

# **Mayor's Guidance on Workplace Parking Levy (WPL)**

Version 1.0: January 2020

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## How to use this document and other documents to note

This Guidance should be read alongside the following:

- A summary of the process for developing a WPL is at Appendix A
- Schedule 24 of the Greater London Authority Act 1999 (GLAA) is the legal basis for Workplace Parking Levy (WPL) in London and is referred to in this document as Sch 24. Within this Guidance, where there is a reference to this document, this is shown in brackets with the relevant paragraph number, e.g. (Sch 24, para 8). Abbreviations in bold are explained in the Glossary.
- The London Model WPL Scheme Order (Appendix B), which has been prepared to assist promoting authorities<sup>1</sup> developing a scheme order, is referred to in this document as the MSO. Numbered references to the MSO (e.g. MSO, para 3) are to the relevant paragraph of the Schedule to the MSO except where a reference to an article (e.g. MSO, Art 2) is specified. An explanatory note for the MSO is available from TfL on request.

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<sup>1</sup> This term is used to refer to the London borough(s) or TfL in their role developing schemes. Once the WPL scheme is confirmed, the promoting authority will usually become the Licensing Authority for that scheme – although it is possible for other arrangements to be in place (see 1.3).

# 1. Introduction

## 1.1. Purpose of this Guidance

- 1.1.1. This Guidance is statutory guidance from the Mayor of London on the process for developing and seeking approval for a London Workplace Parking Levy (WPL) scheme (Sch 24, para 35).
- 1.1.2. In London, the GLAA sets out the powers to implement a WPL in Sch 24<sup>2</sup>. The Mayor can exercise any of the functions in Sch 24 on behalf of the GLA (Sch 24, para 2). Although part of the GLAA, WPL has not been included in the Mayor's Transport Strategy (MTS) until MTS 3 in 2018, and schemes have not been brought forward in London before then. Therefore this is the first Mayor's Guidance to be produced on WPL in London, and Sch 24 is the foundation of this Guidance.
- 1.1.3. However, not all elements of WPL schemes are determined in detail by the provisions of Sch 24; there is scope for discretion for how a WPL scheme should operate. This Guidance responds to this by setting out the approach expected in London.
- 1.1.4. The purpose of this Guidance is therefore twofold: to provide a level of uniformity in both the content of schemes and how they are developed; while also maintaining a borough's ability to define specific elements in line with local objectives and conditions.
- 1.1.5. The implementation of a scheme would be by means of a Scheme Order (SO). A model SO (MSO) developed by TfL for use by London boroughs is at Appendix B. All WPL Schemes must be submitted to the Mayor for confirmation. This Guidance sets out the Mayor's expectations as to how WPL schemes should be promoted.
- 1.1.6. The Guidance will be reviewed as new WPL schemes emerge and if there is a major change of circumstances or policy. Should these necessitate changes to the Guidance, an updated version will be issued on TfL's website.
- 1.1.7. All WPL schemes in London must be in conformity with the MTS (Sch 24, para 8). This means that the design of a WPL scheme itself, as well as the transport projects it funds, must demonstrably contribute to the objectives laid out in the MTS<sup>3</sup>. Further information on the MTS and other policy documents is provided in Chapter 2. Chapter 3 describes the role of London boroughs, TfL and the Mayor.
- 1.1.8. This Guidance is intended to help London boroughs to develop appropriate WPL schemes. In making recommendations to the Mayor as to whether to approve a

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<sup>2</sup> Outside London the legislative basis for WPL is the Transport Act 2000 and the Workplace Parking Levy (England) Regulations 2009. The powers for London and outside London are similar in most respects, and since the powers have so far only been exercised outside London, there is an opportunity to build on the that experience.

<sup>3</sup> <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

WPL scheme, or approve with modifications, TfL will use this Guidance as a means of appraisal.

- 1.1.9. In shaping the Guidance, TfL has drawn on lessons from the Nottingham City Council WPL scheme (currently the only UK scheme) and from knowledge of the London context and Mayoral aspirations. The Guidance has also been informed by consultation with London boroughs.

## **1.2. Using the MSO and Regulations**

- 1.2.1. The purpose of the MSO is twofold: firstly, to enable boroughs to develop schemes that are in conformity with the MTS by providing model wording (for provisions that are advised in this Guidance); secondly, to reduce costs to individual boroughs by providing a template for a SO. This does not mean that all schemes must be identical: as is set out below, it is important to shape each scheme to local objectives. The MSO should be considered a base from which each scheme can be developed and some items, such as discounts, may be chosen from a menu of possible options.
- 1.2.2. It is also necessary for new Regulations to be made by Government both to complement the framework legislation in the GLAA so that WPLs may be effectively put in place, and also to establish the necessary statutory enforcement and appeals mechanisms (see 4.9). Once enacted the Regulations will apply to all schemes in London and, unlike the MSO, do not need to be adapted for particular schemes.
- 1.2.3. The timescales for the production of these documents is summarised in Table 1 below.

**Table 1: Timescale for key legal documents**

<b>Document Name</b>	<b>Location</b>	<b>Status</b>	<b>Estimated final document date</b>
<b>Model Scheme Order</b>	Appendix B	Consultation via London Councils	Summer 2019
<b>London WPL Regulations</b>	n/a	In draft – to be laid before Parliament	December 2020
<b>Individual Scheme Orders</b>	To be developed by boroughs	See chapter 6 and Appendix A	As they are produced

- 1.2.4. The remainder of this chapter gives an overview of how WPL schemes work and introduces some of the main concepts. These are discussed in more detail in Chapter 4.

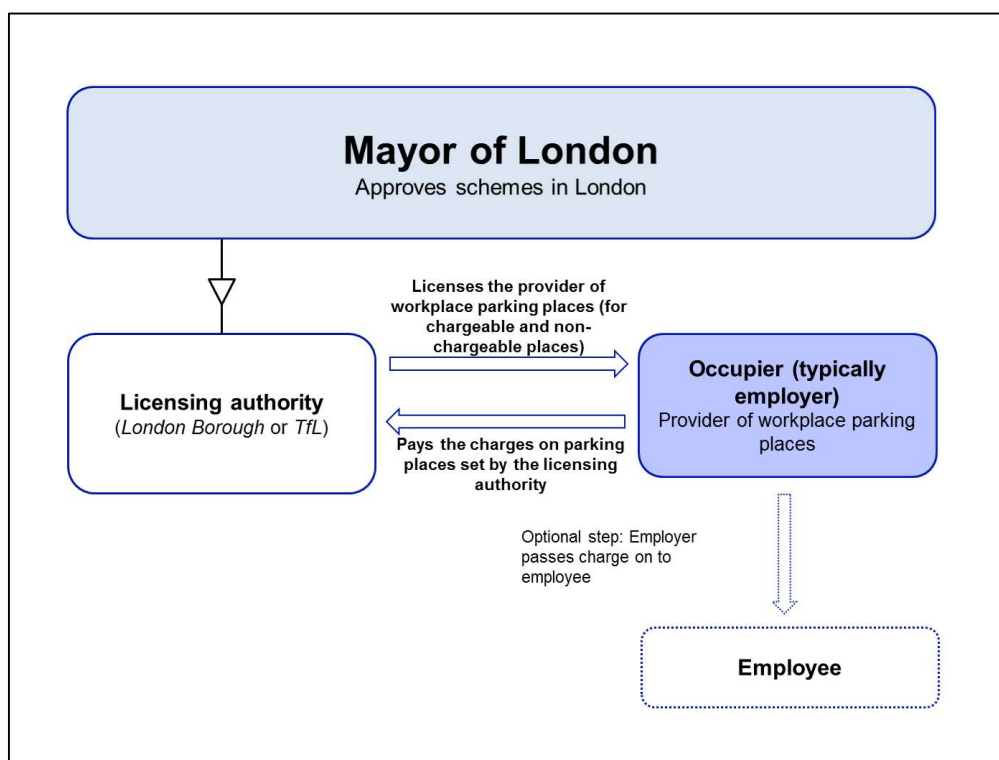
### 1.3. About Workplace Parking Levy

- 1.3.1. A WPL scheme is a licensing scheme which applies to certain defined workplace parking places (Sch 24, para 1; MSO para 3(1)).
- 1.3.2. In London, a WPL scheme can be established by TfL, or a borough or by one or more boroughs working together, but two schemes cannot operate in the same location (Sch 24, para 12) (although a WPL scheme and road user charging scheme, e.g. Congestion Charge or Ultra Low or Low Emission Zone, can overlap). The authority which is responsible for the scheme once it is confirmed is known as the Licensing Authority.
- 1.3.3. **The Licensing Authority may levy a charge on the occupier of premises (typically the employer<sup>4</sup>) for the number of places they provide that are occupied by employers, employees, agents, suppliers, business customers, business visitors, students and pupils parking there in the course of their business or education (Sch 24, para 3, MSO para 3(3)). Non-commercial customer parking places are not subject to WPL licensing or charging (Sch 24, para 3, MSO, para 3).** Further information about exemptions and discounts can be found in Table 2 below.
- 1.3.4. The employer is normally liable for paying the licence charge (and any penalty charges arising from the WPL, see section 4.5 of this Guidance) if the parking places are provided by the employer, whether on or off-site.
- 1.3.5. There is the opportunity for any individual employer to choose to pass on the charge to those who commute by car in a way that suits them.
- 1.3.6. WPL applies to parking places provided for autonomous vehicles in the same way that it applies to any other vehicle. If an employer provides a parking place for a vehicle used by any of the categories of person listed in 1.3.3 above it is liable for WPL, subject to any discounts or exemptions that the licensing authority has established.
- 1.3.7. Figure 1 below summarises how a WPL would operate in London.

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<sup>4</sup> For clarity, this document will refer to the Employer rather than the Occupier.

**Figure 1: How a WPL would operate in London**



- 1.3.8. It should be noted that the WPL is a charge on parking places used by employees and certain other groups (see 1.3.3 and Table 2), rather than a charge on the land available or designated for parking. A licence is required for each day (or part of day) a workplace parking place is used by one or more prescribed vehicles (MSO paras 3(1) & (3)). An employer's licence must cover the maximum number of workplace parking places being used at any one time. If an employer manages their car parking so that existing parking places are used more efficiently their WPL payment can be reduced. This could be by sharing a place between more than one employee, for example.
- 1.3.9. As described above, only certain types of parking places will attract liability for WPL. Additionally, it is possible to have exemptions and discounts in the scheme. Discounts and exemptions can apply in the following ways:
- **By liable organisation** – for example small businesses
  - **By vehicle** – for example an electric vehicle
  - **By user** – for example a Blue Badge holder
- 1.3.10. The meaning of liable places and discounts and exemptions is summarised in Table 2 below. If a parking place is not out of scope, and not subject to a discount or exemption, then it is liable for the levy. For comparison purposes, the table includes a summary of the current situation in the Nottingham City Council scheme. The Mayoral expectations for London schemes are also set out in the table, and in the MSO.

**Table 2: Liable places, discounts and exemptions**

Category	Out of scope	Exemptions	Discounts
<b>Description</b>	Not permitted in legislation; does not need to be specified in the SO	Must be specified in the SO	Must be specified in the SO
<b>What happens</b>	<ul style="list-style-type: none"> <li>• No requirements</li> <li>• No charge applies</li> </ul>	<ul style="list-style-type: none"> <li>• Places are not required to be licensed</li> <li>• No charge applies</li> </ul>	<ul style="list-style-type: none"> <li>• Places must be licensed</li> <li>• 100% discount applies</li> </ul>
<b>In the Nottingham City Council scheme (shown for comparison purposes)</b>		<ol style="list-style-type: none"> <li>1. Motorcycles</li> <li>2. Fleet vehicles</li> <li>3. Delivery vehicles</li> <li>4. Business customers</li> <li>5. Occasional business visitors</li> </ol>	<ol style="list-style-type: none"> <li>1. Small business (10 or fewer liable parking places)</li> <li>2. Blue Badge</li> <li>3. Police premises</li> <li>4. Fire services premises</li> <li>5. Qualifying NHS premises</li> </ol>
<b>Mayoral expectations for London schemes</b>		Fleet vehicles Delivery vehicles Occasional business visitors Emergency service vehicles (referred to here as the 'operationally necessary places') Business Customers	<u>Required:</u> Blue Badge  <u>Options given in MSO:</u> Electric vehicles Small businesses (proxy of threshold of minimum number of places)

- 1.3.11. A WPL scheme can be in place for a time limited period, or it can be indefinite (Sch 24, para 38, MSO para 11). A licence can be granted for a maximum period of a year but may also be renewed, varied or surrendered (MSO, paras 6 and 7).
- 1.3.12. Revenue from WPLs must be hypothecated to fund identified local transport improvements or initiatives that contribute to the Mayor's Transport Strategy (MTS) (Sch 24, para 22).



## 2. Policy Context

### 2.1. Mayor's Transport Strategy (MTS)

- 2.1.1. The MTS<sup>5</sup> is the principal policy tool through which the Mayor exercises his responsibility for the planning, development, provision and management of transport in London. Any WPL scheme in London must demonstrate how both the scheme itself and the transport improvements it funds are in conformity with the MTS (Sch 24, para 8).

- 2.1.2. In March 2018, the Mayor adopted a new MTS:

*The Mayor's aim for 80 per cent of Londoners' trips to be on foot, cycle or by public transport will require a concerted effort to encourage mode shift across all types of journey purpose. Commuter journeys to work make up 12 per cent of all car trips in London, with over 750,000 people driving to work every day, a third of which are short trips (under 5km) that could be walked or cycled. Targeting commuting trips could therefore make a significant contribution to delivering the Mayor's mode share target, and the health, social and economic benefits that flow from it.*

- 2.1.3. The MTS considers WPL schemes as one of the potential traffic demand management mechanisms boroughs can choose to implement.

#### *Proposal 23*

*The Mayor, through TfL, will work with those boroughs who wish to develop and implement appropriate traffic demand management measures, for example local (TfL or borough) road user charging or workplace parking levy schemes, as part of traffic reduction strategies where they are consistent with the policies and proposals set out in this strategy.*

- 2.1.4. The demand management effects of a WPL scheme by itself are likely to be less pronounced than when compared with other road pricing mechanisms such as local congestion charges. This is partly because the charge is levied on employers, with no requirement for them to pass the charges on to their employees and influence their travel behaviour. However, employers may choose to pass the cost on, and even if they do not, the scheme would still influence travel behaviour as employers would be expected to reduce their WPL liability by reducing the supply of workplace parking places. When combined with the transport improvements WPL funds, the whole WPL package could result in impacts of a similar order of magnitude as other forms of charging.
- 2.1.5. WPL schemes can contribute to other London-wide and local objectives, for example improving air quality or using transport to enable housing and jobs. It is useful in this context to consider the three pillars of the MTS, each of which has a number of outcome indicators:

- Healthy Streets and Healthy People

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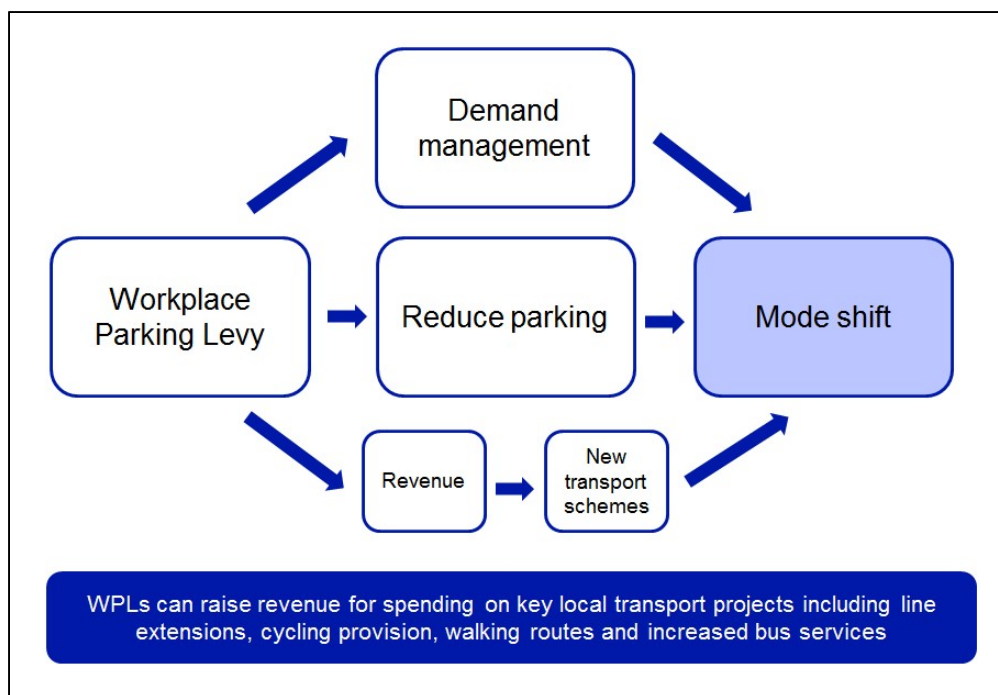
<sup>5</sup> <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

- A good public transport experience
- New homes and jobs

2.1.6. WPL schemes are a useful tool to deliver the Mayor's priorities for London. There are three main benefits of implementing a WPL scheme (shown in Figure 2):

- Demand management: the increase in the total cost of driving to work (through an increase in parking charges) encourages mode shift and therefore contributes to traffic and congestion reduction;
- Funding improvements to active travel and public transport: WPLs generate revenue which must be reinvested in the local transport network (Sch 24, para 22). These improvements can lead to wider mode shift, across different types of journey; and
- Long-term reduction in parking supply: employers are more likely to reduce their parking as a response to WPL, which encourages commuters to change mode and frees up land for development.

**Figure 2: What benefits can Workplace Parking Levies bring?**



2.1.7. Because WPL schemes can be adapted – for example in terms of the area they cover or the discounts offered – they can contribute to the achievement of local objectives, such as those concerned with economic and socio-economic development and growth. It will be important for London boroughs to identify the local objectives which a WPL scheme is intended to help to achieve.

2.1.8. WPLs can help to achieve the following transport-related objectives, for example:

- Mode shift which can lead to air quality benefits. Outside London, the Clean Air Zones programme is now one of the main drivers for local authorities' interest in WPLs;
- Meeting Healthy Streets objectives and freeing up land for more appropriate uses including new development; and
- Acting as a catalyst to improve other parking policies in the borough. For example, it will be important to consider associated measures such as controlled parking zones.

2.1.9. WPL schemes also offer an opportunity to deliver a more inclusive transport network and deliver against the MTS objectives for a fairer city. The charge, if passed on, would be paid by car commuters, and WPL receipts could fund improvements to public and active travel transport which benefit all Londoners.

2.1.10. In this context, it is important to understand that WPL schemes are likely to be part of a **package of transport interventions** which creates a step-change in local transport. A WPL scheme may be a relatively small part of this package or programme, but still vital to achieve best benefit from the full programme and consequently the greatest contribution to the MTS.

2.1.11. In order to gain the optimal benefits from the WPL scheme itself, it needs to be accompanied by appropriate preparatory and complementary measures. More information on this aspect is set out in Chapter 4; however, it will be important for boroughs to develop a package which is right for the circumstances, and this guidance is not intended to be prescriptive or exhaustive in this regard.

## **2.2. Local Implementation Plans (LIPs) and Local Plans**

2.2.1. Each London borough is required to develop a Local Implementation Plan (LIP), which sets out how the borough will deliver the MTS at local level. LIPs must conform with the London Plan and MTS.

### ***Local Implementation Plan Interim Guidance 2018/19<sup>6</sup>***

*Boroughs may wish to implement innovative local measures in order to achieve traffic reduction. The Mayor, through TfL, will work with those boroughs who wish to develop and implement appropriate traffic demand management measures, for example establishing zero emission zones, local road user charging or workplace parking levy schemes, as part of traffic reduction strategies where they are consistent with the achievement of the Mayor's Transport Strategy policies and proposals. Any net-revenue from local borough road user charging or local borough workplace parking levies would be retained by the borough, to be spent on local transport initiatives.*

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<sup>6</sup> <http://content.tfl.gov.uk/third-lips-guidance-2018.pdf>

- 2.2.2. Additionally, Local Plans are statutory documents, created by the boroughs, which set out detailed land use and transport policies for their area, to be used when considering development proposals. WPL schemes can complement local sustainable land use policies because it tackles existing car dependent workplaces and provides finance for sustainable transport alternatives.
- 2.2.3. The Mayor expects boroughs who are interested in implementing WPL schemes to include reference to it in their LIP and/or Local Plan.

### **2.3. Other relevant policies**

#### ***Draft London Plan July 2018<sup>7</sup>***

- 2.3.1. The London Plan is the spatial development strategy for London, which sets out an integrated framework for growth in London for the next 20-25 years.
- 2.3.2. All Development Plan Documents and Neighbourhood Plans must be in general conformity with the London Plan.
- 2.3.3. The approach in the new London Plan is to ensure that new development supports Good Growth, and that new developments are planned to reduce car dependency. Managing car parking is an essential element in reducing reliance on the car, and encouraging people to travel by walking, cycling and public transport.
- 2.3.4. The new London Plan supports the implementation of WPL schemes as part of wider Borough-led strategies for car parking.

#### ***Economic Development Strategy 2018<sup>8</sup>***

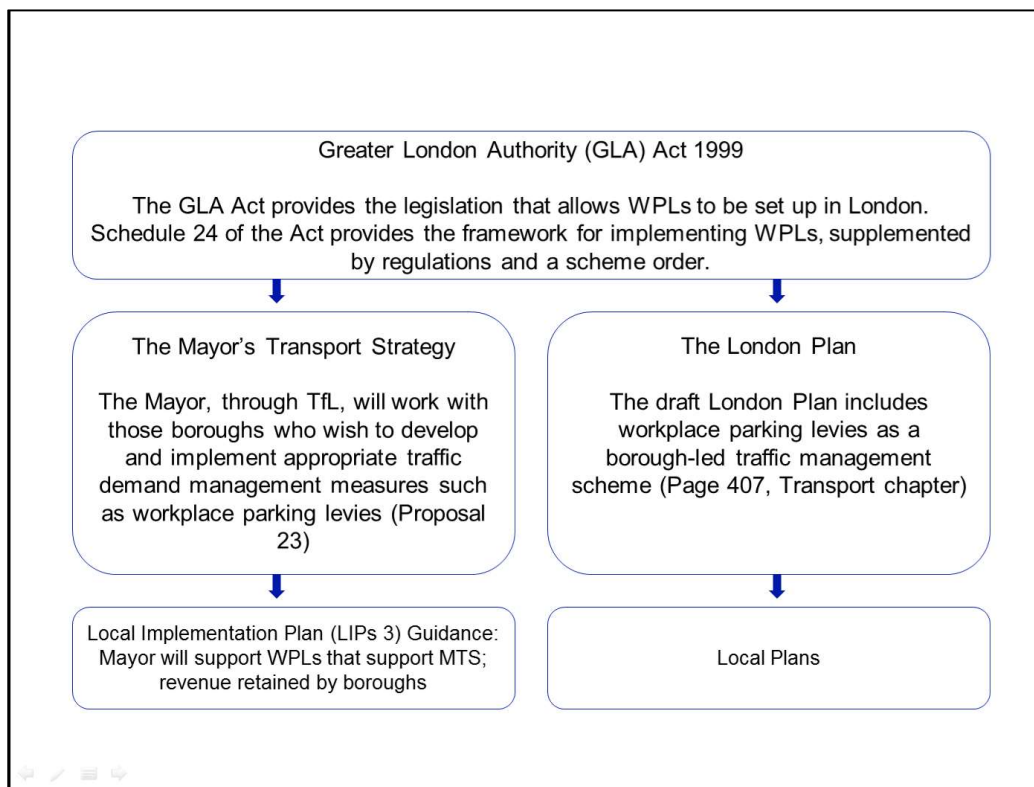
- 2.3.5. The Mayor's Economic Development Strategy sets out measures to maximise London's economic position, while also making sure that all Londoners take a fair share of the rewards of a thriving economy.
- 2.3.6. The Mayor supports infrastructure and initiatives to be funded from WPL schemes, including improved public transport, walking and cycling, as an important contribution to London's economy. These public transport and healthy streets improvements also disproportionately benefit people with lower incomes.
- 2.3.7. However, the Mayor also recognises that small businesses, especially start-ups, may need special support to ensure they grow and thrive. Boroughs should consider whether this needs to be reflected in any WPL scheme.
- 2.3.8. The different policies and plans relevant to WPLs are summarised in Figure 3 below.

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<sup>7</sup> [https://www.london.gov.uk/sites/default/files/draft\\_london\\_plan\\_-\\_showing\\_minor\\_suggested\\_changes\\_july\\_2018.pdf](https://www.london.gov.uk/sites/default/files/draft_london_plan_-_showing_minor_suggested_changes_july_2018.pdf)

<sup>8</sup> [https://www.london.gov.uk/sites/default/files/economic-development-strategy-2018\\_1.pdf](https://www.london.gov.uk/sites/default/files/economic-development-strategy-2018_1.pdf)

**Figure 3: The legal and policy environment**



## **3. Role of London boroughs, TfL and Mayor**

### **3.1. Introduction**

- 3.1.1. A WPL scheme can be established in London by:
- TfL (in a London borough); or
  - any London borough; or
  - two or more boroughs jointly (Sch 24, para 10); and
  - a London borough may jointly promote a scheme with a non-London borough.
- 3.1.2. The implementing body is referred to as a 'licensing authority' (Sch 24, para 1). This Guidance applies to all of these bodies (including TfL when acting as a licensing authority).
- 3.1.3. The GLA is referred to as the 'Authority' in the GLAA, and under the Act the Mayor can discharge all functions of the GLA in Schedule 24 (Sch 24, para 2). This Guidance has been prepared for the Mayor by TfL.
- 3.1.4. WPL schemes in London will be delivered by means of a cooperative approach between the licensing authorities and the GLA.
- 3.1.5. London boroughs considering a WPL scheme should notify TfL as early as possible and continue to discuss the proposals throughout the preparation period. This will enable TfL to share useful data and information with the borough as well as coordinate proposals across London so that they work together for the achievement of the MTS. It is also important to note that the development of a WPL scheme is likely to require a wide range of expertise and considerable resources, including economic development, communications and consultation and finance as well as transport planning.
- 3.1.6. The Secretary of State for Transport (SoS) and the Department for Transport (DfT) also have a role as the SoS can make regulations (Sch 24, para 17) and is also responsible for approving WPL revenue plans (Sch 24, paras 25, 26). TfL will liaise with the DfT on WPL proposals, acting on behalf of interested boroughs, with the aim of ensuring that schemes meet the requirements of the SoS.

### **3.2. London boroughs and borough-led schemes**

- 3.2.1. The current version of the LIPs guidance (LIPS3) states:
- Boroughs can keep the revenue collected to spend on their own transport projects, or have certainty that any revenue passed to TfL would be spent on projects that directly benefit the borough; and
  - There would be no reduction in the amount of other TfL funding allocated to the borough (e.g. through the LIPs process).
- (LIPS Guidance 2018)

- 3.2.2. Borough WPL schemes will be expected to make use of the MSO and to amend it as necessary to meet local requirements.
- 3.2.3. Under the MSO a borough will have to publish a notice of the scheme and make a formal resolution before a WPL scheme can come into effect (MSO Arts 1 & 2).

### **3.3. TfL and the Mayor of London**

- 3.3.1. TfL's role in borough-led WPLs is:
- Enabling legislation to support the introduction of WPL schemes including secondary legislation to support WPL implementation;
  - Co-ordinating the development of WPL schemes across London and ensuring that emerging schemes fit well with each other and with the overarching MTS goals; and
  - Supporting boroughs in developing and implementing WPL schemes. As well as supporting individual boroughs, TfL has a role in bringing together boroughs where a collaborative approach is indicated or to avoid conflicting schemes.
- 3.3.2. All London WPL schemes require Mayoral approval, with or without modifications (Sch 24, paras 2, 7). The Mayor will expect the promoting authority to carry out a considered, comprehensive and balanced consultation exercise including employers and residents (Sch 24, para 7(3)(a); Chapter 5). The authority should ensure that relevant public sector employers are included. The Mayor or promoting authority *may* also hold a public inquiry (Sch 24, para 7(3)(b)), although there is no requirement for this to happen.
- 3.3.3. The Mayor may, by direction, issue a description of certain provisions which will require approval by the Mayor if they are to be included in a WPL scheme (Sch 24, para 9). This enables the Mayor to inform the promoting authority of any such provisions before they submit a scheme.
- 3.3.4. An initial 10-year plan for the use of the scheme revenues must be approved by the Secretary of State and Mayor before a borough WPL scheme can come into force (Sch 24, para 25; MSO, para 10 & Annex; Regs, 17). In addition, the licensing authority's ongoing four-year spending programmes for WPL scheme revenue must also be approved by the SoS and Mayor (Sch 24, para 26).

### **3.4. TfL-led and other schemes**

- 3.4.1. This Guidance also applies to TfL-led schemes. The Mayor (through TfL) may implement WPL schemes anywhere in Greater London and the Mayor can also direct a borough to make a WPL scheme within its area (Sch 24, para 34). The former could be an option for both TfL-led WPL schemes in Opportunity Areas or to provide funding for major new infrastructure.

- 3.4.2. It is also possible that boroughs or TfL could collaborate with other bodies to develop WPL schemes covering areas for which those bodies have responsibilities such as Mayoral Development Corporations.

### **3.5. Secretary of State (SoS) / DfT role**

- 3.5.1. The SoS has a role in approving WPL scheme 10-year and 4-year revenue plans following approval by the Mayor. The Mayor alone is responsible for approving the WPL scheme itself (Sch 24, paras 25, 26).
- 3.5.2. The SoS may by regulations make provision that certain groups, or types of parking are exempted or discounted from WPL schemes and may also cap WPL scheme charge rates. (Sch 24, para 17). As set out in 1.2.2 above, new Regulations will be required for London.

### **3.6. Joint schemes**

- 3.6.1. The Mayor may require or authorise two or more boroughs to implement a scheme. For example, a sub-regional partnership comprising two or more boroughs may bring forward a scheme (Sch 24, para 10). Section 181 of the Transport Act 2000 enables joint schemes involving London and non-London authorities.
- 3.6.2. Two or more boroughs in a joint scheme should authorise one borough to act as lead authority and to be responsible for the submission of the scheme for Mayor's approval.
- 3.6.3. There cannot be more than one WPL in operation at a given site at any one time, so there could not for example be a TfL and a borough WPL scheme in the same location (Sch 24, para 12).

### **3.7. Revenue**

- 3.7.1. The current borough guidance (LIPS3) sets out that boroughs will be the key beneficiaries of any borough-led scheme.
- 3.7.2. However, the legislation (Sch 24, para 24) states that TfL can require revenue from a borough WPL to be paid to TfL and it remains the case that it may be appropriate for some or all of the scheme revenue to be distributed beyond the licensing authority. For example, this could be the case when TfL is responsible for developing or operating some of the projects to be funded from WPL revenue. Where this happens, separate revenue plans must be made and approved by the Mayor and SoS (Sch 24, paras 27, 28).
- 3.7.3. The Mayor can also require revenue from a TfL scheme to be paid to another borough or boroughs (Sch 24, para 24). Again, separate revenue plans must be produced and approved (Sch 24, paras 27, 28).
- 3.7.4. Boroughs should take account of risks to the WPL revenue stream and will be responsible for ensuring robust risk management of WPL revenue, particularly if they propose borrowing to fund capital works.



## **4. Required elements of a WPL scheme in London**

### **4.1. Introduction**

- 4.1.1. The legislation allows for significant variations between WPL schemes to take account of local conditions. For example, the rate charged, the boundary of the charged area, and exemptions and discounts (Sch 24, para 17) can all be varied. However there are also aspects which are not discretionary and which are specified clearly in the legislation, for example the provision that schemes must be in conformity with MTS (see 1.1.7 in this document).
- 4.1.2. This guidance and the attached MSO set out Mayoral expectations with regard to the process of developing a WPL as well as the design of WPLs in London.
- 4.1.3. In order to enable the take-up of WPLs and the development of schemes which are appropriate locally, this guidance is prescriptive only on the following elements of scheme design:
- Minimum charge level;
  - Exemption for operationally necessary vehicles and a 100% discount for disabled users; and
  - Level of penalty charge.
- 4.1.4. Where a licensing authority considers it appropriate for its scheme to not conform to any of these requirements or expectations (for example having a lower charge level), it should make the case for doing so in its consultation documents and in its submission to the Mayor.
- 4.1.5. In addition to expectations, guidance and options on these and other matters is set out below. Where there is a reference to the MSO, it is given in brackets.
- 4.1.6. This chapter also makes reference to a number of documents – for example a business case – that would be produced as part of the process of developing a scheme. These are listed in full in Chapter 5.

### **4.2. Designated area, Charging hours, Charge Levels and scheme duration**

- 4.2.1. The WPL scheme should designate the area to which it applies, the days and hours it operates and the charge rate (Sch 24, para 11; MSO, paras 2,3,4). An area for a WPL does not have to be the entire borough and can comprise non-contiguous areas. Boroughs can focus attention on areas that are high traffic generators, or which suffer high levels of congestion or poor air quality, for example.
- 4.2.2. In the MSO, two options for designating a charge area have been included: a borough-wide approach or the option to attach a plan showing the designated area (MSO, para 2).

- 4.2.3. The Act gives considerable leeway for setting a range of charges (including changes to these over time) and creating different charges in different areas (Sch 24, para 13). A schedule of charges must be included in the scheme order (MSO, paras 1 & 4).
- 4.2.4. In London, the expectation is that the charge would not vary by days of the week or time of day, nor that it would vary over the designated area. This is in order to maintain consistency in schemes and help with comprehension and acceptability. The MSO assumes a WPL that applies 24 hours per day, seven days per week, 365 days per year.
- 4.2.5. There is discretion to use the other variables, subject to the other requirements in this guidance. However, in general the Mayor will expect few variations, and the approach taken must take the following into account:
- the need to keep the scheme understandable, especially for employers;
  - the need to be able to operate and enforce the scheme efficiently; and
  - the ability to justify any variations due to specific local circumstances that impact on behaviour change, revenue or MTS outcomes.
- 4.2.6. The Mayor will expect an initial minimum charge rate of £750 per year (2019 prices) in order to maintain consistency across London. It is advised that licensing authorities consider setting a charge which is higher than this.
- 4.2.7. Above this level, boroughs may determine the level of charge for the local WPL scheme, after assessing local conditions. It is recommended that this is a balanced judgement based on factors including:
- local parking and public transport costs and charges;
  - what is needed to encourage people to change mode;
  - what is reasonable for employers, businesses and car commuters; and
  - what is required for the revenue plans (Sch 24, para 13 (3)).
- 4.2.8. The WPL charge rate or rates proposed must be shown to be reasonable, equitable and justified. This justification will be a key part of the submitted business case.
- 4.2.9. The charge should be increased annually in line with inflation (as measured by RPI) (MSO, paras 1(2); Regs 3).
- 4.2.10. It is also possible to 'step up' the charges to reflect increased availability of alternative transport options (a 'charge escalator'), as long as these are pre-determined and set out in the SO (MSO, para 1(2)).
- 4.2.11. The duration of the WPL must be specified. The MSO provides two options in this regard: for an indefinite scheme or for a specified number of years (MSO

para 11). The latter may be more appropriate when the levy is linked to paying for a specific scheme.

### **4.3. Discounts & Exemptions (Sch 24, para 17; MSO, para 4)**

- 4.3.1. User charging schemes often have discounts and exemptions to mitigate the impacts on certain groups or in recognition that certain trips or users have reduced or no alternative. At the same time, a large number of discounts and exemptions may undermine the other objectives of the scheme and also potentially make it unviable. In developing any discounts and exemptions, boroughs would be expected to consider these aspects. Exemptions and discounts may not be necessary in some cases, as employers have discretion in whether and how to pass the charge on to employees, depending on their own policies and priorities. A liable employer could charge more highly paid employees more, or not charge low emission vehicle drivers, for example.
- 4.3.2. The GLAA defines what can be a liable WPL place (Sch 24, para 3). There is no need to designate in a SO those users, vehicles or spaces that are not liable for WPL because they are already out of scope owing to this legislative definition (see Table 2).
- 4.3.3. Exemptions refer to workplace parking places which are covered by the definitions in Sch 24 but are exempted by the SO. These do not require licensing (Sch 24, para 17(3), MSO, para 3 (7)). Any proposed exemptions need to be precisely stated in the submitted SO. The MSO exempts parking places occupied by 'operationally necessary vehicles' described in
- 4.3.4. Table 2 (MSO, paras 3(3), 3(7)).
- 4.3.5. **Discounts** apply when the place used by the vehicle is required to be licensed, but the charge is reduced or zero-rated (Sch 24, para 17(4), MSO para 4 (3-7)). Details of discounts to be applied must also be set out in the submitted SO. The MSO assumes that discount levels are set at 100% in order to aid comprehension and reduce operational costs and complexity (MSO, paras 4(3), (5), (7)).
- 4.3.6. The Mayor expects a 100% discount to be applied to disabled users, because of their identifiable additional need for parking spaces and for those spaces to be close to the workplace. The MSO includes appropriate wording for this (MSO 2, paras 4(3), (4)).
- 4.3.7. The Mayor expects an exemption to be included for parking places occupied by 'operationally necessary vehicles': fleet and delivery vehicles, emergency services vehicles and vehicles used by occasional business visitors. It is also expected that places occupied by business customers are exempted.
- 4.3.8. There are many other possible exemptions and discounts, and decisions on which to apply (apart from the exemptions for places occupied by operationally necessary vehicles, the exemption for business customers, and the discount for disabled users) shall be at the discretion of the promoting authority. Authorities will need to carefully consider potentially sensitive issues such as discounts for

small businesses and the NHS. Detailed justification must be provided in the business case, with assessments of impacts on those who pay the levy and on the associated revenue plans.

4.3.9. The MSO also includes options for two further discounts (MSO, paras 4(5) & (7)), as follows:

- electric vehicles, perhaps for a limited time period while the transition to electric vehicles takes place; and
- small businesses or start-ups.

4.3.10. The latter discount is expressed as a 100% discount for businesses with fewer than a specified number of liable parking places. Analysis of WPL parking survey data can help to identify the revenue impact of different thresholds: it may be the case that a relatively small number of larger employers account for the majority of liable places. Authorities can use their discretion in this area but should take account of local circumstances and stakeholder views.

4.3.11. It will be important to ensure that discounts remain appropriate over the life of the scheme, are feasible to implement and do not undermine the objectives of the scheme, including the need to cover the scheme costs.

#### **4.4. Operations**

4.4.1. WPL schemes require all employers to license their liable parking provision, and it is advisable for the licensing authority to record all workplace parking whether liable or not. It is likely that this can be done via the licensing process with questions on the various types of parking provided by the employer. Once a licence is granted, an invoice is sent to the employer for their chargeable parking spaces. Normally licences will be valid for a year and renewed on an annual basis.

4.4.2. Boroughs should consider the most efficient and effective way of undertaking the necessary procedures. It is however advised that resources are set aside to help employers understand and operate their side of the WPL, at least at the beginning of the operations.

4.4.3. A 'shadow' period of 6 months, when the WPL scheme comes into effect but is not charged is advised (MSO, para 1(3)).

#### **4.5. Enforcement**

4.5.1. Penalty charge notices (PCNs), which are civil contraventions, are the main way to enforce a WPL scheme (Sch 24, paras 18, 19; Regs, Part 3 (5); MSO, para 9)). In order to establish the necessary statutory enforcement framework, including appeals, and to create criminal offences on obstructing site visits and making false representations on an application, new London-specific Regulations have to be made by the Transport and Justice Departments.

4.5.2. Regulation of WPL schemes in practice is likely to depend on employer self-certification of liable parking spaces, which can be checked against available

independent knowledge. Additionally, the licensing authority will have a right of entry to premises to monitor and enforce the scheme (Sch 24, para 31).

- 4.5.3. Boroughs should comply with the Government's Regulators' Code regarding acceptable enforcement principles. An enforcement approach that emphasises compliance and helping employers understand the provisions of the law is likely to be more successful than a rigid and confrontational approach.
- 4.5.4. The level of penalty charge proposed will be included in the submitted SO (Regs 6 (1); MSO, para 9) and will be set at levels similar to those that currently apply for comparable local authority enforcement regimes. Boroughs may set their own PCN levels but are advised that the level should reflect the level of the WPL and be sufficiently high as to act as a real deterrent. Some examples of current PCN levels in London are provided in Table 3 below.

**Table 3: Examples of PCN Levels (2019)**

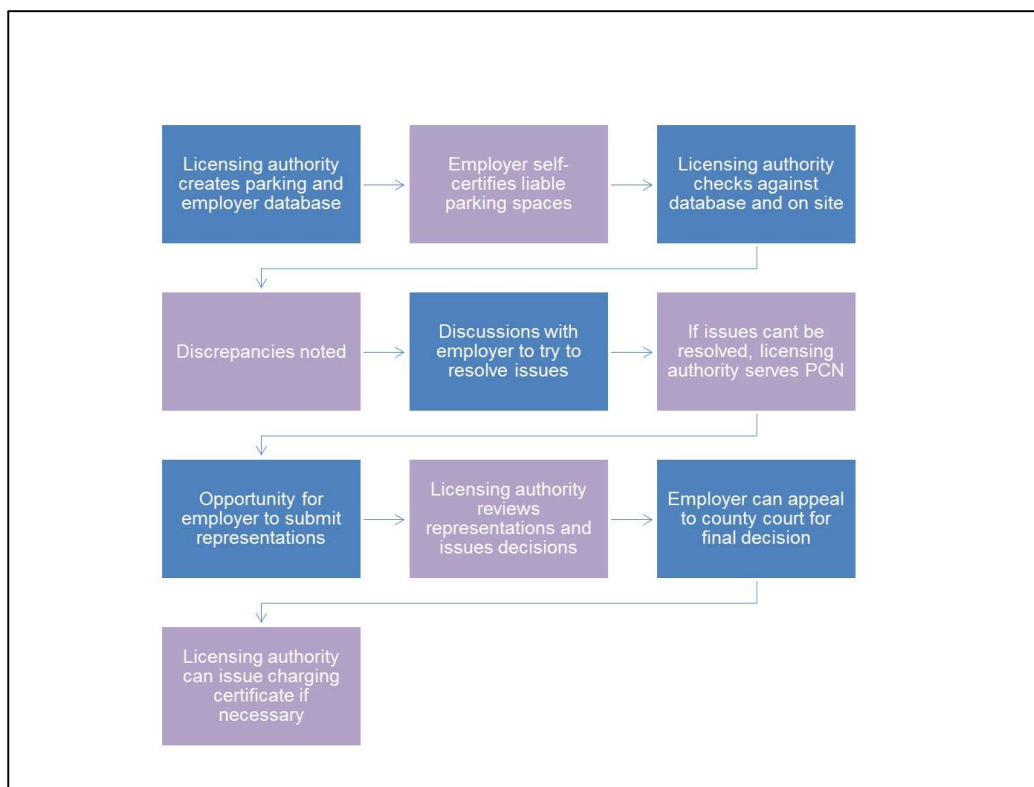
Example	Summary of penalty	Comments
WPL (Nottingham City Council)	Failure to obtain a licence for a place: half of annual charge <i>per day</i> of contravention (ie £200 per day) Breaching a condition of the licence: full annual charge <i>per day</i> of contravention	2019/20 charge is £415. PCNs reduced by a quarter if payment within 14 days. Under the MSO para 9(7), once a PCN has been issued in relation to an observed contravention or period of contravention, no further PCN may be issued in respect of those premises for the following 28 days.
Congestion Charge (TfL)	£130	£65 if paid in 14 days
Parking charges <sup>9</sup> in London (set by London Councils)	Band A: £130 (higher charge), £80 (lower charge)  Band B: £110 (higher charge), £60 lower charge	Originally, it was intended that Band A applied inner London and Band A outer London, but over time this rule has not endured.
Low Emission Zone (LEZ) (TfL)	£500 or £1000 depending on vehicle	Halved if paid in 14 days
London Lorry Control Scheme (LLCS) (London Councils)	£500 for operators, £130 for drivers	Halved if paid in 14 days
Direct Vision Standard (TfL)	£500 for operators, £130 for drivers	Halved if paid in 14 days

<sup>9</sup> <https://www.londoncouncils.gov.uk/services/parking-services/parking-and-traffic/parking-advice-members-public/parking-and-traffic>

4.5.5. The enforcement process is outlined in the draft Regulations and has several stages which are summarised below and in Figure 4. However, it is envisaged that where a licensing authority notices a discrepancy, the first step will be for the authority to attempt to resolve the issue through discussions with the employer. Where the issue cannot be resolved through discussions, the licensing authority may take enforcement action. The key stages of the enforcement process are as follows:

1. Where a licensing authority considers an employer has failed to obtain a licence (or the correct number of licences) or where a condition of a licence has been contravened, the licensing authority can serve a PCN on the employer.
2. An employer served with a PCN can make representations to the licensing authority if it considers that a PCN should not have been issued.
3. The licensing authority must consider the employer's representations and any supporting evidence and issue a decision either to cancel the PCN or reject the representations.
4. If the licensing authority rejects the representations, the employer has opportunity to appeal to the county court for a final decision.
5. Where an employer fails to pay a valid penalty charge within the relevant timeframe, the licensing authority may increase the charge payable by serving a charging certificate on the employer.

**Figure 4: Summary of WPL operations and enforcement process**



#### **4.6. Use of Revenue**

- 4.6.1. Revenue from WPL schemes must only be applied to relevant transport purposes that meet MTS policy objectives (Regs, Part 4, Reg 17; Sch 24, para 22). **The Mayor expects that WPL schemes should support established local priorities included in Local Implementation Plans and/or Local Plans.** WPL receipts can be applied directly to capital schemes and/or for ongoing revenue support, as long as the schemes to be funded are included in the relevant WPL revenue plans (Sch 24, paras 25, 26) and any financial risks are appropriately managed.
- 4.6.2. WPL schemes are intended as a demand management measure, reducing demand for private car use by imposing a charge, leading to mode shift. In addition, this mode shift effect of a WPL can be optimised by appropriate use of the revenue arising from the levy. There is likely to be a diversity of good uses for scheme revenue, ranging from large infrastructure projects to packages of smaller measures and even maintenance (as long as WPL scheme revenue is not used to substitute for other borough expenditure used for a similar purpose).
- 4.6.3. It is also important that a small proportion of revenue is dedicated to help liable employers to manage WPL scheme requirements and impacts as well as complementary measures such as support with travel planning.
- 4.6.4. The licensing authority must keep accounts of sums received from WPL and prepare an annual statement of accounts (Sch 24, para 21). An initial 10-year revenue plan and ongoing 4-year revenue plans must also be produced (Sch 24, paras 25, 26).

#### **4.7. Complementary Measures and Travel Demand Management**

- 4.7.1. WPL schemes can be made more effective as a mode shift tool by initiating other measures alongside it. This type of approach will also make schemes more acceptable and understandable. For example, workplace parking controls or management systems can be combined with public transport and/or walking and cycling promotion and incentives to make leaving the car at home easier for commuters.
- 4.7.2. The Mayor expects that complementary measures will form part of the WPL scheme package submitted for approval. TfL will provide support to local authorities developing these measures, including a Smart Commuting Toolkit for business.

#### **4.8. Preparatory Measures**

- 4.8.1. Boroughs should consider what other preparatory measures are required before the implementation of a WPL scheme. These could include more on-street parking controls or charging, particularly around employment sites in residential

areas. An assessment should be made of likely problem areas and proposals developed accordingly.

- 4.8.2. The promoting authority should consult with neighbouring boroughs or councils as displaced parking may be a cross-boundary issue.
- 4.8.3. Boroughs should consult with TfL to make sure that public transport operators are prepared for patronage increases due to the introduction of a WPL scheme. If major public transport infrastructure is planned, temporary improvements to existing services may have to be provided until it is operational.

#### **4.9. Monitoring and evaluation**

- 4.9.1. It is important that monitoring and evaluation is considered prior to scheme implementation. The monitoring and evaluation methodology should be set out in the business case. It should clearly identify how the WPL scheme is expected to contribute to MTS objectives, and any stated local objectives, as well as what data will be collected to capture these objectives and the impacts of the scheme (including how and when this data will be collected from the base year onwards).
- 4.9.2. The annual licensing procedure provides a valuable opportunity to collect data from employers and undertake analysis. The annual licensing form could include questions on wider parking provision, on whether or not the levy is passed on to employees, whether travel plans have been brought in and what type of parking management is used at the workplace as well as relevant employer data such as the number of employees and sector.
- 4.9.3. This WPL data can then be related to other transport measures in the area, e.g. traffic levels and mode share, to enable consideration of the overall impacts of the scheme. It will be necessary to monitor the impacts of the whole scheme, including those of projects funded by the WPL revenue plans, as well as the impacts of the WPL taken by itself.
- 4.9.4. TfL will require monitoring data on WPL to be provided, for example in LIP annual reports or a similar format.



## **5. Consultation and engagement**

### **5.1. Introduction**

- 5.1.1. Informal and formal consultations are critical to the success of a WPL, and both of these stages are shown in the summary process at Appendix A. The Mayor will expect to see evidence of meaningful consultation and engagement provided in the documents submitted for approval (Sch 24, para 7(3)(a)). Boroughs will be expected to take account of the views of consultees in developing the details of the scheme.

### **5.2. Informal consultation and engagement**

- 5.2.1. The first step should be a pre-engagement stage with a wide range of stakeholders, in order to get their views and if possible, support, for the objectives and indicative proposals. These stakeholders will principally be employers, but also includes developers, interest groups, adjacent boroughs and councils and the wider public. This will also help identify issues that will better prepare a scheme going into public consultation.
- 5.2.2. This informal consultation stage may need to continue throughout the development of the WPL scheme and in parallel to the formal consultation stage. The development of the scheme will be an iterative process. It is critical to build understanding and ideally support from potentially affected businesses.
- 5.2.3. To help build the support needed, the proposals should be presented and promoted as an integrated transport improvement programme. This could be, for example, in a consultation on the Local Plan and associated transport interventions, with WPL just one element of the whole programme.
- 5.2.4. TfL can help by supporting meetings with employers or workshops with employers' groups or by facilitating meetings with more strategic bodies such as London First.
- 5.2.5. A communications and consultation strategy which has been agreed by the relevant sections of the borough should be put in place which sets out:
- aims and objectives - this should outline what the borough is ultimately trying to achieve;
  - key messages - this should highlight the transport benefits of the scheme and also identify sensitive issues such as the proposed discounts;
  - resources – this should explain what resources are needed and for what purpose; and
  - approach – this should set out the overall communications and consultation approach and how support will be built.

### **5.3. Formal consultation**

- 5.3.1. The formal consultation stage is required when the details of the WPL scheme are available, normally after the draft SO and business case have been prepared by the licensing authority. The formal stage should be a balanced

communication of the facts and assessments of the whole transport package including WPL.

5.3.2. As part of the formal consultation, the authority would be expected to publish:

- proposed transport programme that the WPL contributes to, and an explanation of how the WPL contributes to it (Sch 24, para 6);
- draft WPL SO (6.5.1, Appendix B);
- impact Assessments (equalities, economic, environmental, business and health) and regulatory assessment (if required);
- option identification and appraisal in two stages, firstly considering what funding mechanisms are available and why WPL is the preferred option (noting that it may be one funding stream among others) and secondly considering different WPL options (such as different boundaries, for example);
- approach to operations and enforcement (4.4,4.5); and
- proposed complementary and associated measures (4.5 and 4.6).

5.3.3. The published consultation materials should include justification for the main elements of the WPL scheme, including an appropriate consideration of sensitive issues such as the proposed discounts. Suitability for identified local circumstances will be a key consideration in assessing the scheme.

5.3.4. The Mayor will expect to see evidence of engagement with all stakeholders, especially employers, as well as formal consultation with the general public, which should be proportionate to the proposed WPL scheme. Existing good practice suggests a formal consultation period of around 12 weeks would be needed in most cases.

5.3.5. The Mayor will also expect to see a notice of the proposals to be published in at least one newspaper circulating in the Borough (Sch 24, para 7(3) (a), (da)).

5.3.6. A consultation report summarising these processes and providing further evidence that the promoting authority has taken note of objections, responded to them and included mitigations where appropriate must be submitted in the package of documents required for the Mayor's approval.

5.3.7. The Mayor will review this evidence and will consider whether to require amendments to the submitted scheme in the light of the consultation and engagement results (Sch 24, para 7(3)(d)).

5.3.8. A public inquiry will not normally be required if adequate evidence is provided that comprehensive and thorough public and employer consultation and engagement has been carried out (Sch 24, para 7(3)(b)) such that all relevant issues have been identified and carefully considered.

## 6. Assessment and Approvals

### 6.1. Introduction

- 6.1.1. This Guidance is the main source of information on WPL schemes in London. Additional information and advice is provided in the secondary guidance produced by TfL (principally in the 'Step by Step to developing WPL' diagram at Appendix A), which should also be consulted by interested boroughs. Over time more information will be added to the evidence base and made available by TfL.

### 6.2. Process overview

- 6.2.1. The process for preparation, submission and approval of WPL schemes is shown in summary in Appendix A.
- 6.2.2. TfL is keen that boroughs bring forward schemes that are appropriate and effective. Discussion should start at the earliest possible time and continue throughout the WPL scheme preparation period.
- 6.2.3. The documents required to enable the submitted schemes to be assessed are described below. Criteria to be used in assessing the schemes are also described.
- 6.2.4. Boroughs should submit evidence of Borough committee reports and records of decisions to evidence that all necessary Borough governance procedures to make the scheme order, in line with their standing orders, have been undertaken before submission to the Mayor for confirmation.
- 6.2.5. The Mayor has the responsibility for approval of both WPL schemes and revenue plans, while the SoS is also responsible for approving revenue plans. The Mayoral approval process will include referring the revenue plans to the SoS, so boroughs need only make one overarching submission (Sch 24, para 25).

### 6.3. Documents required in detail

- 6.3.1. **The scheme order** is a required legal document that sets out the details of the WPL scheme. It is the legal means by which WPL is implemented and is derived from Sch 24 and the Regulations. No WPL scheme can be applied without an approved SO (Sch 24, para 7). The promoting authority must submit an executed SO to the Mayor, which must be formally made by the promoting authority in accordance with its own constitutional requirements. This may be in the same form as the draft mentioned in para 5.3.2 or a different version changed as a result of consultation feedback. Where this is the case an explanatory note should be included explaining how and why the submitted scheme order differs from the draft.
- 6.3.2. **The business case** should contain justification, appraisals and assessments of alternatives considered in the WPL scheme development process. The Government's Green Book 5-case model should be followed, but with emphasis placed on the strategic and economic case.

- 6.3.3. **The consultation report** describes the engagement and consultation carried out, the results of that process and any changes proposed or carried out as a result of the consultation process.
- 6.3.4. **Revenue plans** should include a list of the items that WPL revenue is proposed to be spent on. This list should be justified in the business case. No WPL scheme revenue can be spent until the revenue plans are approved (Sch 24, para 29). The requirement is for:
- An initial 10-year general plan for applying the proceeds of the scheme over the opening 10-year period, to be approved by the Mayor and SoS (Sch 24, para 25). This should be attached to the scheme order (MSO, para 10 & Annex).
  - After the first year that the scheme is in force, and as long as it remains in force, four-year programmes of WPL expenditure should be submitted to and approved by the Mayor and SoS (Sch 24, para 26).
  - Separate revenue plans from relevant authorities should be submitted and approved if the revenue is to be shared between them (Sch 24, paras 27, 28).
- 6.3.5. All four-year plans can be amended or replaced after the variations or replacement plans have been approved by the Mayor and SoS (Sch 24, para 30).
- 6.3.6. The draft SO, revenue plans and business case will need to be prepared **before** the formal consultation stage. Conscientious consideration must be given to the responses to consultation and updates may accordingly be required as a result of consultation. The consultation report can only be completed and submitted **after** the formal consultation stage.

#### **6.4. Assessment of schemes**

- 6.4.1. In making a recommendation to the Mayor as to whether to approve a scheme, TfL will have regard to this guidance document. While accurate quantitative performance measures must be provided when possible, it is expected that the major part of the assessment will be qualitative and focussed on the strategic and economic case, including predicted impacts.
- 6.4.2. In order to gain Mayoral approval for a proposed scheme, the borough should provide evidence that:
- it contributes to the MTS and local transport strategies;
  - it has been successfully tested against other options and that scheme details such as charge rates and exemptions and discounts are properly justified;
  - there has been a good standard of consultation and engagement of key stakeholders including employers, and that points made have been taken into account;

- adequate revenue will be generated for the identified purposes, and financial risks are adequately managed;
- there has been a thorough assessment of the impacts of the proposed programme, including on equalities, business and economic impacts; and
- adequate governance and management arrangements are proposed.

## **6.5. Modifications**

- 6.5.1. All WPL Schemes must be submitted to the Mayor for confirmation. The Mayor has the power to reject a scheme or to confirm it with or without modifications (Sch 24, para 7). It is intended that by continued close engagement throughout the process, the need for substantial modifications can be minimised.
- 6.5.2. If the Mayor considers modifications necessary he will consult the promoting authority about those he is minded to make.

## **Glossary**

<b>Acronym</b>	<b>Definition</b>
WPL	Workplace Parking Levy
MTS	Mayor's Transport Strategy
TfL	Transport for London
SoS	Secretary of State for Transport
DfT	Department for Transport
LIP	Local Implementation Plan
Sch (...)	Schedule
SO	Scheme Order
MSO	Model Scheme Order
GLA	Greater London Authority
GLAA	Greater London Authority Act (1999)
EiP	Examination in Public
RPI	Retail Price Index
NHS	National Health Service
PCNs	Penalty Charge Notices
CBI	Confederation of British Industry
Pa	Per Annum

## **Appendix A: Step-by-Step diagram for developing a WPL**

Please see separate document

## **Appendix B: Model Scheme Order**

Please see separate document