduction of SCOOT to help traffic lights recognise where the heaviest traffic flows are passing through junctions. However, we are disappointed with the complete lack of detail in the document about the roll out of the SCOOT system and any other details for traffic light management. Vehicles stationary at traffic lights have both an environmental and economic impact and we would argue that it might be easier to achieve environmental standards if a more practical approach was adapted to the needs of road users passing through areas with a high density of traffic light junctions.

## 11. PUBLIC TRANSPORT

11.1 As we outlined in our response to the Sol, London needs an integrated transport system to encourage public transport use, which in turn will free up the road for essential journeys. However there is little detail within the document about maintenance of pavements and cycle ways, and increased parking provision at transport hubs. People need somewhere to leave their cars otherwise they simply cannot and will not utilise all forms of public transport. If we want to encourage non essential vehicles to not use the roads, then we simply have to make it easier for people to park by train stations, particularly at suburban railway stations. Better cycling lanes and bicycle parking can help with this, as well as well maintained foot paths. However better transport links are the key.

11.2 Some of our members in South and South East London have expressed the view that they are under served by rail or bus transportation services, which do not cater for people who just wish to travel across these zones and not via central London. Therefore, greater long term goals should be to introduce and implement a plan to increase the capacity and extend the Underground network further into South and South East London.

11.3 We feel that a safe, efficient and affordable system of Hackney Cabs and Private Hire Vehicles in London compliments the public transport system, and are pleased by the measures of TLF and the Mayor to eliminate the illegal taxi trade.

## 12. CONCLUSION

12.1 We feel that the MTS is a missed opportunity to give Londoners tangible and strategic guidance on the future of transport in London. Too much attention is paid to issues such as walking, or river transport, which whilst good ideas in their own right, do not offer practical solutions to small businesses needing to transport goods or services around the City.

12.2 We would reiterate once again that there needs to be recognition of the difference between essential and non essential journeys. There needs to be a recognition that many private (business) vehicles are actually be used for commercial purposes and there needs to be a recognition of the fact that small businesses use cars, vans and other forms of motor transport because these are the only way they can transport their good or service, not because they cannot be bothered to utilise public transport, or other methods.

12.3 Consequently, we are pleased to see the recognition in the MTS that their needs to be improvements across the whole of London's transport infrastructure, but we are disappointed once again that there is no recognition of the need to have greater integration between cars and public transport, to allow for journeys that be done across more than one form of transport. This is particularly relevant in London's outer boroughs, particularly in South London where businesses are often located far from the nearest train or tube station.

12.4 We believe one of the most contentious issues in the strategy will be road charging. Historically, the Federation of Small Businesses has been opposed to road charging in principle, and we cannot support and any system of road charging that does not make allowances for business vehicles, of all descriptions. We also remain extremely disappointed that the MTS gives no indication of when the Western Extension to the Congestion Charge Zone will be abolished; such broken promises will do nothing to reassure our constituents in any of the outcomes of the MTS consultation process.

12.5 In conclusion, we thank the Mayor and TfL for the opportunity to have input into the transport plans for the future of London, and look forward to working with you further. However, we feel that based on the Public Draft there is still a lot of work to be done.