



# Economic Development, Transport and Tourism Scrutiny Commission

Date of Commission meeting: 22<sup>nd</sup> August 2019

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## **Workplace Parking Levy**

Report of the Director of Planning, Development and  
Transportation

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## **Useful Information:**

- Ward(s) affected: All
- Report author: Andrew L Smith / Matthew Mace
- Author contact details: 0116 454 2801 / 0116 454 1237

## **1. Summary**

- 1.1 Local Authorities can place a levy on employers who provide dedicated parking spaces for specified vehicles or types of people. This is known as a Workplace Parking Levy (WPL). This report explains the background to this process and provides an early indication of the likely actions to take forward the Council's commitment to consult on a WPL for Leicester.

## **2 Recommendation to scrutiny**

- 2.1 To note the report and comment as appropriate.

## **3 Background**

- 3.1 Local Authorities can place a levy on employers who provide dedicated parking spaces for specified vehicles or types of people. This is known as a Workplace Parking Levy (WPL).
- 3.2 There is currently only one WPL in the UK (in Nottingham) though Leicester and several other cities are considering the introduction of this charge to help tackle problems associated with traffic congestion and air quality, together with improving our ability to provide attractive and sustainable transport choices.
- 3.3 The 2019 Leicester Labour manifesto pledges to "Consult on a fair workplace parking levy to be used exclusively to fund a dramatic improvement to the city's transport system" and therefore the Council is committed to exploring the initial steps to take this forward.

## **4 Workforce Parking Levy and Sustainability**

- 4.1 The Council currently faces a range of different challenges that require long term investment to deliver good quality transport services in the city, including:
- Ensuring that future transport services meet expected housing needs and job growth over the next 20 years;
  - The need for better congestion management, particularly at peak times, that impact most on travel to work and business productivity;
  - The need to address poor air quality and the need to respond to the climate emergency; and
  - Transport related health issues such as obesity and respiratory disease that contribute to early deaths.
- 4.2 WPL can be beneficial in a number of ways. If it is implemented, employers will be required to pay the charge and will therefore have an incentive to reduce workplace parking in the long term. It is likely that it would encourage

employees to use other, more sustainable forms of transport to commute to and from work (such as public transport, cycling or walking), particularly if the employer passes a parking charge onto staff. Staff who switch from solo car journeys to greener forms of transport will help reduce congestion and improve air quality.

- 4.3 Any revenue from a WPL can only be spent on sustainable transport improvements that increase choice and accessibility for residents, commuters, shoppers and others who visit the city centre and surrounding areas.
- 4.4 The Council could introduce a WPL in any specific area of the city or across the whole city itself. Nottingham City Council's WPL scheme applies to the whole city administrative area. It is a charge on occupied workplace parking places used by specified vehicles or types of people and in Nottingham the WPL charge applies where the employer has 11 or more liable parking places.
- 4.5 The types of parking spaces that are liable for WPL charges are determined by the legislation covering this charge (although may be subject to agreed exemptions/discounts) and include spaces occupied by:
  - Employees
  - Students and pupils
  - Business customers
  - Business visitors
  - Suppliers, delivery vehicles
  - Fleet, display vehicles
  - Motorcycles
- 4.6 For clarity, any WPL would apply to off-site parking purchased by an employer on a third party's land, including within public car parks but does not apply to general public car parking or customer parking spaces.
- 4.7 The WPL legislation (in the Transport Act 2000 and the WPL Regulations 2009) is flexible and allows Councils to set exemptions for different groups that are subject to the levy. These exemptions are likely to form part of future discussions about developing a levy for Leicester.
- 4.8 No consideration has been given to the actual charge and it is not possible to estimate this for Leicester until more detailed work has been carried out on the levy. For comparison, in Nottingham the rate is currently £415 per parking space per year, which has generated around £64m since 2012.
- 4.9 The Council has limited transport funds to invest in improving city transport services and has relied increasingly on competitive Government and other grants and funds from developers. To deliver longer term transport investment and associated benefits, a sustained and reliable funding source will be required. A WPL can provide this and ensure greater certainty to deliver the

city's transport plans and address ongoing transport and related challenges. Other funding options are potentially available including congestion charging.

- 4.10 The Council could also use WPL funds as 'match funding' to attract additional external grants, particularly from Government. For example, Nottingham raised over £430m of additional external funding to help pay for its tram, train station and electric bus projects.

## 5 Public Engagement

- 5.1 Early engagement is planned to raise awareness of WPLs and to develop an enhanced local understanding of a potential for Leicester. The following actions are planned for August / September 2019:

- **Webpage** – a dedicated page will be created on leicester.gov.uk which will contain information about WPLs, so to provide the initial and basic information about the concept and to provide some answers to the most obvious questions through a set of FAQs.
- **Media Release** – a media release will be issued, outlining what a WPL is, remarking on experiences from the Nottingham WPL, how it could apply to Leicester and including steps and related timescales required to take forward consultation (Appendix E1).
- **Twitter Q and A** – a live Q&A session will take place with the City Mayor and Deputy City Mayor Adam Clarke, at which the public and other interested parties will be encouraged to take part in an early conversation about the possibilities of WPLs.

## 6 Financial, legal and other implications

### 6.1 Financial implications

The report refers to a potential workplace parking levy which if introduced could raise revenues to reinvest in transport in the city. Estimated income is in the region of £4 to £7m per year.

Paresh Radia, Accountant – tel: 0116 454 4082

### 6.2 Legal implications

The process for preparing a workplace parking levy scheme is included in the Transport Act 2000 and the Workplace Parking Levy (England) Regulations 2009. Whilst the Commission are asked to be aware of and provide any comment in relation to the forms of early engagement detailed in this report, it should also be noted that statutory consultation and Secretary of State approval will be required before the scheme can be introduced. The report envisages that a formal consultation will be launched in 2021.

Nilesh Tanna, Solicitor (Commercial, Property & Planning) – tel: 0116 454 1434

### 6.3 Climate Change and Carbon Reduction implications

Leicester City Council declared a Climate Emergency in 2019 and tackling carbon emissions from transport is a vital part of our response, with transport accounting for 25% of Leicester's carbon emissions in 2017. The Workplace Parking Levy funds could be used to fund sustainable transport projects, which would have a positive impact on the city's emissions. The levy may also reduce car use for commuting into the city, further reducing emissions.

Aidan Davis, Sustainability Officer, tel: 0116 454 2284

### 6.4 Equalities Implications

There are no direct equality implications arising from the report recommendations as the report is for note and comment. However, in undertaking further work to explore the potential for a workplace parking levy in Leicester it is advised that an Equality Impact Assessment is commenced at the earliest opportunity. Advice and guidance can be sought from the equality team on an on-going basis.

Hannah Watkins, Equalities Manager, tel: 0116 454 5811

### 6.5 Other Implications

None

## **Appendix E1: Press Release**

### **Council set to begin discussions about workplace parking levy**

DISCUSSIONS about the idea of a workplace parking levy in Leicester are to get underway.

The city council intends to consult on the scheme that would charge organisations providing parking places for employees as a means of funding local transport improvements whilst helping cut congestion and traffic pollution.

To date, Nottingham is the only UK city to have introduced a workplace parking levy. This has been in operation since 2012 and has brought in over £60million, which the council has invested in public transport including tram, bus and railway station improvements.

Other local authorities – including Birmingham, Oxford, Reading, Edinburgh, and several London boroughs – are also actively investigating the introduction of similar schemes.

Leicester City Council is developing a new Local Transport Plan setting out the future transport vision for the city and how this could be funded, including potentially through a workplace parking levy. Initial consultation on this plan will be followed by a public consultation on the workplace parking levy. This is likely to take around 18 months to two years.

Deputy city mayor Cllr Adam Clarke, who leads on environment and transportation, said: “Like many cities, Leicester faces real challenges to improve air quality, cut congestion and encourage more people to make the shift to sustainable, clean transport options.

“It is essential that we continue to invest in transport improvements that encourage more people to walk, cycle and take the bus.

“We’re at a very early stage of a lengthy process. There is a lot of work that needs to be done before we can consult on our case for a workplace parking levy, including developing a new local transport plan that reflects the opportunities that this new funding would allow us to explore.

“While that work is ongoing, we will be approaching businesses and other relevant organisations and aiming to start a discussion around the city’s transport challenges and how we can fund future improvements.”

City Mayor Peter Soulsby added: “While we have been extremely successful in attracting major funding from Government and other sources, a workplace parking levy would provide a reliable and ongoing source of locally-controlled funding to help us commit to ambitious, long-term transport improvements.

“These could for example include the electrification of the city’s bus fleet, a more comprehensive network of bus and cycle routes across the city, improvements to major transport hubs like the railway station and more work to reduce traffic pollution in the city.

“No decisions have been made yet, but we do want to consult on the idea of the workplace parking levy as a means of a funding future transport improvements.”

To set the ball rolling, City Mayor Peter Soulsby and Cllr Adam Clarke are planning to host a Twitter question and answer session on Tuesday 10<sup>th</sup> September.

The process for introducing a workplace parking levy is set out in the Transport Act 2000. Any proposed scheme will be subject to approval from the Secretary of State for Transport.

All income raised from a workplace parking scheme in Leicester could only be spent on transport schemes included in the Local Transport Plan. The city’s renewed transport plan is due to be consulted on in early 2020.

It is likely that a formal consultation on a workplace levy will take place in early 2021.

Plans to consult on the introduction a workplace parking levy are due to be discussed at the next meeting of the council’s Economic development, Transport and Tourism scrutiny committee on Wednesday 21 August.

To find out more about how a workplace parking levy might work, the process for implementation and the forthcoming consultation, visit

[www.leicester.gov.uk/WorkplaceParkingLevy](http://www.leicester.gov.uk/WorkplaceParkingLevy)

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