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The Greater London Authority Bill: Transport Aspects

Bill 7 of 1998-99

Part IV of the *Greater London Authority Bill* covers transport and road traffic in and around Greater London. This paper is concerned only with that part of the Bill. Other aspects of the legislation are covered by Research Paper 98/115 *The Greater London Authority Bill: A Mayor and Assembly for London* and Research Paper 98/118 *Greater London Authority Bill: Electoral and Constitutional Aspects*.

The new-style Explanatory Notes to the Bill [Bill 7-EN] provide a very detailed description by DETR of the Bill's provisions.

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BUSINESS & TRANSPORT SECTION

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Summary of main points

The Greater London Authority Bill provides for the Greater London Authority (GLA), an elected mayor and the London Assembly. Part IV of the Bill concerns transport and road traffic in and around Greater London and this paper is concerned only with that part of the Bill.

The mayor will have a duty to produce an integrated transport strategy for London and will be able to fund new services, make investments and introduce new ticket systems. Transport for London (TfL) will be his executive arm and directly accountable to him. It will implement the mayor's transport strategy and oversee transport services on a day-to-day basis. The London Assembly will approve the integrated transport strategy and the transport budget, scrutinise the performance of TfL and the mayor, and be able to conduct wider investigations of transport issues. The London Transport Users Committee will be established to pursue complaints about transport in London. The boroughs will continue to deal with local transport issues and will retain most of their powers. They will have a duty to draw up local implementation plans to give effect to the mayor's transport strategy in their area.

Transport for London will be run by a board of between 8 and 15 members, appointed by the mayor. It will be chaired by the mayor or someone acting on his behalf. It will manage the Underground and the buses, and be responsible for road maintenance and traffic management on a network of roads to be known as the strategic London road network. It will regulate taxis and minicabs, help co-ordinate Dial-a-Ride and the Taxicard schemes and take over responsibility for traffic lights across London. According to the white paper on the governance of London, it will also manage the Croydon Tramlink and the Docklands Light Railway, and promote the river for passengers and freight. These last items are not part of the Bill, but are expected to be added during its passage through Parliament.

The Bill gives the secretary of state the power to make provisions in connection with the public private partnership for the London Underground, announced in March 1998.

Powers are included in the legislation to introduce road user charging and a levy on parking places, which will give the mayor tools for tackling congestion and air pollution. It will be for the mayor to decide whether the powers are used in London and the form the schemes will take. The extra revenue will be used for improvements to public transport or the management of traffic.

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***This section is provided by Graham Vidler, Social and General Statistics Section**

I Introduction

The Greater London Authority Bill was published on 2 December and the second reading is on Monday 14 December.¹ It provides for the Greater London Authority (GLA), an elected mayor and the London Assembly. It follows the white paper, *A Mayor and Assembly for London* published in March 1998² and the referendum on the 7 May when Londoners agreed to establish a new strategic authority for London, made up of a directly elected mayor and an Assembly, with new bodies responsible for transport and economic development. The previous year the government had published a consultation paper, *New Leadership for London*.³ Part IV of the *Greater London Authority Bill* concerns transport and road traffic in and around Greater London and this paper is concerned only with that part of the Bill.

The first elections for the mayor and assembly will take place in May 2000. London's tubes, buses, trains, traffic lights, taxis and river transport, will then fall within the control of a single institution. The mayor will be responsible for policy and all statutory duties will rest with him or her. He will have a duty to produce an integrated transport strategy for London. A new executive body, Transport for London (TfL), will replace London Regional Transport, which will be abolished. It will implement the mayor's transport strategy and oversee transport services on a day-to-day basis. The Assembly will approve the integrated transport strategy and the transport budget, scrutinise the performance of TfL and the mayor, and be able to conduct wider investigations of transport issues.

Powers are included in the legislation to introduce road user charging and a levy on parking places, which will give the mayor tools for tackling congestion and air pollution. The extra revenue can be used for improvements to public transport, which the government believe to be essential if there is to be a significant shift in transport use.⁴

Since the abolition of the Greater London Council (GLC) by the *Local Government Act 1985*, the arrangements for managing London's transport system have been very diverse. Central government, in the form of the Department of Environment, Transport and the Regions (DETR) and the Government Office for London, is responsible for setting overall strategy. It is also responsible for overseeing London Transport. The roads network is the responsibility of the Highways Agency, the 32 London boroughs and the Traffic Director for London. London Transport manages underground and bus services, overground trains are run by private sector operators and activities on the Thames are co-ordinated by the Port of London Authority.

¹ *The Greater London Authority Bill*, Bill 7 of 1998-99

² *A Mayor and Assembly for London: the Government's proposals for modernising the governance of London*, March 1998 Cm 3897

³ *New Leadership for London: the Government's proposals for a Greater London Authority. A consultation paper*, July 1997 Cm 3724

⁴ *A new deal for transport: better for everyone*, July 1998 Cm 3950 para 4.66

The GLA's strategy will encompass all modes of transport of strategic importance to London but this does not mean that it will necessarily have responsibility for them. Certain transport services and facilities in London have a national importance and will therefore remain the responsibility of central government. These include the airports, international rail links and the Port of London. Other areas will remain the responsibility of the London boroughs. The GLA will not become embroiled in genuinely local matters although it will have a supervisory role.

II The New Structure

A. Transport Functions of the Authority

The GLA has eight significant areas of responsibility, of which the development and management of an integrated transport system is one of the most important. At present there is no single body in overall charge of co-ordinating transport in London and the government see this as a serious obstacle to pursuing the integrated transport approach to which it is committed.

Statutory responsibility for policy lies with the mayor and he will be responsible for introduce an integrated transport strategy for London. The transport white paper points to various new arrangements for integration in London:⁵

- **Integrating transport:** the mayor will produce a transport strategy covering all modes of travel to, from and within London. Responsibility for underground, bus and strategic roads will be brought together;
- **Integration between transport and the environment:** the mayor will have a statutory duty to promote sustainable development, and specific environmental functions including the production of an air quality strategy for London, a duty to produce reports on London's contribution to national climate change targets, and powers and duties in relation to noise;
- **Integration of transport and land use planning:** the mayor will produce the spatial development strategy for London, covering all strategic land use planning issues, transport policy and provision, economic development and regeneration, housing, retail development, town centres, and protection and enhancement of the environment;

⁵ Op cit, Cm 3950 para 4.62

- **Integration with other policies:** the London Development Agency will be an arm of the GLA, enabling the mayor to integrate policies for economic development with transport and planning policies. With an overview of both transport and the Police Authority's strategy, the mayor will be able to develop the traffic policing needs of London.

The transport white paper states that the GLA will not assume responsibilities which can be discharged at local level.⁶ The London white paper states that it does not expect government to interfere unless the mayor's transport strategy is inconsistent with a published statement of national transport policy.⁷

The success of the GLA may to a large extent be judged by its ability to create a credible strategy for managing London's traffic so as to reduce congestion and pollution, to improve public transport to provide a better alternative, and to create better conditions for walking and cycling. This will involve effective measures to limit car use in some areas and a long-term investment programme to upgrade and extend the existing public transport system. The latter is needed to increase capacity and quality of service and to increase access to parts of London at present poorly served. It is likely that such a strategy will have to involve the introduction of new charges for employer provided car parking or for road use, with the revenue earmarked for funding investment. Unless the GLA is able to adopt a strategy of this kind, its establishment could create expectations which are bound to be frustrated.

The real issue is money. Given the tight limits on government spending it is clear that increased investment can only come from the private sector. The most likely candidates are some form of public private partnership for London Underground and revenue from parking charges (including a levy on company parking spaces) and road pricing. These are discussed in Part IV of this paper.

The Bill's Provisions:

Clause 122 gives the mayor a general duty to promote and encourage safe, integrated, efficient and economic transport facilities and services to, from and within London.

Clause 123 requires the mayor to prepare an integrated transport strategy for London setting out his proposals for fulfilling this duty, including those for people with mobility problems. The duty and the strategy will not be confined to those forms of transport for which the mayor will be directly responsible.

⁶ Op cit, Cm 3950 para 4.63

⁷ Op cit, Cm 3897 para 5.44

Clause 124 gives the secretary of state power to direct the mayor to change the transport strategy where the strategy would be inconsistent with national policy and have an adverse effect outside of Greater London.

The transport strategy will be subject to clauses 33 to 36 of the Bill, which make provision as to the general process by which all strategies will be prepared and published. These include provisions on timing and the need to have regard to available resources, and provisions on whom the mayor will be required to consult.

Clause 126 requires the London borough councils to prepare local plans ("local implementation plans" or LIP) setting out their own proposals on how they intend to put the transport strategy into effect. The councils are required to consult various bodies and must include a timetable for when they intend to implement the proposals in their plan. The mayor will have reserve powers to ensure that the councils implement the strategy.

Clause 127 provides that the mayor will have to approve each local plan, ensuring that they adequately implement the transport strategy. If the mayor considers that a Borough local plan is wholly or partly inconsistent with the transport strategy he will be able to ask a council to rewrite their LIP. **Clause 128** provides that if the council fails to do this or fails to produce a plan at all then the mayor will be able to either legally compel the council to write a plan according to his directions, or write it himself. If the mayor writes a plan himself then he must go through the same procedure as that applying to the council.

Clause 129 provides that once a plan has been approved the council must implement it according to the timetable in the plan.

Clause 130 provides that if the mayor considers that a council has not carried out any proposal in its local plan satisfactorily and according to the timetable in the plan, he will be able to exercise personally the appropriate powers of the council in order to fulfil the overall strategy.

Clause 131 provides that the mayor may give legally binding instructions to the councils on the manner in which they perform any of their duties as set out in clauses 126 to 129 of the Bill; i.e. provisions on the preparation, submission, re-submission and implementation

B. Transport for London (TfL)

The transport strategy will be implemented through a new executive body, Transport for London (TfL), directly accountable to the mayor. The mayor is to be responsible for arranging the general level and structure of fares to be charged on public transport provided or secured by TfL. He will also have to decide, in general terms, the routes to be served by TfL services and their frequency (**clause 134**).

TfL's role will be an executive one, implementing the mayor's transport strategy and running or managing a wide range of transport functions and services on a day-to-day basis. It will also advise the mayor on transport issues and be able to promote transport schemes across all modes. It will manage the mayor's relationship with the London boroughs, the Highways Agency, the rail industry and the Port of London Authority. Staff will work closely with their opposite members in other GLA bodies on issues such as policing, regeneration, planning and the environment.

TfL will be able to provide, or secure the provision of public passenger transport services in Greater London. In order to implement the transport strategy, TfL will have general powers similar to those in section 3 of the *London Regional Transport Act 1984*. It will be able to form, promote or assist companies, either by itself or with others. Such agreements can include arrangements for joint operation, ticketing and revenue pooling. It will also be able to make agreements for the carrying out of other activities for which TfL does not have specific powers. This is intended to facilitate private finance initiatives such as, for example, the Prestige ticketing project currently being undertaken by London Regional Transport (LRT) (**clause 135 and schedule 10**).

The structure of TfL is set out in schedule 8 of the Bill. It was summarised in the London white paper:⁸

5.19 TfL's board will be chaired either by the mayor, or by a person appointed by the mayor to act on his or her behalf. It will have between 8 and 15 members who will also be appointed by the mayor. ... Board members will be drawn from those with a range of relevant experience. They might include those with transport, financial and commercial expertise, experience of management or the organisation of labour, with experience of central or local government, users of transport, those with an understanding of transport's impact on the environment and on business. We attach great importance to the inclusion of women and members with an understanding of the particular transport concerns of those with mobility problems.

5.20 TfL's board will not include political representatives, whether local or national. It will be the role of the mayor to provide political and strategic direction. TfL will be accountable via the GLA to the London-wide electorate.

5.21 TfL may need to establish subordinate bodies to bring together its wide range of transport responsibilities. For example, (with the appropriate preparatory measures) it might wish to brigade together the responsibilities which it acquires from the Highways Agency (HA), the Traffic Director for London (TDFL) and the Traffic Control Systems Unit (TCSU) into a single body dealing with London roads. Alternatively, it may adopt a structure which is based more

⁸ Op cit, Cm 3897 paras 5.19-5.21

on functions (such as regulation, marketing and procurement) than on mode. Such longer-term organisational issues will be left to the mayor and TfL.

Respondents to the consultation backed the proposals for a single transport body, though there were different views on how it should be constituted. There was clear agreement that the GLA should set the policy and budget, and that a new transport body should focus on delivery. Some respondents argued for a transport board with representatives of the Assembly or boroughs, but the majority were in favour of an executive body.⁹

The Bill's proposals:

Clause 132 establishes TfL as a statutory corporate body and requires it to exercise its functions in accordance with guidance or directions given by the mayor in order to facilitate the general duty of the authority.

Schedule 8 sets out its constitution, composition and organisation.

Clause 133 provides that TfL's duty is to implement the mayor's transport strategy in the manner that the mayor instructs it to.

Clause 134 requires the mayor to arrange for the setting of the general level and structure of fares to be charged on public transport provided or secured by TfL. The mayor will also have to decide, in general terms, the routes to be served by TfL public transport services, and the frequency of those services.

Clause 135 provides that TfL will have general powers that it must exercise so as to implement the mayor's transport strategy. They are similar to the powers London Regional Transport currently has.

Schedule 9 sets out the operational powers with which TfL will implement the mayor's transport strategy. It will be able to provide services to carry passengers, luggage and goods by any form of land or water transport, to, from or within Greater London and to enter into agreements with others to provide such services. TfL will be able to provide incidental amenities and facilities for use by other parties and to charge for them.

Clause 136 provides that TfL and the Franchising Director will be under a duty to co-operate with each other over the co-ordination of TfL provided or secured services and franchised rail services overseen by the Franchising Director. TfL and the Franchising Director may enter into agreements with one another for that purpose.

⁹ Op cit, Cm 3897 para 5.9

Clause 138 of the Bill provides that Transport for London must prepare an annual report on their performance and submit it to the Assembly as soon as possible after the end of the financial year. This report is in addition to annual accounts.

Clause 139 provides that the GLA will be able to transfer the legal ownership of its property, rights and liabilities between itself, TfL and TfL's subsidiaries. This provides a relatively simple procedure for property transfer, avoiding the cost and time of the normal process of conveyancing.

Clause 140 provides that TfL cannot dispose of railway or tramway lines or stations, either through sale or long lease, without first seeking the consent of the secretary of state. That consent is to be given by means of an Order which is subject to the approval of both House of Parliament by negative resolution. The clause makes clear that all lines and stations are subject to this restriction, even when they are no longer used.

Clause 141 provides that the mayor and TfL will be placed under a duty to ensure that Transport for London and its subsidiaries and TfL do not do anything that they have no legal power to do, as set out in the Bill. The activities of any company are usually set out in the legal documents setting up the company (the Memorandum and Articles of Association). Those legal documents must not override the power set out in the Bill.

TfL's executive responsibilities will cover the present London Regional Transport Board, buses, taxis and minicabs, concessionary travel, river services and roads. These are dealt with in Part III of this paper.

The London white paper mentioned the government's intention to transfer the responsibility for three specific transport undertakings to TfL.¹⁰ There is currently no provision in the Bill for the transfer of the Croydon Tramlink, the Docklands Light Railway or the Woolwich ferry but it is intended to include this during the passage of the legislation.

Powers for the construction of the Croydon Tramlink were obtained under the *Croydon Tramlink Act 1994*. The scheme was jointly promoted by LRT and the London Borough of Croydon. LRT has signed a 99-year concession agreement with Tramtrack Croydon Ltd to build, operate and maintain Tramlink. The operation of the Docklands Light Railway (DLR) was franchised on 10 March 1997 to Docklands Railway Management Ltd, a consortium of Serco Group plc and a team of DLR managers. DLR is owned by Docklands Light Railway Ltd which was a wholly owned subsidiary of the London Docklands Development Corporation (LDDC). On 1 April 1998, following the winding up of the LDDC, ownership of DLR Ltd passed to the Secretary of State for Environment,

¹⁰ Op cit, Cm 3950 paras 5.23 and 5.32

Transport and the Regions. TfL will assume responsibility for DLR Ltd from 1 April 2000.¹¹

III Transferred Powers

A. London Regional Transport

London Regional Transport (LRT) was established as a public corporation in its present form by the *London Regional Transport Act 1984*. Its remit under the 1984 Act is to plan, provide or procure services to meet the present and future public passenger services of Greater London. In doing so LRT has a responsibility to ensure that the operation of its services are safe, economic and make provision for all passengers, including those with disabilities.

In 1994/95 LRT sold its ten remaining bus operating companies into the private sector. These companies together with other private bus companies, now run bus services under contract to LRT. LRT retains responsibility for running the Underground. LRT works with Railtrack, British Rail, Docklands Light Railway and the private bus companies to plan and co-ordinate London's public transport and to provide integrated ticketing and information for Underground, bus rail services. Among LRT's other responsibilities are the operation of Victoria Coach Station and the London Transport Museum.

The present LRT Board will be wound up under the powers in **clause 142** of the Bill. Its property, rights and liabilities will be transferred to TfL under **clause 143**. Under transitional arrangements set out in **clause 144** TfL is substituted for London Regional Transport in any legal contracts or legal proceedings. Any functions of the London Transport Executive, established under section 4 of the *Transport (London) Act 1969*, which are exercised by LRT by virtue of section 67(1) of the *London Regional Transport Act 1984* shall be exercisable by TfL. **Clause 145** substitutes TfL for LRT in any Local or Personal Acts. The *London Regional Transport Act 1984* is repealed under **clause 275** and **schedule 21** of the Bill.

B. Bus Services

Buses in London are presently governed by the *London Regional Transport Act 1984*, which transferred responsibility for the bus network from the GLC to London Regional Transport. A government statement of November 1993 deferred the previously intended

¹¹ DETR press release 18 November 1998 no 979

deregulation of buses in London, although privatisation of the bus operating subsidiaries of London Transport proceeded.¹² This was in contrast to the rest of the country where the *Transport Act 1985* deregulated and privatised the buses. London has retained a regulated regime and all services are secured by London Transport, through its division LT Buses, from private operators following competitive tendering. Local bus service contracts currently placed by LT and the commercial agreements made by LT with operators will be continued by TfL.¹³

Unlike the rest of the country, London has seen a steady increase in passengers carried every year since 1993. There are 1.2 billion bus passenger journeys in London, which represents nearly 30 per cent of all local bus services throughout Great Britain. Some 20,000 people are employed by the private sector bus companies in direct operating, engineering and support for the 5,500 bus network. The role of LT Buses, in addition to securing services from private operators, is to determine the level and structure of fares to be charged, to determine the general structure of bus routes and their frequency of operation, to provide and maintain the infrastructure (17,00 bus stops, 9,000 shelters, 40 bus stations), to promote customer information and develop technology and to ensure operators deliver safe, reliable and clean buses. It currently employs 640 staff.

Improvements in bus use are threatened by the increased congestion in the capital. Policies being implemented to help solve this are the London Bus Priority Network and stricter enforcement of bus lanes.

TfL will take over from London Regional Transport responsibility for London's bus services. Under **clauses 146-148** it will decide which local services are required for the purpose of providing "safe, integrated, efficient and economic" transport services in Greater London and will plan the detailed pattern of bus services, which will be known as the "London bus network". Only TfL, its subsidiary or someone with an agreement with TfL may provide a service on the network. The government believes the present arrangements for bus services work well but TfL will be able to develop and improve the arrangements.¹⁴

TfL will also take over responsibility for Victoria Coach Station and responsibility for services operated under London Local Service Licences (LLSLs) such as the round London sightseeing tours and certain commuter services. These licences are currently issued by the Traffic Commissioner under the *Transport Act 1985* rather than the *London Regional Transport Act 1984*.

¹² Department of Transport press notice 8 November 1993

¹³ More detail about the privatisation and deregulation of buses outside London is given in the Library's Research Paper 95/57 *Deregulation of Buses*, April 1995

¹⁴ Op cit, Cm 3897 para 5.23

The Government Office for London issued a consultation paper in September 1998 describing the proposals for the LSSLs:¹⁵

18. The authorisation of these services will be undertaken by TfL in the following way. The current licence will be replaced by an authorisation. It is envisaged that applications would be made to TfL for permission to operate a "London Local Service" according to the meaning ascribed in section 34 of *the Transport Act 1985* (which would encompass the types of service currently provided under a LLSL). Broadly speaking, the same information will be required as for an application for a LLSL, and in particular the requirements regarding PSV operators' licence will remain. For some types of service less detail may suffice, but in certain cases additional details may be needed.

19. However, procedures will differ to the extent that the mayor will decide whether to authorise the service in accordance with criteria on which he or she will consult and then publish in a guidance document. The government does not intend to anticipate such criteria. It is important for the mayor to have discretion to decide these in the light of the integrated transport strategy for London and other policies.

20. The mayor may decide to develop a range of criteria against which to judge applications for different types of service. The sort of factors might include: passenger needs; suitability for inclusion in the London bus network; distance run into Greater London, suitability of stopping places and traffic effects of the service. Environmental factors and accessibility are likely to be important and the Mayor will certainly want to take account of the views of third parties such as the police and local authorities.

21. Before publishing the guidance document, the mayor will have to consult publicly on the criteria against which applications will be judged. The mayor will also have to consult publicly if he or she wishes to make changes to the criteria.

22. As is the case currently for LLSLs, it will be necessary for the mayor to set fees to recover costs properly incurred in administering the new arrangements. The mayor's proposals for fees will also be subject to public consultation before they are set.

23. The process of considering applications and issuing authorisations will be handled by TfL. The presumption will, as now, be that authorisation shall not unreasonably be withheld. But, in the event of TfL deciding not to grant an authorisation, it will be obliged to give the applicant the reasons, which must be in accordance with the published guidance. If the applicant is not satisfied with this response he or she may ask the mayor to review the decision.

¹⁵ Government Office for London *Proposals to bring services operating under LLSLs within the responsibility of the GLA: a consultation document*, September 1998

Clauses 152-157 cover these services. The mayor will be expected to produce, within 12 months of the establishment of the GLA, a strategy for commuter coaches, tourist coaches and sightseeing tours, as part of the integrated transport strategy for London. Local service applications will be considered by reference to this criteria. Transitional arrangements are provided for the first 12 months, after which the new system will apply. Arrangements are set out for the issue of permits, the conditions under which it is held and the appeal procedure.

C. Rail Services

London's train companies serve not only the Travelcard zones and the commuter belt but a wide area beyond. Commuter rail services are provided by 16 different train operating companies over infrastructure owned by Railtrack. These franchises are controlled by the Office of Passenger Rail Franchising (OPRAF) under the eye of the Rail Regulator.¹⁶ As a result of this rather complex structure, the role of TfL will need to be balanced with the wider objectives of the proposed Strategic Rail Authority (SRA) to be set up in 1999 and which will take over OPRAF's functions. The underground network extends in places beyond the Greater London boundary and the new arrangements need to reflect the public private partnership envisaged by the government for the Underground.

In **clauses 163-166** the government is proposing a balance of powers in which OPRAF – or its successor, the SRA – would retain overall control of the south east network with the mayor having new powers to fund improvements to services, investments (including investments related to providing better passenger information) and ticketing in London. Specifically, TfL will be able to:¹⁷

- issue guidance to OPRAF regarding franchises within London;
- secure the provision of new passenger services to be operated in London;
- promote or fund new network improvements, as well as investment in new stations or improvements to existing ones;
- require operators to participate in new multi-modal ticketing arrangements or concessionary travel schemes; and
- ensure TfL is consulted on timetable decisions to ensure that bus, rail and tube services can be planned to complement each other.

OPRAF would not, however, be bound to accept guidance that would have an adverse impact beyond London or would result in additional financial liability to the taxpayer. TfL will be able to exercise powers inherited from London Transport to ensure

¹⁶ More detail of the structure of the rail industry is given in Library Research Paper 95/96 *Rail privatisation: a progress report* and Research Paper 97/71 *The privatised railway*

¹⁷ Op cit, Cm 3897 paras 5.26-5.28

consistency between rail, underground and bus services, in terms of Travelcard fares and ticketing, marketing and passenger information. TfL will also have the power to oppose rail schemes that it thinks are contrary to the mayor's integrated transport strategy and other policies, or to the interests of Londoners.

D. Public-Private Partnership Agreements

The Labour government's commitment to adhere to the previous government's spending plans for two years meant that the future funding needs of the Underground had to be given special consideration. In July 1997 the government appointed Price Waterhouse to provide financial advice on a range of possible public-private partnerships (PPPs) for the London Underground and to report by October 1997. The advisers' work was to be carried out within the framework set out in the Labour election manifesto, which rejected the wholesale privatisation of the Underground.¹⁸

In a written answer in November 1997 the Minister for Transport in London listed the options which were being considered by Price Waterhouse:¹⁹

- Debt funding with public ownership
- Partnership structures which could involve a trust
- A joint venture concession or partial sale of the business, or a full concession
- Operational structures which could involve (a) single business (b) vertically integrated line businesses or (c) separating infrastructure from operations

The deputy Prime Minister, John Prescott, announced the government's plans for the future of London Underground on 20 March 1998.²⁰ He said that the proposed solution had three main elements: operation in the public sector, infrastructure investment in a public-private partnership and extra investment now. He explained that London Underground will remain as a unified public sector operating company and will own the freehold of the system, be responsible for safety and for employing the train drivers, station staff and line and network controllers. It will let between one, two and three infrastructure contracts to the private sector to maintain and modernise the underground's infrastructure. The infrastructure contractors will be under an obligation to eliminate the investment backlog and there will be a performance regime with incentives and stiff penalties. The aim is that the assets will be returned to the public sector at the end of the contract in a much improved condition. The public-private partnership was expected to deliver £7 billion of investment over 15 years. The target date for awarding new contracts is April 2000.

¹⁸ Labour Party *New Labour because Britain deserves better*, April 1997 page 29

¹⁹ HC Deb 3 November 1998 c 67W

²⁰ HC Deb 20 March 1998 cc 1139-1556

Although most staff will remain employees of London Underground, staff who currently work on the procurement, installation and maintenance of hardware - track, signalling, escalators and rolling stock - will transfer with their work to the contractors. This will be subject to detailed negotiation but John Prescott said that he had written to each member of staff assuring them that their employment rights covering pay, hours, union recognition would be protected under the new structure. They will be entitled to remain in the Underground pension scheme and to benefit from concessionary travel.²¹

The Transport sub-Committee of the Environment, Transport and Regional Affairs Select Committee conducted an inquiry into the government's plans and how they would work in practice.²²

It appeared to the Select Committee that Treasury rules had forced the adoption of the particular form of PPP selected, which was "rather a convoluted compromise", when other financial solutions might have been more cost-effective. It believed that the government would have to demonstrate clearly that the PPP represented the best deal for passengers and taxpayers. The DETR should therefore publish its estimates of the costs of the PPP, compared to the costs of the alternatives, i.e. direct subsidy to an integrated public sector operator, full privatisation, allowing the Underground to raise its own funds on the market while remaining in the public sector, or hypothecation of revenues from alternative methods of raising finance (such as a tax on employers).

The Select Committee was "seriously concerned" that in the event of a gap between the income from fares and the payments to the contractor(s), the mayor/GLA might be under pressure to raise fares or reduce service levels. The shortfall could arise from failure to achieve anticipated efficiency improvements, from delays to projects, or from a fall in passenger journeys during a recession. It was considered essential to provide a method for bridging any funding gap that might occur. The Select Committee believed that in view of the benefits conferred by the Underground on non-users as well as users, any additional costs should not fall solely on passengers.

It believed that the GLA should have access to additional revenue for spending on public transport from new hypothecated sources of transport-related taxation within the GLA area. The process should be transparent and the hypothecation must be total. In order to clarify the position on funding, the Select Committee believed that the government should make known at an early stage whether it would make its own money available in the event of a funding gap. The Committee recommended that the government should set minimum passenger service levels, and cap fare increases. Any reductions in staff should not be at the expense of lower safety standards or the quality of service offered to the passenger.

²¹ Library Deposited Paper No 3/6283, 20 March 1998

²² Environment, Transport and Regional Affairs Select Committee *London Underground*, 7th report 1997-98, 8 July 1998 HC 715-I

The Government's response to the Select Committee was published in October 1998.²³ It referred to plans to allow the GLA access to hypothecated sources of transport-related taxation from road user charging and a levy on parking places. These powers are considered in Part IV of this paper.

The *London Regional Transport Act 1996* gave LRT wide powers to enter into agreements under the previous government's Private Finance Initiative (PFI). John Prescott in his statement on the Underground said that LRT already had extensive powers to let contracts of the kind proposed in his PPP for London Underground but that if any additional powers were considered necessary they would be included in the legislation needed to set up the GLA.

The government has decided that there are a number of legislative changes which may be desirable in order to implement the PPP for London Underground in the most effective way and ensure value for money. Such changes are contained in **Clause 167** of the Bill which empowers the Secretary of State to make regulations in connection with PPP agreements. Clause 167 also introduces **Schedule 10** of the Bill which makes further provision for the arrangements the Secretary of State may include in regulations relating to PPP agreements.

There are also provisions for different parts of the legislation to commence at different times so that any PPP agreements may be completed before the transfer of London Underground to TfL.

E. Concessionary Fares and Transport for the Disabled

1. Concessionary Fares

The existing London Concessionary Travel Scheme is operated under section 50 of the *London Regional Transport Act 1984*. The 32 London boroughs and the City of London may between them unanimously agree a scheme or concessionary fares for elderly, blind and disabled people, to be operated by London Transport on their behalf. The transport operators are then be reimbursed by the local authorities. Unanimous agreement to continue the voluntary scheme for each financial year must be reached by 31 December of the previous year. If unanimous agreement is not reached the Act provides for the secretary of state to enforce a scheme on the boroughs.

The London scheme provides a standard concession for the elderly, blind and disabled people across the 33 boroughs, with the costs of the single scheme being charged back to

²³ DETR *The Government's Response to the Report on London Underground of the Environment, Transport and Regional Affairs Committee*, October 1998 Cm 4093

each of the boroughs under an agreed formula, based on the number of permits issued to the residents of each borough. The scheme provides free travel for passholders on bus, underground and the DLR services. The London scheme of free travel was extended to the London area services of British Rail in April 1995 in lieu of the previous half fare. Child concessions are not included in the legislation and are provided on a commercial basis by London Transport.

Changes in the definition of the elderly people covered by the legislation was changed in 1995. The state pension age for men and women is to be gradually equalised and the women's pension age will reach 65 by the year 2020. The change will start in 2010 and be phased in over the following 10 years. The link between concessionary fares and the state pension age is to continue and the travel concession legislation was amended to follow the changes in the state pension age by section 126 (c) and schedule 4 paragraphs 9 and 10 of the *Pensions Act 1995*. This redefines those who are eligible as "persons who have attained pensionable age."

Responsibility for concessionary fares will remain with the boroughs under the Bill. **Clause 168** establishes a similar scheme to the existing one. It provides the secretary of state with powers to make regulations for the provision of travel concessions for elderly, blind and disabled people. It permits the regulations to authorise local authorities to make voluntary arrangements with TfL and other transport operators, but it also enables the secretary of state to require the London local authorities to meet the cost of providing travel concessions where they have not agreed arrangements to do so.

2. Disabled Persons

Dial-a-Ride provides door-to-door transport, usually in specially adapted minibuses or cars, for people unable to use public transport. The London service was originally a small borough based operation, run and financed by individual boroughs. When the GLC was disbanded in 1985, the funding was taken over by central government and its administration by London Transport. The necessary legislation to do this was contained in the *Transport Act 1985*. London Transport owns all the assets, such as the vehicles and the computer system although the operation and management are divided between six independent regional companies. There are now about 60,000 disabled people registered with the service and about one million trips are made a year.

The Taxicard scheme is organised by a number of London boroughs and allows members to make local taxi trips for a much reduced fare.

Following a review of door-to-door transport services in London, the government considered these services should be rationalised.²⁴ **Clause 169** provides that the secretary of state may make regulations empowering the GLA or TfL to provide, secure the

²⁴ Op cit, Cm 3897 para 5.30

provision of, or fund transport facilities for disabled residents. The intention is to give TfL responsibility for Dial-a-Ride (currently the responsibility of LRT) when it is established and arrangements for Taxicard will be decided later in consultation with the London boroughs.

F. Penalty Fares

London Transport is empowered to charge penalty fares on their services under the *London Regional Transport (Penalty Fares) Act 1992*. This was brought into force on the London Underground on 3 April 1994 by the *London Regional Transport (Penalty Fares) Act 1992 (Activating No.1) Order 1994*. The penalty fare scheme came into force on London buses on 30 April 1995 under the *London Regional Transport (Penalty Fares) Act 1992 (Activating No. 2) Order 1995*.

Under section 5 (1) of the 1992 Act a person travelling without a ticket or authority to travel is liable to pay a penalty fare. Subject to subsection (2) of the Act, "if a person travelling on a train service fails to produce a fare ticket or a general travel authority on being required to do so by an authorised person, he shall be liable to pay a penalty fare if required to do so by an authorised person." Exceptions are made for those travelling from stations where there are no facilities for the sale of the necessary ticket or for those travelling on through services where there were no facilities for the sale of the necessary ticket.

The operation of the penalty fares scheme on the Underground has been very controversial because of London Transport's inflexibility on appeals, particularly in relation to forgotten season tickets. This is in contrast to the policy adopted by some train operating companies who allow a certain amount of discretion in relation to forgotten or lost season tickets. The 1992 Act is clear in that it does not require London Transport to prove intent to defraud but simply requires the passenger to produce a valid ticket when asked to do so.

Discussions have been going on between London Transport, the London Regional Passenger Committee (LRPC) and the Government Office for London to establish revised criteria for assessing appeals against penalty fares. London Transport has already implemented changes to a number of criteria where it has been persuaded that its former arrangements were not legally sound. For example, they now accept that any 'behind the barrier' interchange from a TOC to the Underground cannot require passengers to re-book if a through ticket was not available at the start of the TOC journey. Once all the revised criteria have been agreed the issues of final appeals and publicity will be addressed.

Clause 170 allows the secretary of state to make regulations for the TfL to inherit LRT's ability to levy penalty fares. It specifically mentions the circumstances in which they are imposed and the amount charged.

G. Consumer Committee

1. The London Regional Passengers Committee (LRPC)

The LRPC is a statutory body set up to consider complaints and suggestions from passengers and make recommendations about public transport services in the London region. It acts as a passenger 'watchdog' on London Transport, the train and station operating companies, Heathrow Express and Eurostar in and around London but not on the Highways Agency. Following the change in ownership of the Docklands Light Railway the Committee has also entered into a voluntary agreement to represent the interests of the users of that railway. The Committee is independent of any transport organisation and is sponsored by the Government Office for London. Members are appointed by the Minister of Transport in London and do not represent any specific body but must represent all users of public transport in London.

In law the LRPC has certain duties, a few rights but no powers except in relation to certain administrative functions.²⁵ The LRPC was established under the *London Regional Transport Act 1984* (the 1984 Act). Its remit and duties were altered by the *Railways Act 1993* to reflect new arrangements for providing railway services in Great Britain. The remit has been extended by the *Channel Tunnel Rail Link Act 1995*, the *Heathrow Express Railway Act 1991* and the *Croydon Tramlink Act 1994*. If London Transport or Docklands Light Railway, or the Franchising Director proposes to close a passenger station of line within the Committee's geographical area, the Committee is required by law to consider any objections which are raised, and to report on any hardship that would be caused if the proposals were put into effect. The Committee's rights are outlined in the Acts of 1984 and 1993, as mentioned above. Section 2(9) of the 1993 Act makes the Committee one of the area Committees of the Central Rail Users Consultative Committee (CRUCC). Under section 30 of the 1984 Act the LRPC has a right to be consulted about the contents of the statements that LT is required to produce about their plans for the general level of transport services to be provided and fares to be charged for these services.

Section 36 of the *Transport Act 1985* requires LT to consult the LRPC about proposed new local bus services which are wholly or in part in London and similarly to consult the Committee before withdrawing such services.

2. London Transport Users Committee (LTUC)

As the delivery of transport is brought under the integrated umbrella of TfL so the form of user representation will change. The LRPC will be replaced by a new consumer committee to be called the London Transport Users' Committee (LTUC). At present transport users

²⁵ Schedule 3 to the 1984 Act, as amended, gives power to the Committee to conduct its own business such as being able to appoint its own staff and determine its own procedures

dissatisfied with the responses they have received from service providers have to turn to the LRPC for rail, bus and tube services and the Highways Agency's adjudicator for complaints about trunk roads in London. The remit of the new body is to be widened to include assistance with any complaint about transport in London including those at present dealt with by the Highways Agency's adjudicator. The proposed change in remit stemmed from the government's desire to promote an integrated transport policy with a consumer body representing the interests of the users of all modes of transport. The LRPC was concerned about the remit of the new committee in relation to roads, fearing that it would weaken the Committee's role as the voice for users of public transport. The Bill carries out the intentions of the white paper, except there is a specific exclusion of freight in LTUC's remit. **Clause 173 (4)**, which provides that where a representation is made to the Committee relating to a highway for which TfL is the highway authority and the traffic authority, the Committee in making its recommendation shall consider "the interests of all those who use the highway for the purposes of passenger transport including cyclists and pedestrians."

Clause 171 of the Bill provides for the abolition of the LRPC by repeal of section 40 of the *London Regional Transport Act 1984*. The LTUC is established under **clause 172**. The Committee is to consist of a chairman and not more than 24 other members (there are up to 30 members of the LRPC). There had been a proposal for a minimum membership of 14 but this appears to have been dropped. It was expected that there would be a requirement imposed on the Assembly to appoint at least one member to represent the views of people with disabilities. However the requirements in **clause 172(3)** merely specify that, in appointing members, the Assembly should have regard "to the desirability of ensuring that the members of the committee between them represent the interests of those who use passenger services and facilities in Greater London." The LRPC was anxious that the independence of the committee should be maintained. **Clause 172(4)** excludes any member or staff of the Assembly or TfL from appointment to the LTUC.

Schedule 11 of the Bill provides for the appointment of officers of the LTUC and the constitution and procedure of the Committee. Meetings of the Committee shall be open to the public in the same way as are meetings of the LRPC.

LTUC is substituted for LRPC in the *Railways Act 1993* as the Rail User's Consultative Committee for Greater London.

H. Taxis and Minicabs

Overall responsibility for London taxis (i.e. the black cabs) lies with the Secretary of State for Transport.²⁶ He sets fare levels and approves fees for driver and vehicle licences directly. Delegated authority for day to day licensing operations rests with the assistant commissioner

²⁶ The *London Cab Order 1934*, SI 1934 No 1346

of police of the metropolitan police district and he in turn delegates most of the day-to-day licensing work to the Public Carriage Office (PCO), a civilian branch of the metropolitan police

Vehicles for use as taxis in London have to satisfy the metropolitan conditions of fitness laid down by the assistant commissioner. Taxi owners, including owner-drivers, are licensed. The PCO has a duty to ensure it grants licences only to people who are "fit and proper" to drive a taxi. If a proprietor is deemed unsuitable, his taxi(s) will not be licensed. The majority of taxi drivers in London own their vehicles although there are some owners of fleets of 10 taxis or more. The PCO carries out a criminal record check on proprietors, and an applicant has to be of sound financial standing.

Clause 176 transfers the powers of both the assistant commissioner of police and the secretary of state (except for his power to make regulations) to TfL.

Minicabs in London are subject to different legislation. Indeed at present they are not subject to any controls at all but next year, when the *Private Hire Vehicles (London) Act 1998* is implemented, they will be subject to a new system of regulation. Minicab operators, drivers and vehicles will then all have to be licensed. The secretary of state is the licensing authority but ministers told Parliament during the progress of the bill that the day to day licensing function would be carried out by the PCO. Licensing of minicab operators is likely to start in 1999 with drivers and vehicles following soon after, probably in 2000.

Clause 177 transfers the responsibilities of the secretary of state under this legislation, except for his power to make regulations, to TfL.

I. Roads

The GLA will acquire responsibility for a strategic London road network. At present London's strategic road network is formally defined in RPG3.²⁷ This strategic network comprises motorways, primary routes and red routes. The white paper made clear it would introduce three categories of road within London: national motorways managed by the Highways Agency; a Strategic London Road Network (SLRN) managed by the GLA and all other roads which will be the responsibility of the boroughs.²⁸ All trunk roads in London would be part of the SLRN with the exception of those sections of the national motorway network within Greater London - M1, M4, M11 and M25. The presumption is that the SLRN should be based on the network of primary routes, which have green direction signs, and the priority red routes (discussed below). The government has

²⁷ *Regional Planning Guidance 3 - Strategic Planning Guidance for London Planning Authorities 1995*

²⁸ *Op cit*, Cm 3897 para. 5.34

consulted on which borough roads should be part of the SLRN.²⁹ The consultation document set out possible additions to and deletions from the base network and the Minister hopes to announce the final SLRN in January 1999. The most likely additions to the SLRN are important bus routes and river crossings.

The GLA will act as both the highway authority, exercising the powers currently undertaken by the Highways Agency, and the traffic authority for these roads. For example it will decide what road and junction improvements are needed and will be responsible for maintaining roads and strengthening bridges and implementing red route measures. This will end the current arrangements under which there is dual jurisdiction over many key London roads, shared by the Highways Agency and the borough.

1. Red Routes and the London Bus Priority Network

Cecil Parkinson, then secretary of state for Transport, announced proposals for easing traffic congestion in London on 14 December 1989.³⁰ These proposals included a 300-mile priority route system or "red routes". Enabling legislation was included in the *Road Traffic Act 1991*. It provided for the Secretary of State to designate a network of priority routes and appoint a Traffic Director for London to co-ordinate their implementation and operation.

The aim of the network was to enable people and goods to reach their destinations in London more easily and safely, to provide special help to improve the movement of buses, to reduce the impact of congestion and to improve the local environment. On these routes stopping, loading and unloading are severely restricted. The routes are being introduced progressively with the complete network expected to be operational in the year 2000.

The London bus priority network (LBPN) has been initiated and driven by all the London boroughs and London Transport combining together to produce a package of bus measures on defined routes throughout the London areas to give priority to public transport. The network comprises 500 miles of bus priority routes to be installed over 5 to 10 years. Measures to enable bus traffic to move more easily include dedicated bus lanes, bus boarders, bus bypass lanes, new traffic signals, junction improvements and new waiting and loading restrictions.

2. Traffic enforcement

The benefits of red routes and bus priority measures can only be secured if they are properly enforced. The transport white paper confirms that current enforcement levels are often inadequate, much of the revenue is concentrated in a few localities and many enforcement regimes struggle to balance traffic management priorities with a need to pay their own way. The white paper states that the government may examine the need for further powers to redistribute parking surpluses (see Part IV section B) amongst boroughs

²⁹ Government Office for London *Proposals for a Strategic London Road Network*, June 1998

³⁰ HC Deb 14 December 1989 c 1184

in order to help fund effective enforcement action in areas where it might not otherwise break even financially.³¹

The provisions in relation to roads and traffic are contained in **clauses 178-190** of the Bill.

J. Parking

The *Road Traffic Act 1991* made significant changes to the law on parking. All permitted parking in London was removed from the criminal law and made a civil matter. A local authority can set up a Special Parking Area (SPA) where it decides what to do about parking, administers the scheme and keeps all the income from it. In these areas offences involving the contravention of waiting restrictions indicated by yellow lines, and other offences are decriminalised and replaced by a system of penalty charges similar to that used for designated parking places. There is guidance from central government, but the responsibility for the scheme rests with the local authority. The new arrangements came into force in London on 4 July 1994 and all the London boroughs have now introduced SPAs.³²

The 1991 Act imposed a duty on the local authorities to set up a joint committee to deal with adjudication (section 73) and additional parking charges (i.e. penalty charges, charges for removal, storage and disposal of vehicles and charges for removing wheel clamps) (section 74). **Clause 191** substitutes a new section 74 to take account of TfL's responsibilities for red routes and the GLA roads. TfL will set the additional charges on its roads and the boroughs will set them for the roads under their control. They will continue to act through the joint committee they set up in 1991. The charges may vary between different areas. The secretary of state has to approve the levels of parking charges proposed.

Clause 192 allows the TfL to apply for an Order to decriminalise parking on the GLA roads. At present the boroughs can decriminalise parking in their areas except on the 5 per cent of London roads now under the Traffic Director. These will become the responsibility of the GLA under this legislation. At present the police and traffic wardens are responsible for policing these roads. Clause 192 allows flexibility in the future so that either the present arrangements can continue or different ones can be made. The offences covered are the same as those covered in the 1991 Act.

These clauses on parking give the secretary of state rather more power than in the rest of the Bill. In most areas he only has a reserve power but in these clauses he has to approve

³¹ Op cit, Cm 3950 para.5.37

³² More information is given in Part IV B

the arrangements. This may change in committee. The constraints of time have meant that the Home Office, who has an interest in this area, has not had time to consider the clauses.

K. School Crossing Patrols and Parking Attendants

1. School crossing patrols

School crossings are the responsibility of the local authorities outside London and of the metropolitan police in London. They are empowered to establish school crossing patrols under section 26 of the *Road Traffic Regulation Act 1984*. This section sets out the general powers, such as the hours during which crossing patrols may be provided and the requirement for training of the person patrolling. Section 28 empowers the school crossing patrol to stop vehicles providing that he/she is wearing a uniform approved by the Secretary of State and is carrying a sign specified under the *Traffic Sign Regulations and General Directions 1994*.³³

The Department of Transport issued a consultation paper on various aspects of road traffic regulation law on 8 August 1996.³⁴ This included a proposal to remove various anomalies in the law covering school crossing patrols, including the transfer of responsibility for school crossing patrols in the metropolitan police area to the local traffic authorities. **Clause 194** implements this and makes them the responsibility of the relevant local borough.

The government announced on 21 May 1998 that it would remove the current restrictions on the hours during which school crossing patrols could operate. It also said it would consult on allowing crossing patrols to be provided at any location the local traffic authority considered it desirable to do so in order to help pedestrians to cross the road.³⁵ These proposals are not included in the legislation.

2. Parking attendants

Parking attendants are appointed by a local authority and have far more limited powers than traffic wardens. Under section 63A of the *Road Traffic Regulation Act 1984* (inserted by the *Road Traffic Act 1991*) local authorities can appoint parking attendants to supervise parking places. There is also the possibility of them being responsible for other functions as specified in other legislation but only in relation to stationary vehicles. The legislation states that parking attendants in central London will wear a uniform specified by the secretary of state. **Clause 195** transfers this to the GLA.

³³ SI 1994 No 1519

³⁴ Department of Transport *Review of Road Traffic Regulation Law*, August 1996

³⁵ DETR press notice 21 May 1998 "Strang calls for safer travel to school"

IV New Charges and Levies

The Bill includes enabling powers for the mayor and London boroughs to introduce road user charging and a levy on workplace parking. It will be for the mayor to decide whether and how the powers will be used in London.

A. Road User Charging

1. Road Pricing

The idea of road pricing first surfaced in the early 1960s. New car registrations - only half a million in 1958 - jumped in 1963 to more than one million (today they are about 2 million). Traffic in the big cities was chaotic. Ernest Marples, then the Transport Minister, appointed two working parties to find solutions. One led to Sir Colin Buchanan's report *Traffic in Towns* which for the first time counted the environmental cost of the use of cars.³⁶ The second, much less known, was Dr. Reuben Smeed's report, *Road Pricing: the economic and technical possibilities*.³⁷ Smeed argued that if drivers were charged for the delays they imposed on one another, some of them would travel at different times, by different means or to different places - and that time wasted in traffic jams would be reduced. The Department of Transport accepted the argument and awarded contracts to firms to develop electronics which would identify cars passing through buried toll gates. However the first test of road pricing which eventually took place in 1975 was not in Britain, but in Singapore where it has continued to be used ever since. The next area to experiment with road pricing was Hong Kong in 1985. An experiment conducted there was a technical success but it was not permanently introduced as the elected representatives feared that the records, logged by a central computer, would be a threat to the privacy and freedom of drivers. These sort of arguments led to the UK government rejecting the idea of road pricing in 1990.³⁸ In a speech in June that year, Cecil Parkinson said the theoretical attractions of charging motorists for congestion were considerable but the practical problems - of fairness, of technology and of enforcement - he saw as "mind-boggling".³⁹

The theoretical case for road pricing derives from the rationale that the users of roads, like the users of any other valuable and limited resource, should pay all the costs arising from their use. Only then will the decisions on whether, when, where and how to travel be made correctly. Road users are currently charged for the right to use roads (e.g. by paying VED)

³⁶ Ministry of Transport *Traffic in Towns*, HMSO November 1963

³⁷ Ministry of Transport *Road Pricing: the economic and technical possibilities*, HMSO 1964

³⁸ PQ HC Deb 23 January 1990 cc 616-7W

³⁹ Department of Transport press notice 11 June 1990

but not on the degree to which they use them. Congestion costs money and a road pricing system which assesses congestion can ensure those who contribute to it, pay for it.

The practical reasons for introducing road pricing are that it offers a way of financing investment in public transport and a means of deterring people from driving in urban areas.

The privacy concerns have largely disappeared. The main objections now put forward to road pricing are that it is unfair and impractical. Rich drivers are bound to find changes less burdensome than poor drivers. On the other hand, only 20 per cent of the poorest quarter of households own a car compared with 93 per cent of the richest. Road pricing, by improving traffic flow, ought to improve the efficiency of bus services which are used disproportionately by the low paid.

Road pricing can be designed to control the overall level of traffic in an area. In Singapore, the system concentrated on reducing traffic in the central area at congested times. This resulted in around 40 per cent reduction in car trips inside the area (in conjunction with tighter parking controls and better public transport) but congestion and pollution increased on the ring road. In other situations road pricing has been used primarily as a revenue raising tool with no desire to reduce traffic levels significantly. The Norwegian "toll rings" in Bergen, Oslo and Trondheim fall into this latter category.⁴⁰

Concern as to whether road pricing is technically feasible now seem to be misplaced. Experience overseas would seem to show that road pricing is practicable. A possible system for this country is based on electronic road pricing. This relies on some form of automatic vehicle identification, or detection of roadside charging points by vehicle-borne equipment. As a suitably equipped vehicle passes a charging point the fact is registered and a charge is made. Either roadside equipment records the event for later billing or it causes a device in the vehicle to make a charge by incrementing a meter for subsequent reading, or by subtracting value from a stored card which must later be replenished. Any system has to be capable of handling automatically large flows of moving traffic and of processing cashless transactions. There must be no record of individuals' journeys as this is seen as an unacceptable intrusion into people's lives.

Various studies, in London, Bristol, Cambridge and Edinburgh for example, have been made both of the technical possibilities and the likely revenue that might be raised by the introduction of road pricing in individual cities. These studies have considered alternative systems of charging, the availability of suitable technology, options for implementation, the likely impact on travel patterns and distributional issues. A study into congestion charging in London was commissioned by the Government Office for London and published in 1995.⁴¹ It was estimated that a charge of £8 for each inbound journey in central London would reduce traffic there by 22 per cent and raise £465

⁴⁰ Lewis, Nigel *Road pricing: theory and practice*, 1994

⁴¹ MVA Consultancy *The London Charging Research Programme*, HMSO 1995

million a year. A £2 charge would achieve a third of the reduction in traffic and would raise £160 million. The studies of Cambridge and York suggested that a reduction in traffic of 15 per cent would be achievable.⁴²

A practical experiment took place in Leicester in 1997-98.⁴³ The Leicester Environmental Road Tolling Scheme (LERTS) tested the responses of 100 volunteer drivers to different levels of charge for entering Leicester along the A47 corridor. If the volunteer drivers preferred not to pay the charge, they had the option of switching to the new park and ride service linked to the city centre by a comprehensive bus priority system. Volunteers, who had been given a travel budget, had their vehicles fitted with an on-board unit that enabled payments to be deducted automatically from a smartcard "electronic wallet" as they drove past roadside radio beacons. The smartcard could also be used to purchase park and ride tickets. The LERTS project was a collaboration between the DETR, Leicester City Council and Leicestershire County Council. According to early reports, motorists are prepared to pay an extra £4 a day rather than use public transport. A daily charge would have to be as high as £6 to deter motorists from entering the city centre.⁴⁴ The final report should be published in the near future.

The Conservative government considered introducing urban road pricing but following the 1995 report into congestion charging in London, it concluded that there was no accurate or proven technology existing for such a system and as a result it decided not to introduce it. In its 1996 green paper, *The Way Forward*, it explained:⁴⁵

This work has significantly advanced knowledge of the advantages and disadvantages of charging. It confirmed the potential benefits, specifically the potential congestion charging offered to bring about a significant reduction in traffic levels in the charged area, with consequent improvements in journey speeds and reliability and reductions in emission levels. But it also identified a number of complex issues, relating primarily to administration and enforcement, that need to be addressed before congestion charging could be a realistic policy option. The government concluded on that basis that a congestion charging scheme could not be implemented this century, but that work could continue on the subject. Further research and development is in progress, in partnership with interested local authorities.

Much depends on the precise circumstances of any policy but on balance congestion charging, in combination with the removal of non-residential parking spaces, is the means currently favoured by transport professionals to permanently decrease the amount of traffic entering a town. It can also produce very high revenues. It may be politically difficult as people tend to resent being charged for something previously free. For road

⁴² Royal Commission on Environmental Pollution *Transport and the Environment-developments since 1994*, 20th report September 1997 Cm 3752 para 6.32

⁴³ DETR press notice 4 August 1997 "Urban road project goes live"

⁴⁴ *Times* 29 December 1997 "Charges fail to price drivers off the road"

⁴⁵ Department of Transport *The Way Forward* 1996

pricing to be acceptable, significant improvements in public transport are likely to be required as a precondition.⁴⁶ A crucial question is who will keep the revenue stream. In the past hypothecation seems to have been strongly opposed but John Prescott, with his proposals, appears to have overcome the Treasury's usual concerns.

2. The Government's Proposals

The government had promised to introduce legislation to allow local authorities to charge road users in the transport white paper:⁴⁷

4.94 But experience has shown that improving public transport and related traffic management measures whilst necessary are not sufficient in many cases. We will therefore introduce legislation to allow local authorities to charge road users so as to reduce congestion, as part of a package of measures in a local transport plan that would include improving public transport. The use of revenues to benefit transport serving the area where charges apply, which in many cases will mean supporting projects in more than one local authority area, will be critical to the success of such schemes.

4.95 Carefully designed schemes should reduce traffic mileage and emissions, bringing significant improvements in air quality, reducing noise and greenhouse gas emissions and relieving congestion. This will benefit pedestrians, cyclists and public transport, including more reliable and quicker bus services and more reliable delivery times for freight. Less congestion also means shorter and more reliable journey times for those who continue to drive. Charging will provide a guaranteed income stream to improve transport and support the renaissance of our towns and cities. The availability of a revenue stream will also open up the scope for greater involvement of the private sector working in partnership with local authorities.

4.96 In rural areas, road user charging is most likely to be used where there are significant problems caused by very high levels of seasonal traffic, for example, in tourist areas such as the National Parks. We would welcome proposals for such initiatives to provide the basis for pilot schemes in rural areas.

4.97 Primary legislation will be needed. Subject to that being in place, we will then work with local authorities and other interested organisations on a number of pilot schemes individually approved by the Secretary of State (in Scotland, by the Scottish Executive). The effects of these schemes will be monitored and used to inform the design of future schemes.

The government issued a consultation paper, *Breaking the Logjam*, on congestion charging and workplace parking generally in December 1998. It outlines the new powers that will be

⁴⁶ Colis, Hugh *Road Pricing – Bristol Case Study*, Paper presented at conference on Urban Congestion, 10 July 1997

⁴⁷ Op cit, Cm 3950 paras 4.92-4.99

needed by local authorities if they are to raise money from these sources and asks for views on how the schemes can be put into place.⁴⁸ Responses are requested by 31 March 1999.

The consultation paper sets out the government's proposals for primary legislation and seeks views on issues likely to be covered in secondary legislation and guidance, such as possible limits to the size of the charges imposed, exemptions from charges and preferential rates, penalties for non-compliance and procedures for appeals. It promised that the pilot local authorities could keep 100 per cent of net revenues to spend on improving local transport, provided they had worthwhile projects.

John Prescott has emphasised that his proposals are not anti-car, whereas congestion is, and pollution can be a killer. He saw that a fair price charging system could have a number of benefits:⁴⁹

- cutting congestion on the roads so it is easier and quicker to make essential journeys;
- fighting pollution by improving the environment and attacking the rise in respiratory illnesses made worse by vehicle fumes;
- pumping money into improved local transport;
- ring fencing money raised by transport so it is spent on transport ; and
- cutting the costs to business when goods and people get stuck in traffic.

Once the consultation period is over the government will work with the local authorities interested in taking part in the initial pilot phase. The government will help them draw up charging schemes tailored to local transport objectives. These will then be ready to be put into practice once the necessary legislation is passed.

At about the same time as the consultation paper was published, the *Greater London Authority Bill* was published. It provided for the introduction of road user charging schemes in London.

Clause 200 of the Bill provides for the secretary of state to make regulations enabling the GLA to introduce road user charging across all or part of London. Details of the possible scheme are set out in **schedule 13**. A charging system may be made if it appears necessary:

- To relieve or prevent traffic congestion; or
- To secure the safe and convenient movement of traffic (including pedestrians) in the area.

Schemes will be implemented and operated by TfL. Individual boroughs may introduce charging but will need the agreement of the mayor. It will be for the mayor to decide on the

⁴⁸ DETR *Breaking the logjam; the government's consultation paper on fighting traffic congestion and pollution through road user and workplace parking charges*, December 1998

⁴⁹ DETR press notice 8 December 1998 "Breaking the logjam"

system to be introduced, the area to be covered, the times it will apply, the vehicles effected and the charges to be imposed. The consent of the secretary of state will be needed to ensure that the actions of the mayor are consistent with national policy and do not have unacceptable impacts beyond London's boundary, as well as on the proposed use of the proceeds. The government will also have the power to approve any in-vehicle or roadside equipment, including enforcement cameras, which might be used, on the grounds that a London scheme could set the standard for the rest of the country.

Road user charges can generate substantial revenue streams. **Paragraph 15 of schedule 13** sets out how the net proceeds of a scheme can be distributed. The proceeds may be paid to the secretary of state, to the GLA or to TfL or kept by the borough. The charging authority may apply the proceeds to specified purposes or can exclude certain purposes. The "charging authority" (i.e. the mayor or the borough) and the GLA and TfL may only use their share of the net proceeds for "purposes relating to the provision of public transport or the management of traffic". Any sums received by the secretary of state under the regulations will be paid into the consolidated fund. John Prescott has emphasised in interviews that all the money will be ringfenced and will be spent on transport.⁵⁰ There is nothing in the legislation, however, to prevent the Treasury from clawing back the money. Paragraph 15 is reproduced here in full:

15.–(1) The regulations may make provision for and in connection with the application of the net proceeds of a charging authority's charging schemes.

(2) The Provision that may be made by virtue of sub-paragraph (1) above includes provision–

(a) requiring a charging authority to pay a prescribed portion of the net proceeds–

(i) to the Secretary of State;

(ii) to the Authority; or

(iii) to Transport for London for the use of Transport for London;

(b) requiring a charging authority to apply the whole, or a prescribed part, of the remainder of the net proceeds (its "share of the net proceeds") for prescribed purposes; or

(c) prohibiting the application by a charging authority of its share of the net proceeds for a prescribed purpose or for any purpose other than a prescribed purpose;

(d) requiring the approval of the mayor before any of a charging authority's share of the net proceeds of a borough scheme is applied.

(3) The regulations may–

⁵⁰ For example, BBC Today programme 7 December 1998

- (a) require a charging scheme to state the purposes for which the charging authority's share of the net proceeds is to be applied, or
- (b) prohibit the application of the charging authority's share of the net proceeds for any purpose other than a purpose approved by the Secretary of State.

(4) The only purposes for which—

- (a) a charging authority may apply its share of the net proceeds of a charging scheme, or
- (b) the Authority or Transport for London may apply any sums paid to them under the regulations by a London borough council,

are purposes relating to the provision of public transport or the management of traffic.

(5) Any sums received by the Secretary of State under the regulations or charging scheme shall be paid into the Consolidated Fund.

B. Parking Charges

1. Existing Controls on Parking

Controls on parking are at present perhaps the most important tool available to local authorities to control traffic congestion, since the availability of parking spaces and the cost of parking to the motorist can have a major influence on the level of traffic entering a town. A report by the TRL considered five options for reducing car trips to city centres: halving public transport fares, raising fuel costs by 50 per cent, doubling parking charges, halving the number of parking spaces, and applying a central area cordon charge.⁵¹ The models predicted that the resultant decrease in car use would be 20 per cent if the number of parking places was halved. This compared with a decrease of between one and two per cent if fares were halved, 2 to 3 per cent if a cordon charge was applied or parking charges doubled, and 4 to 6 per cent if fuel prices rose.

Following changes in the law in 1991, local authorities are now able to be responsible for enforcing on street parking with their own parking controls and so parking policy can become part of a wider traffic management policy. They are also able to use any surplus money from the parking account on other transport projects.

⁵¹ Dasgupta M, Oldfield R, Sharman K and Webster V *Impact of Transport Policies in Five Cities*, TRL report 107 1994

The principal idea behind the *Road Traffic Act 1991* was to give local authorities, initially only in London, complete responsibility for all "permitted" parking. They would decide what to do, administer the scheme and keep all the income from it. There would be guidance from central government, but the responsibility for the schemes would rest with the local authorities. They are able to keep the fees from parking meters, charges associated with wheel clamping and vehicle removal, and the money from the new penalty charge notices. Penalty charges are ultimately enforceable through the civil courts as a civil debt. The new arrangements came into force in London on 4 July 1994 when most parking offences were decriminalised and enforcement became the responsibility of the local authority. On 11 May 1995, it was announced that local authorities outside London could now apply to take over parking enforcement from the police.

The government did not consider that it would be appropriate to allow local authorities responsibility to take on "prohibited" parking. This was still subject to criminal sanctions so it was felt that its enforcement should continue to be the responsibility of the police. The powers of the police appointed traffic wardens were extended so they could take responsibility for enforcing the law on endorsable offences (as long as the vehicle is stationary) as well as the non-endorsable as previously. The money from penalties associated with this group of offences continues to go to central government.

Controls cannot at present be imposed on private, non-residential parking (e.g. parking by employees, shoppers in private spaces) which typically accounts for 40 to 60 per cent of all town centre parking spaces.

Where there is little private, non-residential parking and through traffic can be controlled, parking controls can be effective in reducing car use. This in turn reduces congestion, environmental impact and accidents. Performance will depend very much, however, on the way in which controls are applied. Simply reducing space may merely increase the amount of time spent searching for parking space, which may have adverse impacts on congestion. Controls are generally inexpensive to implement, but usually require continuing expenditure on enforcement if they are to be effective.

2. Taxing Company Parking

The provision of free parking by an employer to an employee as part of their remuneration was chargeable to tax up until 1988. In cases where a car park was owned by an employer, and its use made available to a large number of employees, the measure of the benefit was taken to be the annual value of the space (either the rent paid by the employer, or, where the land was owned, its annual rateable value). The annual value to any one individual of a parking space was often negligible in practice, with the result that the benefit was *de minimis* and not charged to tax.⁵² In his Budget Speech of that year the then Chancellor, Nigel

⁵² HL Deb 16 June 1986 cc 588-589

Lawson, noted a growing tendency on the part of employers to give benefits-in-kind, and that the taxation of the considerable numbers of persons now given free parking "threatens to become an administrative nightmare." He proposed that this particular benefit be exempted from tax altogether.⁵³ When debated in Standing Committee, the then Paymaster General, Peter Brooke, explained the rationale for this move in more detail:⁵⁴

The essence of the clause is that it is an administrative nightmare to tax the benefit that is derived from car parking spaces. It is difficult to quantify the value of the car parking space on an individual basis. The value assigned to each parking space would derive from the difficult exercise of apportionment of the rental value, or the rateable value, of the entire business premises. Many car parks are operated on a first-come, first-served basis, so space is not always available, and many employees do not bring their cars to work every day. Even under the existing arrangements, if a car is there for business purposes it is not taxable. Moreover, the amounts involved would be quite small in terms of what would be realised. It would be expensive on employers in terms of compliance costs, and it would not be an effective tax because of the expense of collection. I suspect that some employees would give up their spaces and park on the streets, to the detriment of traffic movement ... The benefit of car parking is provided throughout the income scale, and many people on modest incomes receive it ... For all those reasons, I urge my hon. Friends to support the clause.

The measure was adopted. Since then, the possibility of taxing parking has been raised in the press and the matter was also discussed by the Transport Select Committee, when it examined the issue of urban road pricing. In its final report, the Committee noted that taxing parking spaces was one way, among several, to restrict or deter vehicle use in town, but it did not recommend its use, simply noting that it had been abandoned in the past because of its complexity.⁵⁵

3. Private Non-residential Parking

The availability of convenient, guaranteed, free or cheap parking is a major factor influencing people's decision to drive to work. Even the harshest controls on public parking will have little effect on this and may simply result in an increase in traffic driving through the area.

A recent study of parking control strategies, based on Bristol, found that a package of measures based on a reduction of 12.5% in private non-residential parking could reduce morning peak hour traffic by between 7% and 12%.⁵⁶ Taxing or charging for private non-residential parking is relevant to the success of parking policies. For controls over parking

⁵³ HC Deb 15 March 1988 c 1009

⁵⁴ *Finance Bill* Standing Committee A, 14 June 1988 c 410

⁵⁵ Select Committee on Transport *Urban Road Pricing*, 22 March 1995 HC 104-I 1994-95 p xxx

⁵⁶ Reported in the transport white paper Cm 3950

to be fully effective there needs to be some form of control over existing PNR parking. It is estimated that there are three million parking spaces at commercial premises in the UK.⁵⁷

The sort of problems which need to be addressed in this area are:

- the need for clear objectives for the charge, particularly the balance between revenue raising and traffic restraint;
- the need for local authorities to introduce complementary on-street parking controls where there is a possibility of displacement from existing workplace car parks;
- the amount of the levy in city centres if there is to be any deterrent effect;
- the need for strong regional guidance on the amount of the levy to avoid problems of competing city centres;
- the need for effective enforcement by the local authorities, including the right to enter private property for this purpose;
- the question of whether an employee would be taxed as receiving a benefit in kind if the employer paid the workplace parking levy.

4. The Government 's Proposals

The government announced in its transport white paper that it would introduce legislation to enable local authorities to levy a new charge (not a tax) on non-residential workplace parking:⁵⁸

4.105 Employees driving to work and enjoying free parking at the workplace account for a significant proportion of peak hour congestion. Controlling the price and availability of parking has been known by research to be capable of reducing traffic in an area. Local authorities determine the price and availability of public parking, on and off the highway. But they have little control over existing parking spaces at private business premises. They can use their development control powers to limit the amount of parking associated with new development but, in the past, development was allowed with extensive parking provision, considerably in excess of the standards advocated in current Government guidance.

4.106 We believe that new measures are needed to tackle excessive workplace parking provision at existing developments so local authorities can develop comprehensive parking management policies that support their transport and development plans.

4.107 We will introduce legislation to enable local authorities to levy a new parking charge on workplace parking. This charge would not apply to residential parking, i.e. parking at or outside the home. We propose that owners or occupiers of business premises would apply for a licence to allow a certain number of

⁵⁷ Tindale, Stephen and Holtham, Gerald *Green Tax Reform*, IPPR 1996 p 85

⁵⁸ Op cit, 1998 Cm 3950 paras 4.105-4.112

vehicles to be parked on site, The aim is to reduce the amount of parking available as a means of reducing car journeys and increasing use of public transport, walking and cycling. As with road user charging, a vital element in the effectiveness of the policy will be the use made of the proceeds to improve transport choice locally. That expenditure may have to take place in more than one local authority area.

4.108 We propose to legislate to enable the parking charge to apply to all types of private non-residential workplace parking, although we will consult on whether there should be any national exemptions (e.g. for emergency vehicles and Orange Badge holders). There are strong arguments for workplace parking charges to be levied in all types of location, whether in the town centre or at out of town sites, in order to be consistent with our planning policy, particularly on the revitalisation of towns and cities, by influencing individual's travel choice and businesses' location choice.

4.109 As with congestion charging, subject to the necessary legislation being in place, we will work with local authorities in developing pilot schemes, individually approved by the Secretary of State (in Scotland, by the Scottish Executive). The effects will then be monitored so that detailed guidance can be developed for further schemes. We will consult further on the details of how the new workplace parking scheme would operate in practice, the implications for local government finance arrangements and for particular sectors of society, including disabled people. We envisage that Regional Planning Guidance would set out the regional framework within which local authorities would be able to exercise discretion on the specific application of the powers to reflect local circumstances. Local authorities would set out their proposals for use of these powers in the local transport plan, showing how a parking charge would support the implementation of their development plan.

The consultation paper, *Breaking the logjam*, published on 8 December, set out the government's proposals for primary legislation necessary to introduce a levy on workplace parking. It described the likely scope of the levy as follows:⁵⁹

6.4 The Government proposes that only parking associated with the workplace should initially be subject to the levy. The most serious congestion problems in most towns and cities are associated with peak period commuting, and car use is influenced by the availability of convenient and free or relatively cheap workplace parking. The aim of the levy is to reduce the amount of free workplace car parking available as a means of reducing car journeys and promoting greater use of alternative modes. The parking in question would be for all who are at their workplace, whether or not they are direct employees of the building's occupier. Examples include consultants and contractors, students at educational establishments, Councillors and, at the Palace of Westminster, Members of both Houses of Parliament.

⁵⁹ Op cit, *Breaking the logjam*

6.5 The Government proposes that the levy should apply to:

- all parking at categories of property where parking provision is predominantly for use by those at their workplace (as described above) such as parking at offices, factories, warehouses and educational establishments;
- parking for workers at buildings where workplace parking is a minority of total on-site parking – such as parking at retail outlets, leisure centres, hospitals and so on.

6.6 The Government takes the view that at types of premises where, by their nature, parking can be expected to be predominantly for use by those at their workplace, the levy will have to apply to visitor parking as well as workplace parking. This is because of practical difficulties in distinguishing between the two categories. In any case, exemptions for certain types of user and vehicle, and the possibility of applying the levy only above a threshold (which are discussed later as issues for consultation), would present an opportunity for removing some visitor parking from the scope of levy.

6.7 The Government is aware that non-workplace parking – e.g. customer parking at retail and leisure facilities – can contribute to local congestion, both in town centres and in other areas. This is particularly so for larger retail and leisure developments although, unlike commuting journeys, the effects are not usually concentrated in peak periods. Over-generous provision of parking for customers and visitors can have other undesirable effects, such as encouraging car-dependent development on edge-of-town and out-of-town sites. However, the Government is not yet persuaded that a levy on non-workplace parking would be the most effective way of addressing the issue of changing customer travel patterns.

6.10 The Government is aware that imposing a levy on workplace parking and not other types of private non-residential (PNR) parking could encourage diversion to PNR parking which is not subject to a levy. Imposing a levy on workplace parking would, for example, encourage commuters to park at local retail outlets where the levy would not apply. The Government would expect authorities to consider this displacement effect, and to encourage owners of premises not subject to the levy to take measures to ensure that parking at their sites was used only by those for whom it was intended.

6.11 The Government is also aware of the need to prevent the introduction of a workplace parking levy from simply displacing parking on to the streets or to public off-street car parks. It takes the view that the introduction of a levy will require traffic authorities to introduce complementary restraint measures. For instance, many authorities might need to introduce new or strengthened on-street parking restrictions, and these will need credible levels of enforcement. The Government feels that this would require authorities that had not already done so to take up responsibility for on-street parking enforcement. The adequacy of on-street controls and enforcement arrangements would be a key consideration in the Secretary of State's decision whether or not to confirm an order.

6.12 Where an authority charges for on-street and off-street parking, the Government feels that tariffs will need to be raised to ensure that they are consistent with the charges imposed by the levy so that the levy does not simply result in displacement to cheaper parking. Other options would be to reduce the number of public off-street parking places, or change their availability to favour short stay rather than long stay parking. Arrangements for publicly and privately owned public off-street car parking are discussed as an issue for consultation.

Clause 201 and schedule 14 of the *Greater London Authority Bill* introduce the primary legislation for charging for company parking in London. The mayor, acting for the GLA, and individual boroughs will be able to bring forward proposals for parking levies in their areas. The mayor will have the power to approve a borough scheme with or without modification, or to reject it. He will also have the power to arrange for the boroughs to operate a GLA workplace parking levy scheme on his or her behalf. Schemes would be operated by TfL on behalf of the GLA. It will not be possible for a mayor's scheme and a borough scheme for a workplace parking levy to operate simultaneously in the same area although the proceeds from a single scheme could be distributed between them by agreement.

As the mayor will have the maximum possible discretion in developing and implementing a transport strategy for London, the secretary of state's consent will only be needed to ensure that his actions are consistent with national policy objectives and do not have an adverse effect outside London; and on the proposed use of the proceeds.

Again, the government expects that a substantial proportion of the proceeds from any borough workplace parking levy scheme would need to be given to the GLA to fund improvements to public transport.⁶⁰ **Paragraph 20 of schedule 14** on the retention of net proceeds, is worded in a similar way to paragraph 15, schedule 13 on road user charging (see the previous section).

5. The Palace of Westminster

Clause 201 and schedule 14 refer to the licensing of persons who provide "controlled parking places". This is the provision of parking places by an employer for himself or his employees while attending work. The Palace of Westminster is referred to in **schedule 14 paragraph 25** and is explicitly included in the definition in paragraph 3. Vehicles used by Members, Officers of both Houses, staff of both Houses and Members' staff are all included. However, because of the particular position of the Palace of Westminster the legislation goes on to state that no offence can be committed and no penalty charge notice be issued in relation to parking in the Palace.

⁶⁰ Ibid, para 6.40

It will be up to the mayor or the borough of Westminster to introduce a scheme in the Westminster area. The intention is that the Palace of Westminster will obtain a licence in the normal way and will be charged as any other business. The local authority will not, however, be able to enforce the legislation if the Palace authorities were to decide not to comply.

V Funding

The government wishes to simplify the funding arrangements for transport. Transport funding in London will come from two sources. A portion of the GLA's resources will be earmarked for transport and the mayor will have a degree of flexibility in deciding how much of the GLA's general revenues to spend on transport. In allocating the transport budget, the mayor will have the freedom to set his own spending priorities. Those resources from government which are earmarked for transport will be paid in the form of a single block grant, which will include those grants currently given to borough capital projects under the Transport Policies and Programmes (TPP) system. The mayor will be free to spend this grant on all aspects of transport in London for which he is responsible. The government will not set separate budgets for the different transport modes, for the mayor and borough expenditure, or for capital and current expenditure. The mayor will be expected to accommodate capital investment schemes within the budget available and will not require the government's approval for these.⁶¹

Clause 86 provides for the secretary of state to pay to the Authority a grant which draws together existing streams of funding for transport in London: the GLA Transport Grant. This is to be an annual grant, payable in instalments. The amount of the grant will be determined after consultation by the secretary of state with the mayor.

Sub-section (2) of **clause 86** makes clear that this grant is paid for the purposes of TfL, which include both the services it runs itself and the support it will provide to London borough councils. **Clause 88(1)** compels the mayor to pay GLA Transport Grant received from the Assembly specifically for TfL, directly to TfL. The grant is thus not available to the mayor for spending on other purposes or for allocation to another functional body.

⁶¹ Op cit, Cm 3897 para 5.45

VI Some Statistics on Transport in London

This section looks briefly at some key elements of transport in London. It is provided by [Graham Vidler, Social and General Statistics Section]

A. London's Transport Infrastructure

London has 40 miles of motorway, 1,100 miles of trunk and principal roads and 7,300 miles of local roads⁶². Londoners own 2.4 million cars and 0.3 million vehicles of other types, although levels of ownership are lower than in the rest of Great Britain; 61% of London households own a car, compared with 70% nationally⁶³. There are 267 London Underground stations servicing 243 route miles⁶⁴. There are 939 stations along 2,263 miles of suburban mainline railway. The Docklands Light Railway has 26 stations along 14 route miles⁶⁵. The buses run 213 million miles each year and carry 4 million people every working day⁶⁶. London's six airports⁶⁷ handled 820,000 air transport movements (take-offs and landings) and 95 million passengers in 1997⁶⁸.

B. Travel to Work in London

London has a population of just over 7 million⁶⁹ and provides employment for over 3½ million people who either live in London or commute from outside its boundaries. 1 million people work in central London⁷⁰, a further 1 million in the rest of inner London, and around 1½ million in outer London. Table 1 illustrates the modes of travel used by people travelling to workplaces in London. For those working in central London, public transport accounts for 76% of journeys; elsewhere the car dominates, accounting for 44% of journeys to workplaces in the rest of inner London and 70% of journeys to outer London.

⁶² DETR *Focus on Roads*

⁶³ DETR *Transport Statistics for London 1997*

⁶⁴ London Transport (<http://www.londontransport.co.uk/>)

⁶⁵ Docklands Light Railway (<http://www.dlr.co.uk/>)

⁶⁶ London Transport *Annual Report 1997/98*

⁶⁷ CAA figures for "London airports" cover Heathrow, Gatwick, Stansted, Luton, London City and Southend.

⁶⁸ CAA *UK Airports: Annual statement of movements, passengers and cargo 1997*

⁶⁹ ONS *Population Trends 93* (mid-1996 estimate)

⁷⁰ An area bounded by a line drawn between London's rail termini; essentially the Circle Line extended south to include Waterloo.

Table 1

People Working in London^(a): Main Mode of Travel to Work
Autumn 1997

	Car, Van		Bicycle	Bus or coach	Train	Tube	Walk	Total
	etc	Motorbike etc						
Central London	16%	2%	2%	8%	39%	29%	4%	100%
Rest of Inner London	44%	2%	4%	11%	12%	17%	9%	100%
Outer London	70%	1%	2%	10%	3%	3%	10%	100%
Greater London	47%	1%	3%	10%	16%	14%	8%	100%

a) Excludes those working at home or with no stated workplace.

Source: ONS *Labour Force Survey* (September-November 1997) via Quantime

The greatest concentration of commuters is the 1 million people who enter central London during the morning peak (7-10am). The number of people entering central London at this time fluctuates slightly with the economic cycle, but has been commuters has been close to 1 million for the past forty years, peaking at just over 1.2 million in 1962 and falling below 1 million only between 1992 and 1995. A combination of the GLC's "fares fair" policy and the introduction of Travelcards meant that both underground trains and BR trains increased their share of these journeys during the 1980s, and they have maintained this share since. Between them they account for 75% of journeys into central London during the am peak (compared with 68% in 1978), buses and coaches account for 9% (13% in 1978) and cars 15% (16% in 1978)⁷¹.

C. Londoners' Travel

Table 2 looks at the overall travel patterns of people living in London, now and ten years ago. On average, each London resident⁷² spends 394 hours travelling 4,962 miles on 1,005 journeys⁷³ each year. Private cars account for 46% of journeys, 66% of distance and 44% of travelling time. Journeys, distance and travel time have all fallen for London residents over the past ten years. This is in contrast to the situation in Great Britain as a whole where the average person now travels 24% more distance per year than ten years ago. Londoners make fewer journeys than people living elsewhere in Great Britain, cover less distance, yet spend more time travelling.

⁷¹ All figures in this paragraph, source: DETR/DOT *Transport Statistics for London 1997, 1988*

⁷² Including both adults and children.

⁷³ Journeys of less than 50 metres are excluded.

Table 2

London Residents: Personal Travel
1985/86 and 1994/96

	Journeys per person per year			Distance per person per year			Journey time per person per year		
	<i>number</i>			<i>miles</i>			<i>hours</i>		
	1985/86	1994/96	Change	1985/86	1994/96	Change	1985/86	1994/96	Change
Bus and Coach	105	98	-7%	418	361	-14%	65	57	-12%
London Underground	46	46	0%	314	347	11%	37	36	-3%
Surface Rail	30	27	-10%	470	493	5%	32	32	0%
Taxi/Minicab	9	13	44%	37	56	51%	3	4	33%
Car/Van	455	464	2%	3,343	3,282	-2%	172	172	0%
Motorcycle	8	4	-50%	48	33	-31%	3	2	-33%
Bicycle	21	13	-38%	45	31	-31%	6	4	-33%
Walk	366	334	-9%	281	239	-15%	86	80	-7%
Other	7	7	0%	108	120	11%	5	6	20%
Total	1,047	1,005	-4%	5,064	4,962	-2%	409	394	-4%

Source: National Travel Survey, reproduced in DETR *Transport Statistics for London 1997*

D. Traffic Speeds and Journey Times

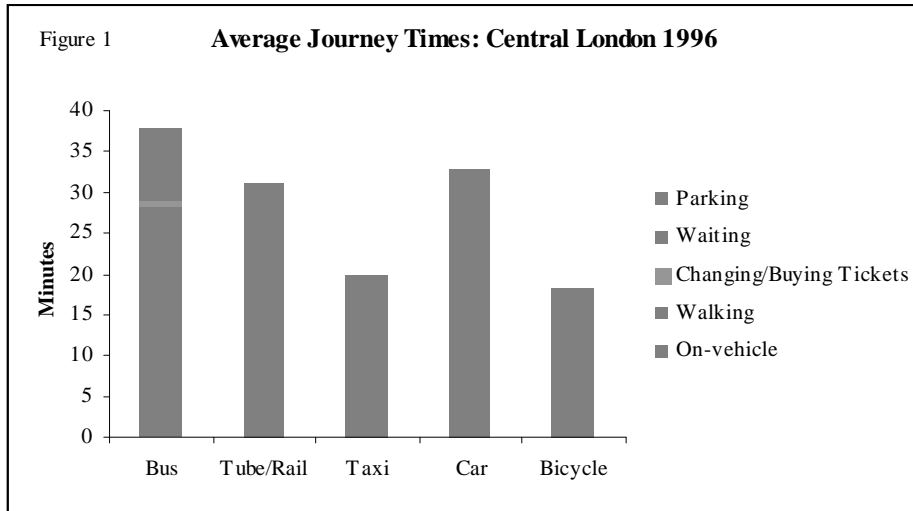
A large part of the reason why Londoners spend more time travelling less distance is that journeys in London can be extremely slow. Traffic speeds in London have always been low, but there has been a further decline since comprehensive records began in 1968. Since then, average speeds across all London roads have fallen from 18 mph to 16 mph in the morning peak, from 21 mph to 19 mph in the daytime off-peak period, and from 19 mph to 17 mph in the evening peak. Since 1990, however, it appears that the fall in travel speeds has begun to level out outside of the morning peak. In central London, speeds show little variation across the day, at just under 11 mph from the morning peak through to the evening peak, down from 12-13 mph in 1968⁷⁴.

A broader view of journey times can be illustrated using the DETR's *Journey Times Surveys*. These surveys take a sample of journeys and measure the average time taken to complete each using various modes. They attempt to encompass all elements of journey time, including, where relevant, time spent walking to vehicles/stations/bus stops, time spent waiting for trains/buses and time spent looking for parking space. The surveys have been running since 1993, and journey times have increased slightly in each survey to 1997.

Figure 1 illustrates the journey times by different modes for short (1.7 miles on average) journeys across central London. Bicycle and taxi journeys are more than ten minutes

⁷⁴ All figures in this paragraph, source DETR/DOT *Transport Statistics for London 1997, 1988*

faster than any other mode, reflecting the fact that these modes involve little or no walking, waiting or looking for parking spaces.



VII Further Reading

Transport Committee *Urban Road Pricing*, third report 1994-95, HC 104 March 1995

Government's response to the Transport Committee's report on Urban Road Pricing, Cm 3109 October 1995

MVA Consultancy *The London Charging Research Programme*, 1995

Debate in the House of Commons on *Urban Road Congestion*, HC Deb 8 February 1995 cc 282-302

Department of Transport *Transport - the Way Ahead*, Cm 3234 April 1996

Department of Transport *A Transport Strategy for London*, HMSO 1996

Royal Commission on Environmental Pollution 20th report *Transport and the Environment - Developments since 1994*, Cm 3752 September 1997

Traffic Congestion (including the Road Traffic Reduction Bill) Library Research Paper 98/16 28 January 1998

Government Office for London *Proposals for a Strategic London Road Network*, June 1998

Environment, Transport and Regional Affairs Select Committee *London Underground*, 7th report 1997-98 HC 715-I July 1998

DETR *The Government's Response to the Report on London Underground of the Environment, Transport and Regional Affairs Committee*, Cm 4093 October 1998

DETR *A Mayor and Assembly for London: the Government's proposals for modernising the governance of London*, Cm 3897 March 1998

DETR *A new deal for transport: better for everyone*, Cm 3950 July 1998

DETR *Transport statistics for London 1998* November 1998

VIII Abbreviations

DETR	Department of Environment, Transport and the Regions
DLR	Docklands Light Railway
GLA	Greater London Authority
GLC	Greater London Council
HA	Highways Authority
LBPN	London Bus Priority Network
LDDC	London Docklands Development Council
LIP	Local Implementation Plan
LLSL	London Local Service Licence
LRPC	London Regional Passengers Committee
LRT	London Regional Transport
LT	London Transport
LTUC	London Transport Users Committee
OPRAF	Office of Passenger Rail Franchising
PCN	Penalty Charge Notice
PFI	Private Finance Initiative
PNR	Private Non-Residential Parking
PPP	Public-Private Partnerships
RPG	Regional Planning Guidance
SLRN	Strategic London Road network
SRA	Strategic Rail Authority
TCSU	Traffic Control Systems Unit
TDFL	Traffic Director for London
TfL	Transport for London
TOC	Train Operating Company