



# Leicester Workplace Parking Levy: Initial Consultation

June 2021



# Foreword

We are living through the most challenging of times dealing with the serious impacts of COVID-19 and at the same time urgently reducing carbon emissions in line with our ambition for a carbon neutral city by 2030. We also have health and poverty challenges whilst needing to provide more homes, jobs, and business opportunities for a growing city. The transport options that are made available and the choices people subsequently make on how they travel around Leicester for work, leisure and to access services will play a key role in how we positively respond to these challenges.



We are consulting on an ambitious new Leicester Transport Plan which sets out a vision and programme of transport improvements for the next 15 years that we believe are required to tackle challenges facing the city. As part of this we have been carefully considering the potential for a workplace parking levy drawing on the experience from Nottingham with support from their officers. We consider a workplace parking levy for Leicester could both encourage more people to switch from using private cars to public transport, cycling, and walking and would also help to deliver funding for transport improvements needed for the future.

We have invested significantly in many successful transport improvements over the past 10 years, which includes new cycling and walking routes as part of Connecting Leicester. Our current Transforming Cities Fund programme is funding new 'green' bus, cycling and walking commuter routes in city neighbourhoods and suburbs. This includes the purchase of 13 electric buses for the Park & Ride and Hospital Hopper bus services as well as the introduction of Santander Cycles Leicester scheme with 500 electric bikes.

Our proposed Leicester Transport Plan sets out an ambitious programme of transport improvements including a major transformation of Leicester railway station to create an impressive new gateway into the city, delivery of an exciting new Greenlines electric express bus network across the city and establishment of a world-class city-wide network of cycleways and paths.

If we are to help meet Leicester's transport challenges and deliver our vision for the city, then we need the sustained funding supported by a workplace parking levy investment programme.

We are committed to consult extensively before a decision is taken on a workplace parking levy. The council has already engaged with businesses, environmental groups, and other organisations in the city about what transport improvements they want to see in Leicester and their thoughts on a workplace parking levy scheme. We now want to hear from other people who live in, work in, and visit the city. We very much look forward to hearing your thoughts on our plans.

**Sir Peter Soulsby**  
City Mayor

**Councillor Adam Clarke**  
Deputy City Mayor for Environment  
and Transportation

# A Transport Vision for Leicester

We are committed to be a city that is carbon neutral, healthy, and well connected with a high quality of life and a strong economy for growth.

Our draft **Leicester Transport Plan** sets out an ambitious programme of public transport, cycling and walking improvements for the next 10-15 years, with a focus on **three key themes**:

## Connected Corridors and Hubs



Proposing a high quality city-wide strategic public and active transport network on main radial and orbital 'green' commuting routes. This includes better city centre interchanges, including bus and train stations, as well as new and existing Park & Ride sites. It will support sustainable economic and housing growth across the city and conurbation.

## Healthy Streets and Neighbourhoods



Focusing on local improvements for cycling, walking and local buses, as well as encouraging fewer and cleaner vehicles by enabling more electric charging points plus use of shared and hired vehicles, including taxis. It is a major step towards a cleaner and healthier city by increasing levels of physical activity and improving air quality.

## Managing Demand for Car Use



Increased management of the road network and parking to improve efficiency, as well as incentives and support for employers, employees, schools, and residents to encourage use of the new bus network and cycling and walking options. This approach will help to achieve all the main objectives in the proposed Leicester Transport Plan.



# Major Initiatives

There are **three major transport initiatives** considered necessary to achieve the city's vision that can be **made possible within ten years** supported by a workplace parking levy investment programme.

## Greenlines Public Transport Network



The implementation of the Greenlines electric buses sustainable transport network bringing cleaner, greener, and zero-emission travel to Leicester. The first phase of eleven electric buses, powered by 100% renewable energy, replaced diesel vehicles on Leicester's three Park & Ride routes in May 2021. Subsequent phases, including the expansion of the Greenlines electric 'tram-like' buses to serve areas of the city with large employment clusters, hospitals, universities and major shopping and leisure destinations, would be made possible with workplace parking levy investment funds. The Greenlines sustainable transport network will support the city's economic growth and make a positive impact on Leicester's climate emergency strategy with the commitment to lead the city towards a more sustainable and resilient future.

## Active Travel – Cycling and Walking



The expansion of infrastructure to deliver a citywide network of safe and attractive routes to meet the growing demand for improved walking and cycling schemes across Leicester. This will build on the successful delivery of Connecting Leicester projects that have transformed the city centre with improved cycling and walking zones and launch of Santander Cycles Leicester with 500 electric bikes available for hire at 50 locations across the city centre. The use of workplace parking levy funds will allow for significant expansion to increase safe and attractive cycling and walking options by making temporary cycle lanes permanent, creating new cycle lanes, extending pedestrianised public realm spaces, and introducing safer cycling and walking in neighbourhoods to deliver cleaner air and a healthier city.

## Leicester Railway Station



The proposed £200m major regeneration project to transform Leicester's railway station for high quality passenger facilities as well as a spacious main concourse area featuring retail and food businesses and a new tree-lined public square outside as a gateway to the city centre. This will support the potential development of adjacent land for new offices to attract inward investment and businesses to Leicester. Investment in the railway station is a key element of city centre economic recovery and future growth, helping to create jobs and encourage further investment in Leicester.





# Meeting Leicester's Transport Challenges

According to Centre for Cities Leicester is ranked in the **top five fastest-growing cities** by population and by 2035 population is **forecast to grow by 14%**.

To meet the city's future transport needs there must be an effective and reasonable method to raise significant and stable funds for infrastructure investment.

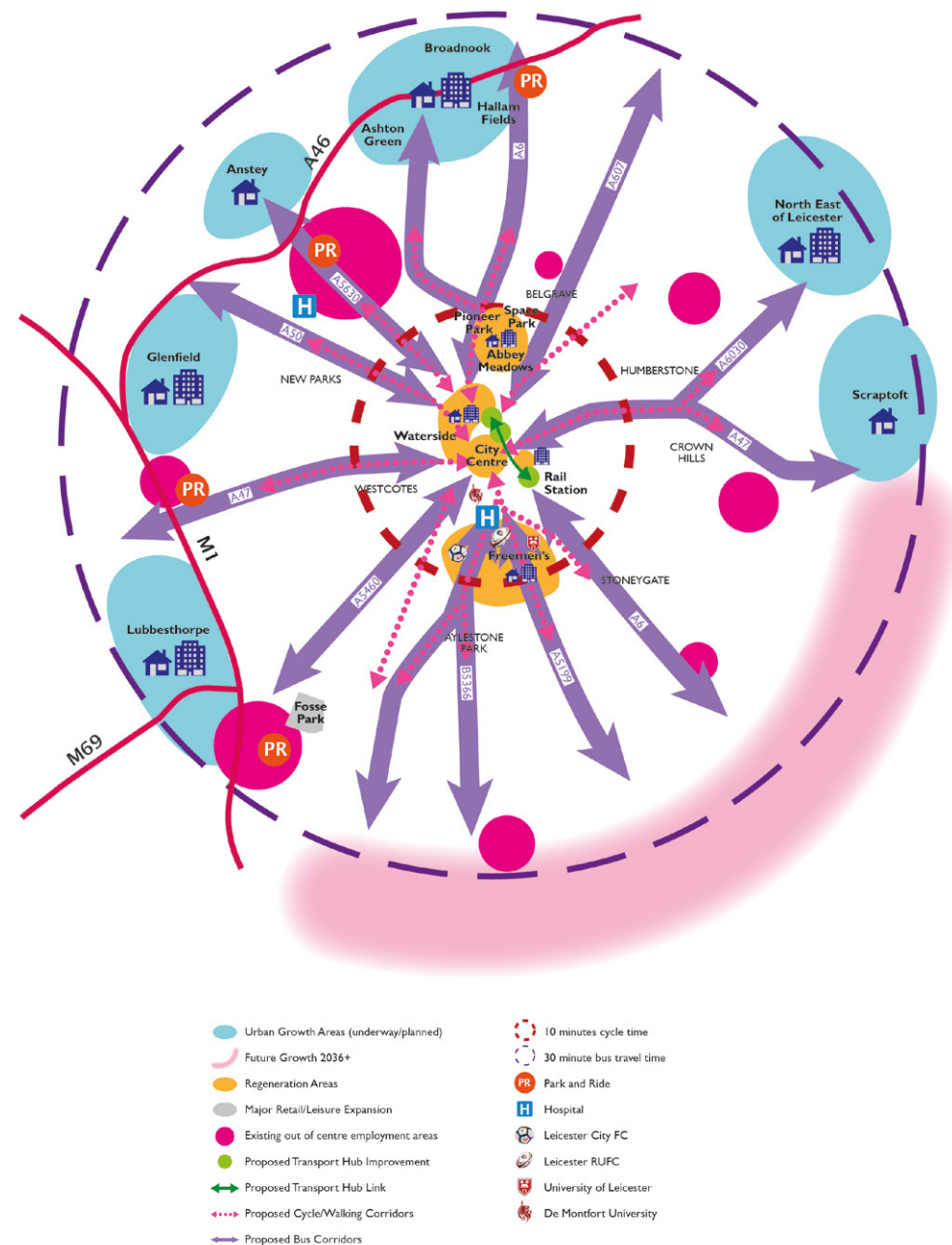
A workplace parking levy combined with match funding from government and other local sources has the potential to address future transport challenges and accelerate a shift towards more green, affordable public transport and active travel:

City to become carbon neutral by 2030

Support fair access to transport for all residents

Increase exercise and healthy activity

Transforming Cities Fund 'Hub and Spoke' Diagram





- Support city recovery from COVID-19. Whilst travel has been greatly restricted during the pandemic more people have taken up cycling and walking, many using the 10 miles of new pop-up routes we have provided. This is a once in a lifetime opportunity to lock in and build on this behaviour change. Confidence in using public transport has been knocked and continuous improvement in services will be essential to bring people back and provide essential alternatives to car journeys.
- Help deliver Climate Emergency ambitions for the city to become carbon neutral by 2030 by tackling the 25% of carbon emissions arising from transport in Leicester.
- Continue improvements in city air quality by further cutting harmful emissions and improving health. We are now compliant with national targets but want to go further to improve quality of life for our city residents.
- Dramatically increase exercise and healthy activity by encouraging walking and cycling. Building on very positive trends during the COVID-19 pandemic we can make a big impact on obesity levels, diabetes, and heart disease.
- Enable housing and economic growth by managing traffic levels and minimising future congestion. The next 15 years will see substantial growth from new housing developments in the city centre and suburbs. We have a largely fixed historic highway network and if we are to avoid choking the existing streets with polluting cars and putting a brake on business growth, we will need continued investment in sustainable transport infrastructure.
- Support fair access to transport for all residents by making our streets safe and fully accessible and by providing more affordable options to walk, cycle and travel by bus.





# Research and Insight

We are in the process of conducting research and assessments to determine the potential benefits and impacts of a workplace parking levy in Leicester. This will support a detailed business case being prepared for the next stage of consultation for the end of 2021. We have commissioned experienced consultants from Nottingham City Council, currently the only local authority in the UK that has successfully delivered a workplace parking levy.



- De Montfort University Business School experts have carried out an evidence-based review of policy and prospects, which includes recommendations for how best to develop and implement a workplace parking levy scheme. A separate more detailed economic impact assessment is also in the process being carried out by De Montfort University Business School. This is to help determine the potential impacts, both positive and negative, on businesses of all sizes across the city area.
- The Leicester Transport Model will be used to consider the potential impacts on traffic levels, congestion, air quality, road safety and carbon emissions. In addition, we are exchanging knowledge and best practice approaches with several cities across the UK that are considering a workplace parking levy, including a number of London Boroughs, Birmingham, Oxford, Cambridge, Bristol and Reading.
- Studies carried out on the impacts of the Nottingham scheme have demonstrated a measurable positive impact on traffic and congestion, mostly as a result of the substantial investment of approximately £770 million since 2012 in sustainable public transport. There is no evidence of any adverse impacts on the economy, job creation or on inward investment in Nottingham.
- Local assessments are being carried out to determine knock-on effects, if any, on parking in nearby residential areas, including neighbouring county roads and possible actions required to safeguard residents' parking. In addition, detailed assessment for equality and fairness will take into account residents, employers, and employees and an environmental impact assessment will establish what effects a workplace parking levy may have on the environment.

# Stakeholder Engagement

Since committing to consult on a workplace parking levy the council has been raising awareness of its plans and seeking initial responses and comments from major stakeholders in the city as well as residents.

## This has included:

- Twitter question and answer sessions with the general public
- Presentations to East Midlands Chamber of Commerce, Leicester and Leicestershire Enterprise Partnership, business organisations and direct engagement with local businesses
- Engagement with large public sector employers such as University Hospitals Leicester, University of Leicester and De Montfort University as well as city colleges and schools
- Engagement with sports clubs including Leicester City Football Club and major retailers Highcross Leicester and Haymarket Shopping Centre
- Discussion workshops with environmental groups based in Leicester
- Ongoing briefings with Leicestershire County Council
- Discussions with bus and rail transport operators
- Progress updates with the Department for Transport

This has proved to be a very valuable listening exercise and in general, respondents have positively engaged with the council, but wanted further clarity on the details of the proposed scheme as well as on potential impacts and benefits.





# What is a Workplace Parking Levy?

A workplace parking levy is a charge on employers - businesses, public sector, education organisations - that provide parking places for those that commute by car. Liable employers can choose to pass on the charge to those employees or pay it themselves.

A workplace parking levy is intended to encourage car commuters to leave the car at home

- 1 Parking places used by **customers and residential parking** are **not affected** by the workplace parking levy proposals.
- 2 All **funds raised from a workplace parking levy must be ring-fenced for investment** in transport schemes outlined in the council's transport plans.
- 3 A workplace parking levy is a way of **rebalancing the costs of commuting by bus and by car**. Car commuters often receive the benefit of free parking at work while bus commuters must pay commercial fares. In recent years bus fares have risen much faster than driving costs.
- 4 A workplace parking levy is intended to **encourage car commuters to leave the car at home and adopt more sustainable forms of transport**. There is an environmental and health cost to driving and parking at work which is currently paid by society at large rather than by the employers who provide the parking or the car commuters who use the spaces.





# Key Proposals

## Key proposals of a workplace parking levy for Leicester....

- Subject to consultation a levy for Leicester could start in 2023.
- The operating area is proposed to be Leicester City Council's administrative boundary. Leicestershire County Council do not intend to introduce a levy. However, transport schemes funded through the levy could benefit county commuters e.g. improved Park & Ride services and commuter bus and cycle routes.
- A levy charge is yet to be fixed although thinking based on initial investigation would suggest a cost of around £550 per chargeable parking space per year, which is about the price of a bus pass from the main operators or around £2 per working day.



- The amount a levy could raise will be determined when the number of chargeable parking places and other matters such as discounts and exemptions are established. Pre-COVID-19 around £10m was raised each year at Nottingham which has a broadly similar scheme. Since 2012 the Nottingham scheme has raised almost £80m and used this to attract a further £600m to invest in local transport.



- Exemptions and discounts are still under consideration, but the following are working outline proposals:
  - Workplace parking places allocated for Blue Badge holders would have a 100% discount
  - Public sector bodies (including the City Council, Crown Court and Government agencies) would be liable to pay the charge.
  - Universities and colleges would be liable to pay the charge for staff and student parking
  - Further exemptions and discounts are being considered, for example for Emergency Services and small businesses. We would like to invite your thoughts and comments on whether there should be any other discounts or exemptions, and what should be the criteria for qualifying for an exemption or discount.



# Business Support and Advice

The council is proposing dedicated business support and advice for employers affected by the workplace parking levy scheme to reduce the impact and to help promote more sustainable transport behaviour.



**A general support and advice service** for both employers and employees on car park management and how to deal with a workplace parking levy in the most effective way.



**Provision of grants and incentives** for car park management technology solutions and sustainable travel initiatives for employees such as car sharing, workplace cycle parking, and more frequent use of public transport.



**The council will facilitate discussions with local bus operators** with the aim to improve services to specific areas of employment clusters and negotiate season ticket deals for employees.



**Both employers and employees will be able to submit requests** for consideration on improving or extending cycling and walking routes as well as active travel facilities and schemes.





# Have Your Say



We are particularly interested to hear from you on two key questions:

- 1 What do you think about our outline proposals to introduce a workplace parking levy?
- 2 What transport improvements do you think a workplace parking levy could help support?

Have your say on Leicester Transport Plan at [consultations.leicester.gov.uk](https://consultations.leicester.gov.uk)

## NEXT STEPS

We will carefully consider your responses before moving on to the next stages.

A detailed business case will be prepared for formal consultation later in 2021. This will include all supporting evidence and studies and take into account responses received from this current consultation exercise.

Subject to formal consultation the council would then submit its business case to the Secretary of State for Transport for consideration and final approval.

The earliest we could commence a workplace parking levy with charging would be in early 2023.

