



Leicester Workplace Parking Levy

Business Case

December 2021



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Foreword

It is clear that if we are to meet challenging decarbonisation, air quality and health ambitions, implement COVID -19 recovery plans and deliver on people's travel needs in a rapidly growing city, substantial additional funding will be needed to deliver our ambitious transport plans.

A Workplace Parking Levy (WPL) for Leicester would provide transformational investment, with match funding, totalling some £450m, helping to deliver our aims for a well-connected, environmentally friendly and affordable city-wide bus, cycling and walking network. This would deliver a 10-year annual investment programme, reducing reliance on uncertain Government grants.

Building on the major investments we have made through our Connecting Leicester and Transforming Cities sustainable transport initiatives, WPL would support delivery of:

- A transformational eight year 'Bus Service Improvement Plan' through the new 'Leicester Buses Partnership'. Over 400 high quality electric tram-like buses will be the norm by 2030 operating on 25 'Mainlines' services across city neighbourhoods and five express 'Greenlines' commuter services including three cross city links to six park and ride sites and two new orbital services.
- A first-class travel experience for the bus user with bus priority on key routes delivering reliable services at a good frequency, integrated timetables and multi-operator digital ticketing across services and quality waiting facilities with real time displays.
- Affordable bus fares with discounts for elderly, disabled, young and unemployed people and the ability for all travellers to get the 'best fare' on any journeys across the city.
- A world class city-wide network of cycleways, for long and short trips, that link routes already built in the centre of the city directly into and between local neighbourhoods.
- Connected healthy neighbourhoods with safe attractive walking and cycling routes, support for electric vehicles, better local buses with flexible on-demand services and good air quality, delivering the concept of '15 min neighbourhoods' with quick and easy access to local facilities.
- Investment in the rail station to ensure it is well connected regionally and nationally and an impressive gateway to the city, building on the £22m recently secured to revamp the station.

These ambitious plans included in our Draft Leicester Transport Plan 2021-36 would deliver early sustainable transport benefits to residents and businesses across the whole city rather than investing in large and expensive fixed transport systems with long delivery timeframes such as a tram.

As part of the development of our case for a WPL the council has worked closely with Nottingham City Council where a successful scheme has operated for nearly 10 years and seen major transport benefits for local people without any significant impact noted on the economy or businesses.

Detailed studies have been carried out by DMU into the need for a WPL and its economic impact, and environmental, transport and health impacts have also been assessed. Extensive consultation has been carried out involving hundreds of local people and businesses. We have refined our thinking and propose what we believe to be a fair and equitable scheme with additional safeguards such as exempting blue badge holders and measures to deal with any parking displacement.

We now want to hear from you on our detailed business case for a WPL which will be subject to extensive 12 weeks consultation. The scheme would require Government approval. Close working with local businesses during 2022 would be carried out to prepare for its introduction in 2023.

The WPL has the potential to help Leicester lead the way on global environmental challenges and transform the city into an outstanding place to live and work where high quality, user friendly and affordable options for people to travel by bus, bike and foot are available across a growing city. The benefits of investing in sustainable transport to bring about a reduction in traffic are easy to visualise as we see it during school holidays where a 10% reduction in peak morning traffic makes it so much easier and healthier to get about in the city.

Sir Peter Soulsby
City Mayor

Adam Clarke
Deputy City Mayor for
Environment and Transportation

1. Introduction

1.1 This business case

1.1.1 Leicester City Council is considering implementing a workplace parking levy (WPL) in the city and is now consulting on the detail of the proposals. This business case has been produced to bring together the background information and justification for the WPL, demonstrating the links with the proposed investment programme and the draft Leicester Transport Plan. Following this consultation, it would become one of the key documents to be submitted to the Secretary of State for Transport for approval of the WPL scheme.

1.1.2 This is not a standard business case that is Department for Transport (DfT) Transport Analysis Guidance (TAG) compliant, nor does it qualify as a Treasury “Green Book” business case. This is because it is not intended for the purpose of applying for Government funding.

1.1.3 The proposed WPL investment programme is outlined in the business case, but separate detailed business cases will be put forward as necessary in the future for projects requiring Government funding in the WPL investment programme. There is currently no published DfT guidance for preparing a WPL scheme, but where possible this business case follows [guidance set out by the DfT](#) and [Her Majesty's Treasury](#). It also broadly follows the approach taken by Nottingham City Council for their approved WPL scheme.

1.1.4 Work to prepare this business case has been partially disrupted by COVID-19, particularly on the workplace parking survey to estimate the numbers of chargeable WPPs. The Council, working with Nottingham City Council and drawing on their ‘real world’ experience, has however developed a means to robustly estimate parking numbers and has obtained other useful information to better develop and assess the WPL proposals.

1.1.5 A [summary version](#) of this business plan is available.

1.2 Consultation

1.2.1 Interested parties and organisations have already commented on the WPL proposals as part of the formal consultation for the LTP and informal consultation on the principles of WPL held in summer 2021. The [consultation report](#) on this stage, which includes a summary of comments made and the Council’s response to them is now available.

1.2.2 The LTP/initial WPL consultation was extensive, lasting 12 weeks and using the following methods:

- Leicester City Council Consultation Hub, Citizen’s Space: There were nearly 400 emails sent to stakeholders, partners and members of the public (if they have had previous engagement with the Council) to notify them of the consultation and to invite their views. Respondents were able to complete an online questionnaire.
- Draft copies of the Leicester Transport Plan and Workplace Parking Levy leaflet were deposited at Leicester City Council’s libraries. Respondents were able to complete a paper-based version of the online questionnaire or they could write to the Council’s Transport Strategy Team.

- Extensive publicity for the consultation was undertaken by the council before and during the consultation process through the Council website, radio, local press and social platforms (Facebook and Twitter).
- A short video was also produced, hosted on the consultation webpage.
- Presentations / Engagement sessions were provided to stakeholders, partners and groups to capture views and to identify any gaps for the development of the future strategy. Due to the COVID-19 pandemic, these were all undertaken virtually and as a result many more sessions were able to be held than had previously been envisaged.

1.2.3 There were 280 individual comments on the LTP including 84 on WPL, as well as the points made in engagement sessions which were attended by approximately 170 people. Responses included:

- Support for LTP but plan needs to be more ambitious e.g. carbon reduction.
- Objections and support for WPL with no general consensus of opinion amongst those responding - more detail was sought including what exemptions and discounts would be proposed, how will funds be used/apply funds across whole city, specific concerns e.g. shift patterns and displaced parking and economic impact on both businesses and individuals.
- Support for bus and cycling walking plans and calls for more ambition. Concerns that plan will not lead to modal shift needed. More attractive bus fares. Greater control over buses. Wider cycleway network required. Support for behaviour change.
- Support for rail station upgrade/better integration.
- Further development of park and ride.
- Neighbourhood streets need to be improved e.g. schools.
- More required on freight and disability access.

1.2.4 Informal engagement has continued throughout the past 18 months with virtual meetings with a wide range of interested businesses and other organisations in the city, including representative bodies, for example, the East Midlands Chamber of Commerce, the Federation of Small Businesses and Climate Action Leicester. The Mayor also hosted Twitter question and answer sessions on WPL.

1.2.5 Results of the LTP/initial WPL consultation have informed this business case. If the Council decides to proceed with WPL, they will be combined with responses from the current consultation on this WPL business case in a submission to the Secretary of State for Transport for final approval.

1.3 Legal background for a workplace parking levy

1.3.1 The legal background for a WPL is found in Part 3, Chapter 2 of the Transport Act 2000. This is supplemented by amendments in the Local Transport Act 2008 and regulations including the Workplace Parking Levy (England) Regulations 2009 which mainly focus on enforcement.

1.3.2 WPL is a licensing scheme which enables local transport authorities to charge a levy on Workplace Parking Places (WPPs, which are defined in s182 of the Act). The levy is charged to the occupier of the premises, normally the employer, who may, if they wish, pass a charge on to employees using the parking places.

1.3.3 The legislation is quite flexible, allowing local authorities to determine the level of charge, boundaries, times of operation and many other scheme details such as exemptions and discounts.

This allows authorities to specify scheme details that are particular to their own areas, which must be done in a Scheme Order for each WPL scheme. In England outside London, each WPL Scheme Order, justification and proposed 10-year expenditure plan must be submitted to and approved by the Secretary of State for Transport before WPL can be implemented.

1.3.4 Section 179 (2) of the Transport Act 2000 (as amended by the Local Transport Act 2008) states that WPL must '*facilitate the achievement of local transport policies*'. These can be found in the [draft Leicester Transport Plan 2021-36](#). A final document is expected to be approved in Spring 2022.

1.3.5 Section 182 of the Transport Act 2000 provides a definition of Workplace Parking Places (WPPs) for the purposes of WPL, reproduced below:

For the purposes of this Part a workplace parking place is provided at any premises at any time if a parking place provided at the premises is at that time occupied by a motor vehicle (other than an exempt vehicle) used

- (a) by a relevant person*
 - (b) by an employee, agent, supplier, business customer or business visitor of a relevant person,
 - (c) by a pupil or student attending a course of education or training provided by a relevant person, or
 - (d) where a body whose affairs are controlled by its members is a relevant person, by a member of the body engaged in the carrying on of any business of the body,
- for attending a place at which the relevant person carries on business at or in the vicinity of the premises.

**normally the employer*

1.3.6 WPPs are only those parking places listed in s182. Other parking places such as those used by ordinary customers at supermarkets are 'out of scope' of the WPL.

1.4 Proposed workplace parking levy timeline

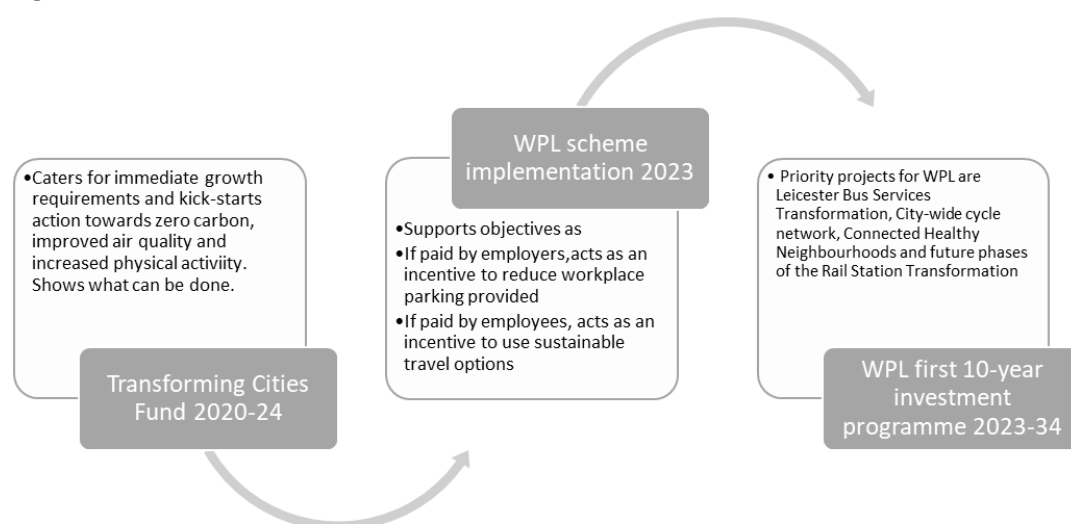
1.4.1 The timetable for development and potential commencement of the WPL is as follows:

- Detailed consultation – December 2021 – March 2022
- Leicester City Council consideration of WPL proposals and LTP (including consultation results) - spring 2022
- If approved, submission to the Secretary of State for Transport – spring 2022
- Further consideration of operational details – spring/summer 2022
- Employer engagement exercise – summer 2022
- Shadow WPL scheme (no charging) - potentially autumn 2022, depending on Secretary of State decision
- If approved, charging starts – early 2023

1.5 Implementation programme and recent transport improvements in Leicester

1.5.1 The implementation programme shown diagrammatically below in Figure 1 indicates WPL revenues being received from 2023 as the Transforming Cities and other projects that are currently under construction are completed or nearing completion – see 1.5.2 to 1.5.7 below. WPL will provide funding for an ongoing programme of transport works, building on those currently underway, all contributing to the LTP aims and objectives.

Figure 1: WPL timeline



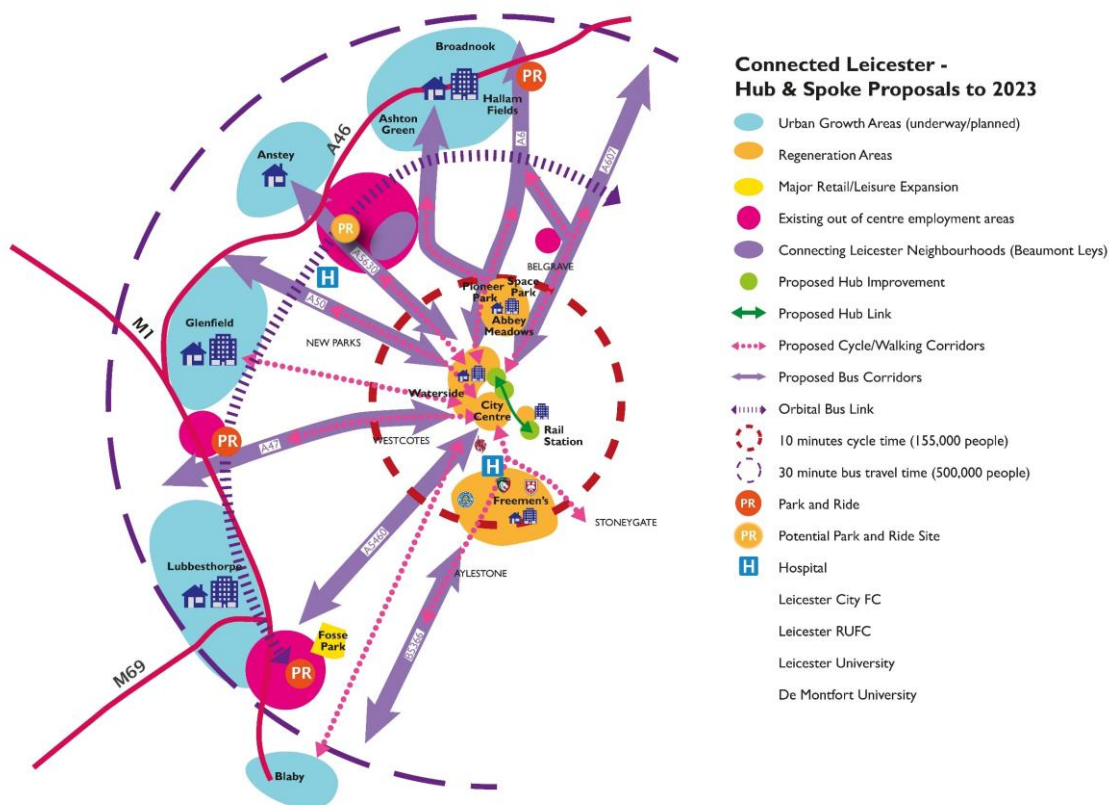
1.5.2 The WPL proposals follow on from recent transport improvements in Leicester and the WPL offers the opportunity to develop and fund a much bigger programme of works of similar nature. The delivery of bus, cycling and walking improvements currently underway gives an indication of the benefits that could be derived, albeit more extensively, through a WPL. Whilst the Council has been successful in obtaining Government grants for some transport initiatives, other promising projects have not been able to access Government funds, partly because of the difficulty of providing local match funding.

1.5.3 The ongoing Connecting Leicester programme has seen substantial investment in public and sustainable transport amounting to over £100m since 2011. This has included extensive new high-quality cycling and walking infrastructure, focussed in and around the city centre, and a dramatic improvement in the public realm through revitalised streets and award-winning public squares and spaces. Further work is planned (or already under way) from the £70m Transforming Cities Fund (TCF) as shown below, the £15m Getting Building Funds (GBF) for St Margaret's Bus Station, the £19m Zero Emission Bus Regional Areas (ZEBRA) funds for 96 new electric buses and the successful Levelling Up fund bid for Phase 1 of the Rail Station Transformation costing £22m.

1.5.4 Leicester was successful in obtaining £70m from TCF in 2019/20, for a major programme of public and active transport improvements called 'Hub and Spoke' – see Figure 2. These include:

- Bus priority on key corridors (the Spokes) in the north and east of the city to serve growth areas and improved park and ride sites
- Public realm and interchange improvements in the city centre (the Hub)
- Active travel improvements on these corridors
- Improved public transport ticketing, information and waiting facilities

Figure 2: Transforming Cities Hub and Spoke Plan



Transforming Cities Fund 'Connected Leicester' Hub and Spoke Plan

1.5.5 This programme, which will be complete by 2023/4, will demonstrate to Leicester employers and residents how public and active travel alternatives can be improved if further funding can be made available.

1.5.6 Leicester City Council has been actively supporting behavioural change programmes for the last nine years and are committed to deliver a £3.5m behavioural change programme between 2021 and 2024 to support the TCF (and other initiatives that are being delivered within the city).

1.5.7 Despite the COVID-19 pandemic, the City Council has continued to plan for the future of the city as well as tackle immediate requirements. For example, Leicester was a pioneer in developing pop-up cycle routes as temporary improvements to encourage key workers and others to cycle to work where possible. The City Council maintains a proactive stance in creating the conditions for recovery and continued health of the city and its residents. The impact of COVID-19 on transport trends continues to be monitored and has been factored into the assumptions in this business case.

2. Why we are proposing a workplace parking levy for Leicester

2.1 City context

2.1.1 Leicester is the 9th biggest urban area in the UK with c.650,000 people and further substantial housing growth is planned within and outside the city. The city has a diverse population with a half of all Leicester residents identifying as Black and Minority Ethnic. Leicester occupies a central location with generally good road and rail links, excellent tourism, sports and leisure offers and two major universities. It has a strong city centre, which has been affected by COVID-19 but is well placed to recover, with well-established retail and cultural uses, and with around 5,000 new homes planned before 2036. A relatively large number of start-ups and small businesses provide the base for a major innovation hub in the East Midlands region.

2.1.2 The [Local Industrial Strategy Economic Review](#) produced by the Leicester and Leicestershire Enterprise Partnership (LEEP) provides an overview of employment and the economy in Leicester and Leicestershire. The Leicester and Leicestershire economy makes up a significant part of the regional economy and generated £24.5 billion in 2018 (in 2016 prices), equivalent to around a quarter of the East Midlands total. Leicester generates around a third of the LLEP economic activity (£7.7 billion).

2.2 Transport and parking context

2.2.1 Rail connections from Leicester to London, Nottingham, Derby and Sheffield are good through the Midland Mainline services, and planned electrification is now confirmed by the Government to be delivered later this decade. Leicester has excellent road access to the rest of the region and the UK via the M1, M69 motorways, and A46 that are part of the UK's strategic road network. However, the city has only 63% car ownership and the focus is on encouraging people to move to public and active transport (cycling and walking) and to encourage remaining car journeys to be in zero emission vehicles.

2.2.2 Accessibility by bus to the city centre, park and ride sites and most employment, health and education sites is generally good but congestion is a significant problem. Services are limited in the evenings and weekends and orbital services are limited. The bus fleet is improving, and ticketing improvements are being delivered incrementally. The cost of bus fares and unreliable services are often perceived to be issues when compared with the alternative of driving.

2.2.3 The city cycleway network is developing rapidly through the Connecting Leicester programme including additional pop-up cycle routes delivered as part of the COVID 19 recovery plan. There is a substantial shared Pedestrian and Cycle Priority Zone in the city centre, which is the largest in the UK, and the Council's active travel behaviour change programme has had considerable success in encouraging employees, residents and school pupils to try walking and cycling.

2.2.4 There are 8,500 designated public use car parking spaces available in the city. Of these, approximately 1,300 are on street (and directly managed by the City Council) and 7,200 are in multi-storey car parks. Digital road-side information displays provide real-time information on the number of spaces available within each zone. A further 1,500 spaces are provided at the City's three park and ride sites.

2.2.5 Leicester currently has relatively modest park and ride use and a significant amount of low-cost parking is available in the city centre, often used by commuters. Some city centre parking needs to be reoriented towards the needs of leisure users and shoppers, with more and better-quality parking made available in park and ride sites, including new and improved facilities to the north-west and south-east where there are significant areas of housing growth.

2.2.6 The Leicester traffic model predicts 76,968 car commuters coming into Leicester in 2021. However not all these cars are parked at the workplace, and of those that are, not all commuter parking spaces are likely to be liable for WPL.

2.3 Policy context

2.3.1 Draft [Leicester Transport Plan \(LTP\)](#) and wider policies – the LTP and this business case are intended to be read together as the policy justification for the proposed WPL scheme. The LTP sets out an ambitious plan for Leicester and brings together the wider objectives that relate to transport and also sets specific transport objectives and policies. The LTP states:

The City Council will investigate the potential for Workplace Parking Levy alongside other local funding sources

2.3.2 The UK Government produced a [Transport Decarbonisation Plan](#) in 2021. This brings together Government commitments towards achieving net zero carbon emissions from transport by 2050, and in providing funds with the aim that half of all journeys in cities will be cycled or walked by 2030. These requirements have been incorporated into Leicester's own emerging Roadmap to Net Zero by 2030. Similarly, a [national bus strategy](#) has been published which enables new partnership initiatives to improve bus services across the country.

2.3.3 Following on from the national bus strategy, the Leicester [Bus Services Improvement Plan \(BSIP\)](#) submitted to Government in October 2021 forms a key part of the WPL programme of investment. The BSIP is a partnership project that includes contributions from the Government, bus operators and potentially the WPL. A combined funding package will be needed for it to fully succeed in transforming bus services in Leicester as planned.

2.3.4 The LTP and proposed BSIP are closely aligned to these new policies, but it is also recognised that the challenge of achieving these ambitions is substantial, and that LCC needs to take advantage of all opportunities to step up and intensify existing and new transport programmes. WPL is an important part of this strategy.

2.3.5 The World Health Organisation (WHO) has recently updated its [Air Quality Guidelines](#) with much more challenging targets. New Government Air Quality targets are expected in 2022. The scale of the transport transformation required to achieve these targets is being evaluated but investment in sustainable transport will be required at a much more intensive level than hitherto. Again, WPL is one vital part of delivering [Leicester's Air Quality Action Plan 2016-26](#).

2.3.6 The [Leicester Local Plan](#) sets out the visions and objectives for the growth of the city over the next 15 years. It proposes 30,000 new homes by 2036, increasing the population of the city by 13%, as well as 45ha of employment, to be provided in a sustainable way. Development will be focused on

the city centre and sustainable urban extensions and will require significant investment in sustainable transport measures to serve new residents and businesses.

2.3.7 COVID-19 recovery plan - [Leicester's Transport Recovery Plan \(2020\)](#) sets out how Leicester's transport system can meet the challenges presented by the coronavirus pandemic and help the city's economic recovery, as well as securing longer term environmental benefits. Some of the measures in the Plan, including a series of 'pop-up' cycle lanes, have been installed on major arterial routes into the city to enable people to cycle and walk safely. These ideas have been incorporated into the LTP and many will be made permanent.

2.4 Which local charging option is appropriate for Leicester?

2.4.1 Local transport authorities have two local charging options enabled in the Transport Act 2000. These are Road User Charging (RUC) and WPL. The principal difference between the two is that RUC is a direct charge on use of a scarce resource (drivers using roads) whereas WPL is an indirect charge on a facility used by vehicles (employer charge for workplace parking). The Congestion Charge in London remains the only large-scale example of RUC in the UK, although there are now other examples of cities developing schemes to charge more polluting vehicles as part of a Clean Air Zone.

2.4.2 The following assessment of the different charging methods has been drawn from a [De Montfort University \(DMU\) Business School report](#) commissioned by the council and existing data and experience from Nottingham.

2.4.3 No Local Charging (NLC)

This is to continue without implementing any local charging scheme, relying on existing sources of finance and existing methods of encouraging sustainable travel. Progress has already been made and the TCF sustainable transport schemes will continue this progress, particularly in the north and east of the city. But there is no certainty about future funds, so it is difficult to plan ahead, and it is much more likely that additional funding will be found if the City Council has a local revenue stream to 'match' against other contributions. The City Council has an ambitious programme outlined in the LTP. If no charging scheme is proposed, this programme will depend mainly on Government grants, often decided on a competitive bidding process. This will undoubtedly slow the programme and fall short of the transport ambition shown through the LTP. Given the urgency of Government and local targets relating to decarbonisation, air quality and cycling and walking, for example, it is most unlikely that they could be met within the set timescales without significant additional funding being provided.

Similarly, NLC implies the continuation of existing demand management activities only if funding can be found. Whilst these have been successful in their own terms, they are too modest to achieve the changes required and are dependent on successful funding bids. Only a local charging scheme has the potential to initiate the sort of step-change in behaviour that is now needed.

2.4.4 Road User Charging

As there are no real comparable models already in existence (the London Congestion Charge is on a much greater scale than would be required for Leicester, and the Clean Air Zone related schemes are partial), the DMU report considered the relative costs and benefits of RUC and WPL, which have been used in this business case.

In Leicester, sub-options might be to charge all vehicles entering an area within the Outer Ring Road, or alternatively all vehicles entering a defined area around the city centre. It is possible to include exemptions for certain types of person or vehicle (for example, those holding Blue Badges or emergency services vehicles). To check which vehicles have entered the charging zone, so far, on-road infrastructure has been required (e.g. a network of Automatic Number Plate Recognition cameras), though advances in technology such as in-car sensors mean there may be alternatives.

2.4.5 Comparison between RUC and WPL

RUC is a charge for the use of road space. The key issue is how drivers are charged for the use of the road space and the extent to which this then impacts on their travel behaviour and mode choice. If it is a monthly charge for example, then the link between use/travel behaviour and charge is broken. If Leicester City Council is seeking to focus mainly on addressing congestion, then a direct charge for the use of road space would be likely to have a bigger impact because it would affect more drivers.

A WPL is a charge on a complementary product, workplace parking places (WPPs), impacting on the cost of spaces available at the destination point of a journey. If the charge is passed on by the organisation to the employee, then it is more likely to have an impact on travel behaviour.

- If a RUC is adopted then there is likely to be a boundary effect at the outer edges of the pricing cordon (depending on the type of scheme adopted), whereas if it were a WPL then the displaced parking would be likely to be more localised in nearby streets and residential areas. Given that both a WPL and RUC seek to impact on the amount of commuting traffic they are both likely to have an effect on the level of traffic-related emissions. However, RUC is likely to be more impactful as it will probably affect more vehicles.
- Since a RUC means that every motorist (except those that are exempt) will be subject to a charge when entering the charging zone during a particular period of the day, the revenue raised is likely to be higher than that raised from a WPL which relates only to employers, and only to employers who have a certain number of WPPs, if the scheme follows the Nottingham example. As a result, there is likely to be a greater revenue stream from a RUC.
- The cost of installing and administering a RUC scheme would be much greater than a WPL, because it requires technology to be installed to identify vehicles using chargeable roads. It can be argued that a WPL scheme is more appropriate for a city such as Leicester as it does not involve this level of investment.
- Because it is a simpler and smaller project, it is likely that a WPL scheme can be introduced in a shorter period of time by a City Council thereby delivering earlier targeted transport benefits.
- A parking charge is understood by the general public as a policy option, with some employees already being charged to park at the workplace. WPL can be seen as an extension of this and is an incremental approach that is relatively easier to implement than a road user charge.

Table 1: Summary assessment of local charging options against Critical Success Factors

Critical Success Factors	No Local Charge	RUC	WPL
Alignment with Council and national priorities			
Contribution to a package of measures to reduce carbon emissions, improve health and AQ and manage congestion	Slower progress towards objectives	Faster progress, probably most funds generated so greatest contribution	Faster progress, though probably not as much as RUC
Fits with Council priorities	Does not fulfil ambitious vision	Meets some priorities but could work against others e.g. Fair City	Meets a majority of stated priorities
Finance and ease of implementation			
Flexibility in the treatment of different circumstances	Smaller programme so less flexible	Considerable flexibility in legislation	Considerable flexibility in legislation
Minimise technological risks	Smaller programme so less risk	Requires significant investment in new technology	Does not require significant investment in technology
Financially efficient	Significant opportunities missed because of lack of local match funding	Provides greater revenue stream but likely high operational costs	Provides a good revenue stream and likely low operational costs
Meets LTP timescales	Very unlikely to meet stretch targets within timescales	Will help to meet targets but will take longer to implement than WPL leaving funding gap	Will help to meet targets and can be delivered to immediately follow on from TCF in 2023/24
Stakeholder impacts			
General acceptability	Alternatives not available to general public	More difficult to be made acceptable to general public	Difficult but can be made acceptable (Nottingham example)

2.5 Evidence and lessons from Nottingham

2.5.1 There are two types of evidence from Nottingham:

- That obtained by Nottingham City Council (NCC) through their experience of developing and operating the levy, which has been captured from relevant Council officers during the preparation process and included in this business case
- Academic research, mostly from Loughborough and De Montfort Universities

2.5.2 Summary of key lessons learned from NCC:

- Although there are some important differences, Leicester is similar enough to Nottingham in size, demographics, and existing transport patterns to be able to benefit from Nottingham WPL experience
- NCC has established a knowledge and experience base that Leicester can tap into, especially as NCC has already resolved many legal and operational issues
- It is important to consider WPL proposals themselves alongside those for spending WPL receipts as this provides a full picture of what is being proposed
- WPL is a lower impact approach compared with RUC, as it only charges employers, not all drivers, and is flexible enough to be able to be made acceptable to stakeholders and residents
- Nottingham has been successful in obtaining substantial additional funding using WPL receipts as 'match' funding

2.5.3. Objective academic research on the impacts of WPL in Nottingham is tempered by the fact that WPL is operating in a complex city, with influences such as the state of the economy and amount of roadworks currently in place. In summary, the university research work confirms a small positive impact on congestion in Nottingham that can be attributed solely to WPL, but that a much larger positive impact can be attributed to WPL plus the items it was spent on, which in Nottingham was focussed on Lines 2 and 3 of the NET tram network, the main railway station upgrade and Linkbuses to 'fill the gaps' for employers, destinations and residents not served by the tram.

Table 2: Summary of research findings on WPL in Nottingham (links below table)

	Research report	Summary of findings	Comments
1	WPLs: the answer to funding large scale transport projects in the UK? (2014)	Early commentary on WPL in Nottingham, states need for further research	Too early for real evaluation of impacts
2	Evaluating the impacts on traffic congestion and business investment following the introduction of a WPL and associated transport improvements (PhD, 2017)	While WPL and associated transport improvements constrain congestion and help mode shift, economic and population growth are reducing these impacts	Confirms earlier ideas that WPL must be part of a cohesive transport package to have measurable impacts
3	Evaluating the impact of a WPL on local traffic congestion: The case of Nottingham UK (2017)	A small but statistically significant impact on congestion is found	Uses numbers of workplace parking places to measure commuter traffic, but also finds other external explanatory variables
4	An evaluation of the economic and business investment impact of a package of public transport improvements funded by WPL (2017)	Finds strong evidence that WPL in Nottingham is not having a significantly negative impact on inward investment.	Finds strong economic and employment growth, and speculates that this is due to the improved public transport funded by WPL

5	The impact of the WPL on travel to work mode share (2019)	8.6% of commuters switched away from the car at least partly because of WPL, and 50% of these said WPL was important in their decision	Also showed some commuters switching to the car, demonstrating suppressed demand for car use
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1. <https://core.ac.uk/download/pdf/192156752.pdf>
2. [Evaluating the impacts on traffic congestion and business investment following the introduction of a Workplace Parking Levy and associated transport improvements \(lboro.ac.uk\)](#)
3. [Evaluating the impact of a workplace parking levy on local traffic congestion: the case of Nottingham UK \(lboro.ac.uk\)](#)
4. [An evaluation of the economic and business investment impact of an integrated package of public transport improvements funded by a Workplace Parking Levy \(lboro.ac.uk\)](#)
5. [The impact of the Nottingham Workplace Parking Levy on travel to work mode share \(lboro.ac.uk\)](#)

2.5.4 Nottingham did not include carbon reduction or air quality improvement in the list of key success factors – however, it is normally concluded that if congestion can be reduced then these associated factors will also be reduced. NCC states that it is on course to become carbon neutral by 2028 and has demonstrated that the whole transport package including WPL has enabled cleaner air. This meant that Nottingham did not need to designate a Clean Air Zone as it was released from the list of cities mandated by the Secretary of State to develop a plan to meet national air quality standards in the shortest possible time.

2.6 Recommended option – a workplace parking levy for Leicester

2.6.1 The selected option is to investigate a WPL scheme. The rationale is that a WPL is most appropriate for Leicester as it contributes adequately to LTP objectives and provides enough funding for the selected priority projects in the first 10 years of operation. It can be implemented promptly, will follow on seamlessly from the TCF projects already under way, and will help to facilitate the BSIP proposals, which will all demonstrate to employers and residents what can be done and what impacts there could be with a long-term programme of similar initiatives. Although WPL does not have as great an impact on traffic as RUC, it does focus more closely on peak time traffic, and the congestion and poor air quality that results.

2.6.2 Having decided a WPL is likely to be appropriate for Leicester a scheme design needs to be developed that will suit the city's needs, be acceptable to local employers and realise the financial requirements needed for the transport investment programme. This is shown in [Chapter 4](#).

2.6.3 The key principles of the Leicester scheme are as proposed below:

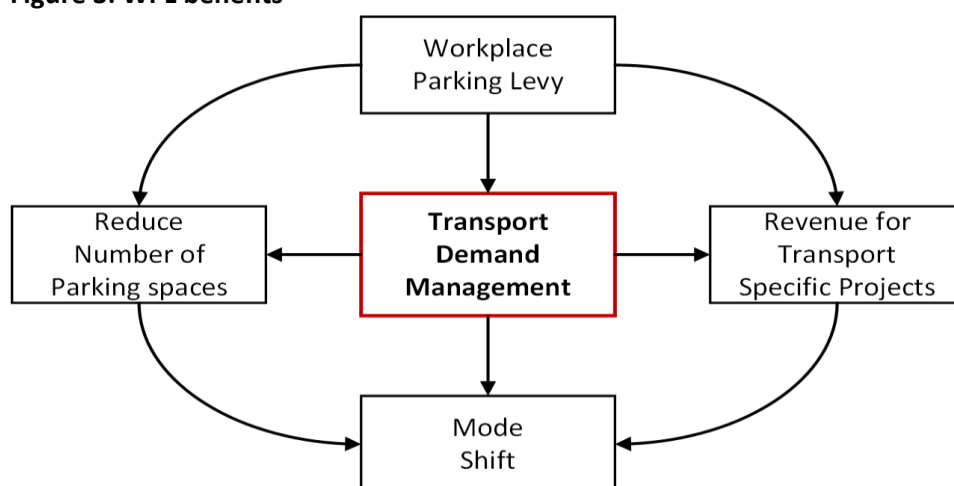
- The WPL scheme and associated package of public and active transport investment is designed to meet objectives in the LTP, by contributing to reducing carbon emissions, managing congestion, and improving health, air quality, connectivity, choice and accessibility
- To support the Leicester economy, including measures to tackle the impacts of the COVID-19 pandemic

- It will be flexible in the treatment of different circumstances, financially efficient and meet LTP timescales
- The WPL scheme will be designed to be simple, easily understood, and enforceable
- The Council will monitor the WPL scheme to ensure that it remains compliant with the Transport Act 2000 and legal requirements generally
- Support and assistance will be provided to employers to minimise the burden of complying with the WPL scheme administration
- Actions will be taken to address any displaced parking problems caused by the WPL scheme
- The impacts of the WPL scheme will be monitored, with results disseminated locally and to central and local government

2.7 Potential contribution of a workplace parking levy to Leicester Transport Plan objectives

2.7.1 A WPL has two main functions – to encourage people to consider other non-car modes of transport, and to provide funds for other projects that meet the objectives in the Draft Leicester Transport Plan. These benefits are summarised in the diagram below, taken from the [Economic Impact Study](#):

Figure 3: WPL benefits



2.7.2 WPL has the potential to contribute to LTP objectives and to accelerate delivery of associated programmes. Table 3 below provides more information.

Table 3: WPL contribution to LTP transport objectives

Transport objective	WPL contribution
Reduce the need to travel by car	WPL encourages car commuters to use other modes of travel and provides funds for mass transit (Leicester Greenlines express bus network) and active travel
Support zero emission vehicles and new models of transport	Provides funding for installation of supporting infrastructure including electric vehicle charging points

Make transport more resilient to planned and unplanned events such as flooding or pandemics	Provides funds for more robust alternative forms of transport
Make public transport, park and ride, cycling or personal e-mobility the first choice for longer journeys for most people.	WPL provides funding for Greenlines express mass transit and active travel in the first 10-year plan
Make city centre interchanges easy and attractive to use for everyone	WPL will contribute funds to deliver the Rail Station Masterplan in the first 10-year plan
Make the city centre easy to get around by foot, cycle or personal e-mobility	WPL reduces car use and provides funds for active travel
Make active transport the first choice for shorter journeys for most people	WPL funding will improve active travel options for everyone
Make zero emission vehicles the first choice for remaining car journeys	Provides funding for installation of supporting infrastructure including electric vehicle charging points
Ensure neighbourhoods are better connected throughout the city	WPL funding will improve active travel options for everyone
Manage the road network and improve public transport to tackle congestion across the urban area	WPL is a key part of a demand management strategy to tackle congestion by reducing car use and encouraging sustainable travel
Improve air quality across the city	WPL is a key part of a demand management strategy to improve air quality by reducing car use and encouraging sustainable travel
Improve road safety across the city	Provides funds for new safer infrastructure for active travel

2.8 Tackling Leicester Transport Plan challenges with a workplace parking levy

2.8.1 WPL will enable the challenges listed in the LTP to be tackled quicker and more effectively, because it both contributes to reduced car use and provides funding for better sustainable transport alternatives. The challenges are summarised under the following headings in the LTP:

- Tackling the climate emergency
- Enabling growth
- Improving health and activity levels
- Improving accessibility and transport choice
- Impact of COVID-19

2.8.2 Perhaps the biggest challenge will be to deliver early tangible benefits through the ambitious LTP vision, and it will be necessary to work on a step by step, incremental basis, whilst monitoring progress over time. The Council will take every opportunity to move forward across a broad range of projects, even though some projects will necessarily be small-scale, particularly when measured against the very large numbers of people already using cars. This pressure is increased even more because of the growth proposals in the Local Plan and the immediate impact of COVID-19 in encouraging more car use. Perhaps the main operational challenge is to change the way we think about transport so that sustainable transport options become the first, most attractive and preferred choices for all types of journeys. The LTP and this business case are intended to set the scene for this change.

2.8.3 Every walking or cycling improvement, and every behavioural change initiative or new electric bus for example will have a positive impact, both on the numbers of people transferring to sustainable modes and on the general improvement of the city as a better and cleaner place to live. But none will be sufficient by themselves. The projects will be cumulative, in that, for example, partial cycle infrastructure improvements will eventually become a comprehensive city-wide network, small-scale behaviour change initiatives will be stepped up, and alternative fuels will mean that air quality will be improved, all working together to make cycling much easier, safer and healthier for many more people. WPL is proposed to be one of the many projects needed and will also speed the delivery of other projects.

2.9 Delivering Leicester Transport Plan priorities through a workplace parking levy

2.9.1 There are three principal major transport projects required to achieve the city's vision that can be made possible within the first ten years of a workplace parking levy investment programme.

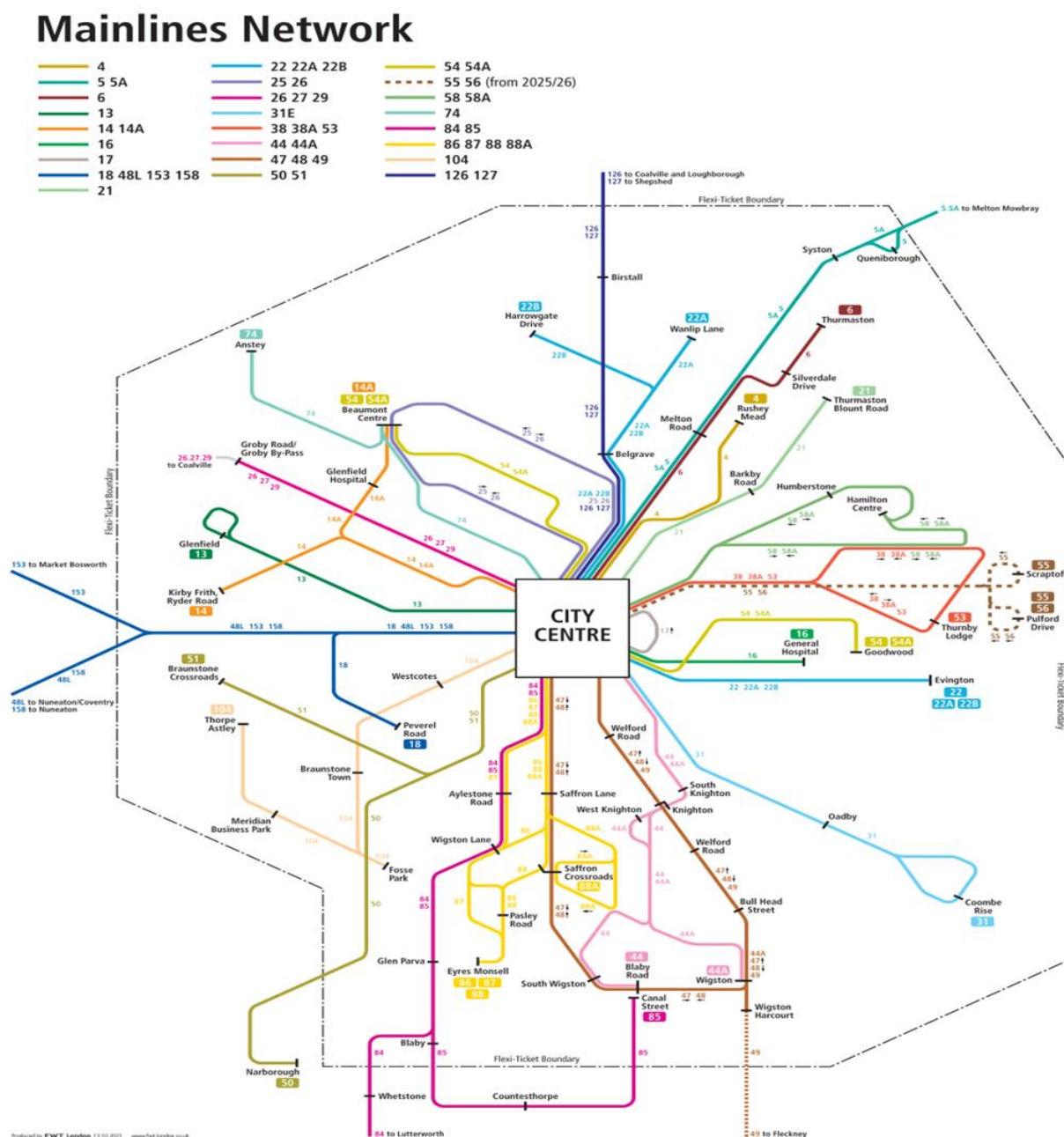
2.9.2 Leicester Bus Services Transformation

The [Leicester Bus Services Improvement Plan \(BSIP\)](#) has been developed jointly with Leicester City Council and local bus operators, following consultation with a broad range of bus users and other stakeholders. It concludes that the current bus network has a strong inherent base to recover from the impact of COVID 19 and for further significant growth over the next three years. However, this will require a package of investment (including WPL) and action across a range of areas.

Several approaches have been considered, with the preferred being a formalised partnership between the Council and bus operators which by 2025 will establish:

- **A 'Mainlines' urban network** of 25 route groups (shown in Figure 4 below) each with a fully branded package of transformative improvements including:
 - 170 electric buses with audio-visual displays and enhanced access features
 - enforced bus priority measures and signal priority
 - automated 'best fare' digital ticketing,
 - on-street real time information at all boarding stops
 - new bus shelters at main boarding stops
 - a new St Margaret's Bus Station
- Each **'Mainline'** will consist of a route group with an integrated timetable to a minimum frequency standard within Greater Leicester:
 - every 15 mins or better daytime Monday - Saturday
 - every 30 mins evenings and Sundays
 - every 10 mins on eleven Mainlines connecting to all key locations outside the City Centre

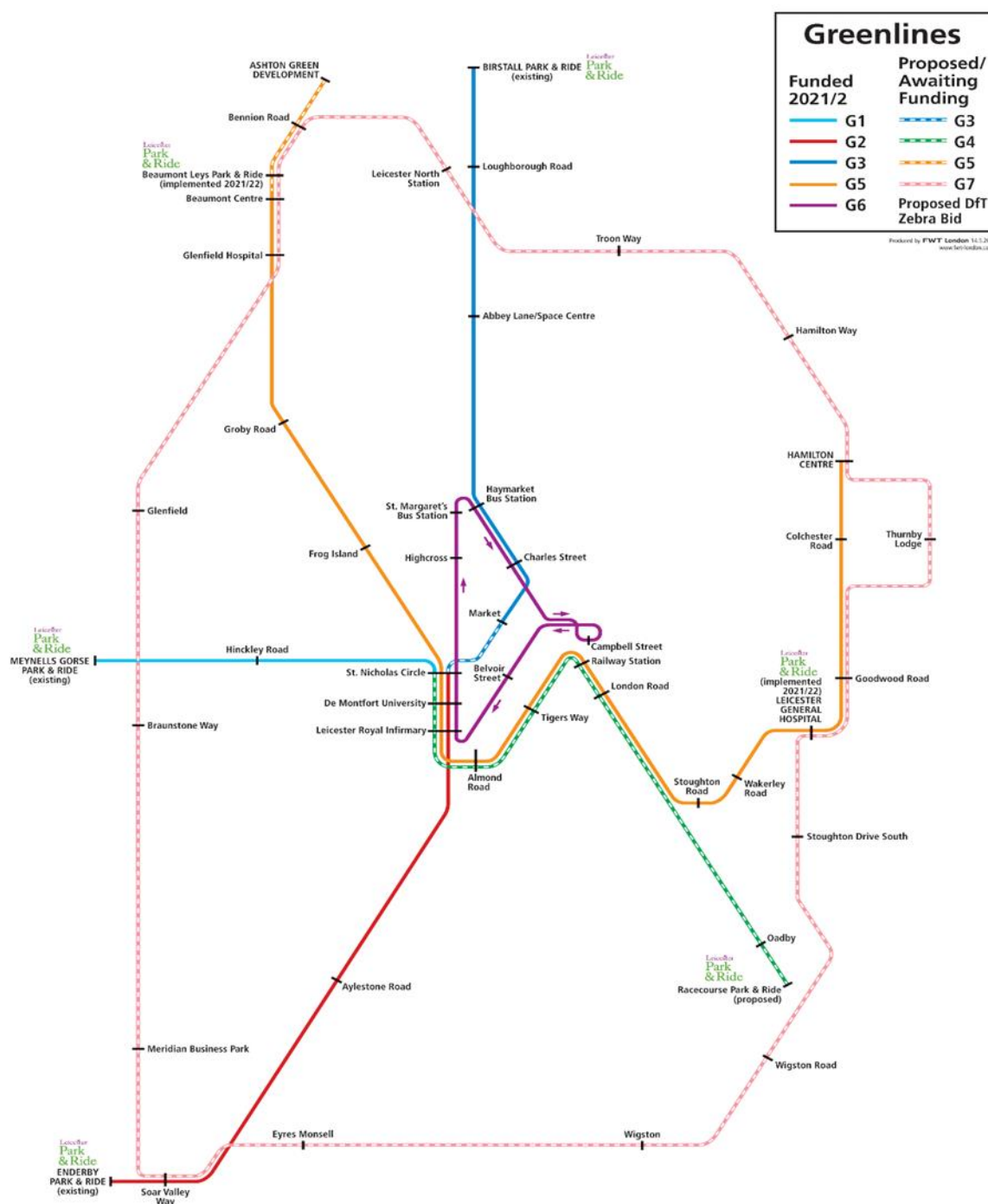
Figure 4: Proposed Mainlines Network with diagrammatic depiction of routes



- A 'Greenlines' strategic network of five limited-stopping subsidised electric bus routes (as shown in Figure 5 below):
 - Three cross-city express routes with park and ride sites at each end
 - inner and outer orbital routes
 - every 15 minutes daytime Monday – Saturday minimum frequency standard
 - 35 electric buses with audio-visual displays and enhanced access features
 - automated best fare digital ticketing
 - bus priority measures

Figure 5: Proposed Greenlines Network with diagrammatic depiction of routes

Leicester Greenlines Network



- A **'Flexilines' network** of four demand responsive electric bus routes designed to access areas of the conurbation away from the main bus network.
- A **package of measures to integrate all bus services** with joined up timetables, fares ticketing and information systems – all to a common, clearly understood 'Leicester Bus' integration brand shown on all buses, bus stops, bus stations and park and ride sites.

- **Affordable bus fares with discounts** for elderly, disabled, young and unemployed people and the ability for all travellers to get the ‘best fare’ on any journeys across the city.
- **A range of implemented policies designed to improve the value of bus travel** in relation to car travel.
- **A similar funded work package for 2025-2030**, with the aim being to provide financially sustainable conditions for all operators to upgrade the whole Leicester fleet to electric buses by 2030.

The overall aims of the partnership will be to:

- increase bus use by 25% from 2022/23 (predicted) to 2024/25 and 40% by 2029/30
- increase modal share from 30% to 32% by 2025 and to 34% by 2030
- increase bus passenger satisfaction to over 85% by 2025 and 90% by 2030
- increase punctuality from 70% to 85% in 2025 and 90% in 2030
- half the Leicester fleet to be electric by 50% by 2025, 100% by 2030

2.9.3 City-wide cycling network – the expansion of infrastructure to deliver a world-class network of safe and attractive routes to meet the growing demand for improved cycling schemes across Leicester. The recent launch of Santander Cycles now means that Leicester will have 500 electric bikes available for hire at 50 locations across the city centre. The use of WPL funds will allow for significant expansion of the hire bikes and to increase safe and attractive cycling and walking options by creating a new city-wide network of cycle routes serving major destinations.

The Government’s recently published ‘Decarbonising Transport’ includes a target of 50% of all trips in cities to be made by walking or cycling by 2030. This is a very ambitious target but one which LCC is aiming for by making active travel a key project for WPL. This target can only be met with substantial increases in investment in both infrastructure and behaviour change – WPL will provide significant local funding which we expect to be matched by other sources including Government funding.

2.9.4 Connected Healthy Neighbourhoods – this will build on the successful delivery of Connecting Leicester projects that have transformed the city centre and apply the same principles to neighbourhoods. Works will include improved and safer walking routes, environmental improvements/landscaping to make areas and routes more attractive and sustainable, integrated charging points for electric vehicles, and improved local bus services. Lower levels of traffic will mean better air quality and reduced carbon emissions. Grants will be available for sustainable transport projects, and incentives will be created for active travel. Schemes will be developed in consultation with residents and local stakeholders.

The ambition within local community areas will be to deliver the concept of ‘15-minute Neighbourhoods’ over the period to 2033, bringing local neighbourhood facilities and services within easy and safe cycling and walking distance.

2.9.5 Future phases of the Rail Station Transformation – The council has been successful in securing a Levelling-Up bid to a first phase scheme with a total cost of £22m. This is the first phase of a potential £170m major regeneration project to transform Leicester Railway Station with high quality passenger facilities as well as a spacious main concourse area featuring retail and food businesses and a new treelined public square outside as a gateway to the city centre. Future phases will focus on better

facilities for passengers and improved rail links as well as supporting the 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.

The target is to increase rail passengers at Leicester station by 33% by 2036.
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2.10 Leicester Transport Plan funding gap

2.10.1 The LTP covers the period until 2036 but the ‘funding gap’ for the delivery of priority projects that WPL could contribute to appears within two to three years.

2.10.2 Capital funding is key to the desired transport transformation and the LTP covers a long time period in order to match the timescale of the draft [Leicester Local Plan](#) to ensure that growth plans are catered for. Many of the capital projects and programmes in the LTP that are due to be delivered in the next three years are already funded from Transforming Cities Fund (TCF) and other Government grants. The gap in capital funding appears in 2024 when TCF is completed.

2.10.3 Revenue funding for projects such as active travel is a challenge to secure with little local or Government funding currently available. In the past Leicester City Council, like most councils, has relied on regular bids to the Department for Transport such as Local Sustainable Transport Fund and Access Fund. The Council is in competition to continue these funding streams so there can be no reliance on them to sustain the active travel and behavioural change projects.

2.10.4 The TCF projects generally cover the north and west of the urban area to serve immediate growth requirements in those areas. However, they do not cover approximately half the urban area and this area is also subject to growth requirements, as well as the urgent need to act on the climate emergency, air quality and health across the whole city.

2.10.5 The LTP puts forward proposals to complete the ‘Hub and Spoke’ plan for the whole urban area (see 1.5.4) to improve neighbourhoods for cycling and walking, to decarbonise transport, and to implement measures to manage demand for car use. Together this forms a comprehensive strategy to intensify action on reducing carbon, improve air quality and increase activity levels. This challenge is substantial, requiring unprecedented levels of change in the relative quality of travel options. This is the funding gap that WPL can help to fill.

2.10.6 The current BSIP proposals clearly demonstrate the funding gap. A relatively small contribution from WPL is proposed to lever in much greater amounts from Government and bus operators. The potential benefits are substantial.

2.10.7 The Nottingham WPL experience has proved that if a local authority can provide even a modest degree of local funding, it is often much easier to obtain additional funding from a variety of other sources.

Table 4: WPL funded schemes in Nottingham (adapted from DMU report)

Scheme	Scheme Total Cost (£m)	NCC 'Local' Contribution not including WPL (£m)	WPL contribution (£m)	Non-Local Sources (£m)
Nottingham Express Transit Phase 2	570	29	170 (30%)	371
Provision of Link Buses (Capital only)	8.8	0.3	3.78 (42%)	4.72
Refurbishment of the railway station	60	0	11.7 (19.5%)	48.3
Totals	638.8	29.3	185.48 (29%)	424.02

2.10.8 If Leicester can replicate Nottingham's success in leveraging additional funds, the impact of WPL receipts would be increased considerably. This is one of the key advantages of WPL – that it supports a much-needed ability to lever in additional funds when the opportunity arises.

2.10.9 Leicester is already making use of opportunities for additional Government funds using prospective WPL receipts as match funding – for example the [ZEBRA electric bus scheme](#). It is likely that there will be other significant opportunities in the coming years, including those generated from the national Transport Decarbonisation Plan and BSIP. LCC intends to maximise these opportunities by developing a WPL investment programme that can be flexible and dynamic in making funds available at relatively short notice. Delivery capability will also be strengthened to ensure effective and timely implementation.

2.11 Other options to fund Leicester Transport Plan priorities

2.11.1 The following table is a summary of potentially available funding sources. However, these are already utilised as much as possible, and a new funding source is required to create a consistent and long-lasting programme.

Table 5: Existing potential funding sources

Other possible funding sources	Comments
Government funds	Leicester has been successful to some extent in obtaining funds when opportunities arise but considers that it would have more success if matching local funds were available. The City Council will continue to use its best efforts to maximise funding from this source.
Regional funds	The City Council will continue to maximise funding from this source for economic-related transport projects. However, future funding levels are uncertain following Brexit and the COVID -19 pandemic.
Private sector investment	Outside of public transport this is most likely to be in relation to innovation and new models of transport.
Increase business rates	The basis of charging business rates remains outside Leicester's control. The rateable value is determined by the valuation office agency (an agency of HMRC) and the multiplier by the Government each year. Leicester's share of retained business rates is 49%.
Public transport companies (e.g. increase fares,	There is an emerging Bus Services Investment Partnership (BSIP) with the three main bus companies which will work towards a high-quality bus network including the Leicester Greenlines electric buses and digital

increase charges for using Council facilities)	integrated ticketing. This will involve bus companies making contributions to these priority schemes.
S106/CIL/developer contributions	Efforts will continue to maximise developer contributions although the Council's powers are constrained, and it is likely that they will be further constrained in the future. Developer contributions are currently being reviewed by Government and are likely to be replaced with a new system.
On and off-street parking charges	The Council is developing a parking strategy, considering tariffs, payment methods and car park improvements and this will act together with WPL to encourage more sustainable forms of commuting.

3. Workplace parking levy assessment

3.1 Introduction

3.1.1 A number of assessment methods have been used in this business case and several studies were commissioned by the council to help inform the options and assessments. These are considered in this section with conclusions and proposed mitigation measures proposed.

3.1.2 The assessments are subject to the following:

- WPL is a long-term initiative that requires prediction of impacts over time, which depend on other factors such as the national and local economic situation
- WPL itself is just one part of the transport strategy and needs to be considered within the overall picture set out in the 2021-36 Leicester Transport Plan
- The council has made good use of its links with Nottingham City Council to use both evaluation results and experience, and this remains the only example of WPL in operation in England to draw from
- Due to the COVID-19 pandemic some preparation work has necessarily had to change to adjust to the special circumstances such as the assessment of parking place estimates working closely with Nottingham City Council and drawing on their 'real world' experience. On-site parking surveys will be carried out during the pre-implementation phase

3.2 Workplace parking places assessment – Nottingham City Council model

3.2.1 In order to assess the potential impacts of WPL and to put forward an appropriate investment programme, it is necessary to understand how many Workplace Parking Places (WPPs) would be chargeable. Despite limitations on surveys with COVID-19 lockdowns, LCC has developed robust modelled estimates of the numbers of parking places that might be affected by WPL and therefore have been able to estimate likely revenues. It is concluded that the preferred WPL Base Case will provide enough funds to enable implementation of the planned investment programme. However, the programme has been made flexible enough to allow for further unforeseen issues and/or estimation errors, including consideration of a worst-case scenario.

3.2.2 It has not yet been possible to carry out detailed visual or interview surveys of parking at workplaces due to the COVID-19 pandemic. The council has therefore worked closely with Nottingham City Council officers who have developed a pragmatic and robust methodology for estimating chargeable WPPs in a [Desktop Parking Analysis report](#). This used actual WPL parking data from Nottingham and applied it to Leicester by means of a multiple regression calculation. The methodology assumes that Leicester has similar WPL scheme details to those applying in Nottingham, but includes results with NHS parking and without it, to demonstrate the scale of likely impact of a 100% discount. Three model runs were undertaken to demonstrate changes in numbers of parking places due to COVID-19 lockdowns, and the results are summarised below:

Table 6: Estimates from NCC parking model

	WPPs without NHS parking	WPPs with NHS parking
Pre-COVID (March 2020)	21,741 rounded to 22,000	25,784 rounded to 26,000
Lockdown One (May 2020) when employees were required to work from home if possible	12,642 rounded to 13,000	16,554 rounded to 17,000
Bounceback (September 2020) when employees were advised to return to work	16,767 rounded to 17,000	21,903 rounded to 22,000

3.2.3 These results were rounded to form the basis of the scenarios considered here. The Base Case was assumed as the pre COVID-19 (March 2020) result - 22,000 WPPs without NHS parking and 26,000 WPPs with NHS parking. These figures are used consistently throughout this business case. A detailed survey of and engagement with employers including numbers of WPPs is now programmed for summer 2022 in preparation for the commencement of a WPL, subject to approval.

3.2.4 It should be noted that in Nottingham numbers of chargeable WPPs reduced in the first year, probably due to employers continuing to rationalise parking spaces to minimise their WPL liability, but then stayed relatively stable over the next seven years of operation. This pattern was disrupted in 2020 due to the COVID-19 pandemic and lockdowns.

Table 7: Variation in number of chargeable WPPs in Nottingham

Year	Number	Variation
2012/13	26,916	Baseline
2013/14	25,308	-1,608 (-6%)
2014/15	25,107	-201 (-0.7%)
2015/16	24,896	-211 (-0.8%)
2016/17	24,860	-36 (-0.1%)
2017/18	25,033	+173 (0.6%)
2018/19	25,154	+121 (0.4%)
2019/20 (pre-COVID)	25,840	+686 (2.5%)

3.3 Economic Impacts of the workplace parking levy

3.3.1 The [Leicester WPL Economic Impact Study \(EIS\)](#) commissioned from De Montfort University comprises two parts:

- A desktop analysis of the impact of the WPL on the economy of the city and on businesses using already available data
- An in-depth survey of a sample of 18 representative large employers in the city to understand views of employers, characteristics of Leicester business and potential impacts of WPL at a more detailed level

3.3.2 Chapter 3 of the EIS summarises the Leicester economic landscape as it relates to the WPL proposals. Key findings are:

- Leicester has a relatively large production sector, including medium and large businesses that would be liable for the WPL. Around a half of the production sector in Leicester is the textile industry. The implications of the WPL for the production sector need, therefore, to be explored.
- Leicester has a relatively large number of micro and small firms that would not incur the WPL but may stand to benefit from improved transport infrastructure. Consideration could be given to how micro and small firms can benefit from the increased spending that would result from the WPL.
- Leicester is a comparatively lower wage economy with higher levels of in work poverty and so the effects of the WPL on employee's wages need to be carefully considered.
- In terms of the number of large and medium businesses, and employment in those businesses, Leicester is very similar to Nottingham. In principle, therefore, revenue raised from a WPL in Leicester could be comparable to that raised in Nottingham.

3.3.3 Key findings from the EIS desktop analysis - impacts on the city economy

Leicester is characterised by a high number of micro and small businesses that may not be liable for the WPL but may benefit from improved public transport in the city. The number of medium and large businesses in Leicester, as well as employment, is similar to that in Nottingham suggesting that, for a similarly sized levy, the revenue from the WPL in Leicester will be similar to that in Nottingham.

Leicester has a relatively high proportion of businesses in the production sector, and particularly the textile industry. The implications of the WPL for the production sector should, therefore, be carefully considered. Leicester is also a comparatively lower wage economy with significant areas of deprivation. The impact of the WPL on wages also, therefore, needs to be carefully considered, particularly in highly competitive, low skilled sectors.

DMU estimated the impact of the WPL on a sample of organisations in Leicester who would be liable for the Levy. The estimated cost of the WPL would be less than 0.5% of annual turnover for 90% of those organisations sampled, and less than 0.1% of annual turnover for around 50%. The impact of the WPL, relative to turnover, may be higher for businesses in the production sector and on the periphery of Leicester but the evidence is inconclusive.

For around a half of the organisations in the DMU sample the estimated cost of the WPL would be less than 10% of 2019 profits. While profit rates are typically lower in the production sector DMU found no evidence that the impact of the WPL, relative to profit, would have a disproportionate effect on the production sector.

3.3.4 Key findings from the interviews

The interviews found that public transport is currently considered to be less attractive than driving in Leicester. Public transport provision was considered to be city-centre focused with satellite County towns and villages marginalised from the network. The perceived high cost of public transport in Leicester and the inefficiency and unavailability of services were recurrent concerns. The COVID pandemic resulted in a shift away from public transport use and an increase in single-occupancy car journeys. Park and ride and car sharing were not considered to be popular travel options.

The majority of interviewees identified traffic congestion and emissions as being an issue in the city. However, levels of traffic congestion in Leicester were not perceived to affect the delivery of supplies to, or the distribution of products from, business premises. In terms of travel to work, firms generally

had a poor understanding of employee travel to work behaviour. Travel plans were not commonplace or well understood by Leicester businesses.

A wide range of car parking management policies are practiced across the city and these have evolved in response to specific business needs and locational characteristics. Most business have sufficient car parking spaces for their needs. Active demand management is only practiced at a couple of supply-constrained sites. When asked about the WPL, the majority of businesses were aware of the concept of a workplace parking levy. Interviewees said it was important to explain how any WPL revenue would be spent and wanted the Council to invest in a “significant” infrastructure project. Although a range of potential benefits from a WPL were identified, scepticism about the ability of a WPL to incentivise mode shift and deliver improved air quality was expressed.

The cost of the WPL on business was largely unwelcome and concern was expressed about its impact on staff relations, recruitment and retention. There was no consensus as to the level the WPL should be set at or whether firms would absorb any WPL charge or pass it on to their employees. Businesses were not able to speculate as to the impact a WPL might have on the city. There was consensus that any WPL revenue had to be invested to benefit local people. There was a view that the WPL would benefit the city centre at the expense of the periphery and some businesses who would be liable for the levy would see no direct benefit from it. It was felt improvements to public transport provision resulting from WPL revenue may lead to a reduction in car parking spaces at some sites over time.

3.3.5 Impacts on employers

A detailed review of the potential direct financial impact on employers is presented in 4.3.4. There are also indirect impacts, for example:

- The value of the WPL investment programme projects will accrue to all employers in the city in terms of congestion management and improved alternative options for staff travel
- WPL may encourage employers to consider how to make better use of land assets, for example converting under-used car parking to other higher value uses

3.3.6 Impacts on employees

A detailed review of the potential direct financial impact on employees is presented in 4.3.5. There are also indirect impacts, for example:

- The value of the WPL investment programme projects which will accrue to all employees, offering improved alternative options for travel
- Improved management of workplace parking might lead to improved staff satisfaction, for example access controls limiting unauthorised use of car parks

3.3.7 Specific views of employers on WPL and response

An unwelcome extra financial cost and administrative burden on business – the Council commissioned the EIS to inform this business case and to assess economic and financial impacts on business. The intention is to create the circumstances for a fairer allocation of costs of improving transport and air quality, managing congestion and improving health by encouraging more active travel. Nottingham has found ways of simplifying and managing the administrative requirements and Leicester is taking advice from Nottingham officers.

A WPL won't necessarily deter people from driving – there is little evidence on this but what evidence there is (from Nottingham) confirms that there is a small impact on behaviour caused by the WPL

itself. A bigger impact is obtained when the investment programme projects are included, and an ongoing advice and support programme is proposed to encourage employers to manage parking and introduce incentives for sustainable travel.

There are issues of equity and ‘fairness’ in a WPL which will need careful consideration – agree that this needs careful consideration, and it is covered in some depth in this document and the supporting studies.

It is an additional tax on business that won’t deliver tangible benefits to the whole city - as is shown by the proposed WPL investment programme, there will be a benefit to the whole city and surrounding areas by providing improved public transport and active travel opportunities.

If the charge is passed on (in whole or in part) it potentially penalises lower wage employees and shift workers who work at out-of-town industrial estates with relatively poor or non-existent 24/7 public transport links – an important point which is considered in this business case (see for example 3.4.5). The WPL proposals include considerable business support measures to advise on parking management and the fairest ways of passing on the levy charge to employees. The proposed priority projects include an improved bus network with more frequent services particularly those needed to access major employment sites and Park and Ride sites, as well as commuter cycle networks providing a low-cost alternative. Discounted fares are being considered for specific groups.

No way to scrutinise the level of the charge or evaluate its impact – another important point. This business case and the consultation allows for everyone to consider and comment on the WPL proposals. The Council is establishing an Employer Transport Forum to contribute to WPL and LTP discussions.

3.3.8 The EIS includes recommendations derived from both parts of the study – the desktop analysis and the in-depth employer interviews. These have been carefully considered by LCC and the Council responses, which are largely positive, are shown in Table 8 below.

Table 8: LCC response to key recommendations from DMU in Economic Impact Study

Key Recommendations	LCC response
1: Raise awareness of the economic impacts of congestion and delays for businesses and individuals in Leicester.	We would link Recommendation 1 with Recommendation 2.
2: Raise awareness of the cost and health impacts of vehicle emissions for the City of Leicester and promote an alternative future	Draft LTP published with vision and new Employer Transport Forum set up.
3. Provide practical support to Leicester businesses to encourage/incentivise uptake of travel plans and undertake annual staff travel surveys as part of the WPL package	Agreed - business support package is seen as a vital element of the WPL scheme
4. Work with businesses in the city to make them aware of the benefits emanating from a WPL. A carefully crafted strategy that explains how the benefits from a WPL will be distributed across the city is required.	Agreed - Details included in the LTP and this business case, in consultations and the proposed Employer Transport Forum

5: Work to ensure that the transport improvements arising from the WPL become visible quickly to counter potential scepticism.	Agreed – Building on TCF programme the full BSIP/Greenlines network is intended to answer this point and is due for completion in 2025/6.
6: Develop a clear and focused message as to how the revenue is to be used. A simple way this can be achieved is by identifying initiatives the WPL has funded, for example by branding schemes ‘funded by the WPL’.	Agreed – key message is the three priority projects as in 2.9 above. These projects will be branded with ‘funded by WPL’.
7: To address concerns that a WPL is merely a revenue raising ‘tax’ mechanism, offer tangible ways in which business will benefit from the scheme.	Agreed – examples of benefits currently being investigated are: Better managed workplace car parks Land made available for development Improved staff satisfaction from alternative travel options.
8: The potential for improving public transport links across the city region and not just to and from the city centre should be explored.	Agreed - this is a key point and proposals are stated in 2.9 above
9: Leicester City Council need to explore the impact of the WPL on on-street parking and the possible need for complementary measures. This is required to assess the economic impact of a WPL on congestion, traffic-emissions, parking search and safety with respect to adjacent streets.	Agreed - explained in 3.6.6
10: There is a need to be transparent about the charge (and future increases linked to established metrics such as RPI or CPI), in terms of the use, of permitted exemptions, how the revenue will be used and the impact of the measure on different groups (including women, people with disabilities, and individual ethnic and religious groups within the city).	Agreed – see remainder of business case and especially relevant assessments Equalities Impact Assessment prepared
11: Leicester City Council need to explore the potential impact of the WPL on wages and employment opportunities, particularly in competitive, low wage, low skilled sectors of the economy. Measures could be considered to lessen the impact of the WPL on low wage workers including advice and support to employers and cross city public transport provision.	Agreed - see remainder of Economic Case and WPL priority projects
12: Establish a dedicated WPL business engagement and advisory forum to help shape the scheme’s design and foster buy-in from the business community.	Agreed - Employer Transport Forum to be established Currently engaging with business representative groups e.g. Chamber, FSB

13: Establish a dedicated communication and implementation team who are responsible for public consultation, scheme design, and eventual implementation. A named policy champion could support this approach.	Agreed – named policy champions are the City Mayor (Sir Peter Soulsby) and Deputy City Mayor (Cllr Adam Clarke)
14: Raise awareness of the ability of the WPL to leverage other funding that will enhance life for everyone who lives and works in the city.	Agreed and is included in this business case
15: Explore potential for enhanced car sharing and/or provision of works buses post COVID.	Agreed, in business support programme
16: Conduct ongoing empirical research into the impact of COVID on the city and the businesses operating within it and develop an agile and flexible WPL package that is sufficiently future proof so that it can be adapted at minimum cost to ensure the WPL not only delivers maximum benefit for the city but contributes to its recovery.	Agreed – an ‘agile and flexible’ WPL package is included in this business case Ongoing monitoring to be carried out and reported
17: Devise and agree a set of metrics by which the impact of the WPL will be assessed. Conduct intervention analysis to identify the range of impacts and take steps to address any unanticipated consequences and ensure the WPL meets its stated objectives.	Agreed – details to be determined
18: Undertake a sustained programme of research to examine the medium to longer term impacts on inward investment, business location decisions and new development with respect to enhanced public and active travel provision in the city.	Agreed in principle – details to be determined

3.4 Traffic impacts of the workplace parking levy

3.4.1 LCC commissioned [modelling work](#) from AECOM Ltd to better understand the impact of WPL on the highway network, and to be able to use the results to demonstrate what might happen with different predicted levels of mode shift, not only directly from WPL itself but also to show the impacts of the WPL investment programme. Five scenarios were modelled based on those in the Nottingham City Council [Desktop Parking Analysis](#), which developed workplace parking places (WPPs) estimates for Leicester derived from actual numbers of parking places charged in Nottingham. These estimates were based on different points in time to reflect potential differences in the range of chargeable parking numbers due to COVID-19, and for comparative purposes to consider the inclusion and exclusion of NHS parking in the WPL scheme.

3.4.2 The modelling work was carried out in three stages – Stages 1 and 2 were model runs carried out by AECOM, using the Pan Leicester Regional Transport Model and Stage 3 was an additional stage carried out by EAE Consultants Ltd, using a formula determined in Stages 1 and 2.

3.4.3 The assumptions for the five scenarios were:

- **Scenario 1** - £550 pa charge, 26,000 chargeable WPPs representing a pre-Covid estimate (March 2020) with NHS being charged WPL
- **Scenario 2** - £550 pa charge, 22,000 chargeable WPPs representing a pre-Covid estimate (March 2020) with a 100% NHS discount. This scenario also reflects the 'bounceback' position from Covid (September 2020) with NHS charged. September 2020 was when people were able to return to the workplace
- **Scenario 3** - £550 pa charge, 17,000 chargeable WPPs representing Covid Lockdown 1 (May 2020) with NHS charged. Lockdown 1 caused the lowest estimates as people were instructed to work from home This scenario mirrors a scenario with Covid 'bounceback' (September 2020), with NHS given a 100% discount.
- **Scenario 4** - £550 pa charge, 13,000 chargeable WPPs representing the Covid 'bounceback' estimate (September 2020) with a 100% NHS discount
- **Scenario 5** - Scenario 3 with a £1000pa charge and 17,000 chargeable WPPs representing Lockdown 1 (May 2020) with NHS charged. This scenario mirrors a scenario with Covid 'bounceback' (September 2020) with a 100% NHS discount

Table 9: Summary of scenarios described in 3.4.3 above

Scenario	WPL Parameters		Assumptions	WPL receipts over 10 years (£M)	Funds available for Transport schemes (£M)
	WPL	No of chargeable spaces			
1	£550	26,000	• Pre-COVID with NHS	£143	£433
2	£550	22,000	• Pre COVID without NHS • Bounceback with NHS	£121	£367
3	£550	17,000	• Lockdown 1 with NHS • Bounceback without NHS	£94	£283
4	£550	13,000	• Lockdown 1 without NHS	£72	£217
5	£1,000	17,000	• Lockdown 1 with NHS • Bounceback without NHS • £1000 per space	£170	£515

3.4.4 The timing of the modelling exercise coincided with the publication of the Government's 'Decarbonising Transport' plan and the Council's own work on a Carbon Reduction Roadmap, and the modelling results also contribute to our understanding of the level of works required (and associated mode shift) to achieve or contribute significantly to the ambitious targets included in both documents – for example, for 50% of all journeys in cities to be by active transport by 2030 and for Leicester to reach carbon net zero by 2030.

3.4.5 Three stages of modelling/analysis work were completed, as summarised in Figure 6 and as explained more fully below:

Figure 6: Traffic modelling stages



3.4.6 Stage 1 (AECOM)

Stage 1 of the modelling exercise consisted of adding an extra cost to each commuting car trip in the Leicester urban area. The WPL cost is applied on a daily basis, and across all commuter cars in the city, so the additional cost of each trip is relatively low and results in relatively few commuters changing how they travelled. The impact on the highways network was further reduced as non-commuting car trips became slightly more attractive due to the reduction in the car-commuting traffic. The predicted impact of WPL by itself on mode shift away from cars was therefore estimated to be under 1% traffic reduction.

There are various factors that impact on the results:

- The Leicester Pan Regional Transport Model, although the most recent and most appropriate model to use, distributes the additional cost over many drivers over a wide area. The resulting impact is therefore averaged over a wider area. In reality, there may be local factors which impact the take-up amongst certain types of profession or industry or availability of non-workplace parking.
- WPL would be charged to a relatively small number of employers, due to the proposed small business discount, and not all the employers charged will pass it on to car commuters who park at the workplace. Therefore, only a relatively small number of people are affected by the higher cost of driving. The model assumed that 50% of those charged would pass the cost on to employees (using evidence from Nottingham).
- The model does not take account of additional measures that tend to accompany WPL – for example employers acting to reduce their liability by reducing the number of parking spaces charged and intensified behavioural change activity with affected employees encouraging them to try other modes of transport.

3.4.7 Stage 2 (AECOM)

Following the approach taken by Nottingham, Stage 2 modelled the impact on the highway network of the WPL charge itself plus the transport projects delivered through the WPL investment programme (bus and active travel improvements only, as the rail station improvements were not expected to impact clearly on the model results).

As the details of the proposed transport improvements were not confirmed when the model work was commissioned, a 'proxy' was used, based on targets reflecting the Government's policy direction. This used assumed levels of mode shift to be created by the investment programme projects. These assumptions were derived from those used in the Council's recent successful bidding process for the

Transforming Cities Fund (TCF), the criteria for which was set by the Department for Transport (DfT). This modelling exercise was based on TCF levels of finance and activity spread throughout the 10-year investment programme period. This was considered justifiable because:

- The TCF bid was a recent successful bidding exercise under DfT rules (but most of the TCF projects within it had not yet been prepared to a detailed level)
- Annual levels of TCF funding approximately matched what might be possible over the first 10-year WPL investment programme
- A 'cap' was placed on bus mode shift because experience had shown that it is difficult to exceed the stated figures in a mature bus market, even with considerable investment. This has been confirmed in the recent Leicester Bus Services Improvement Plan.

Table 10: Mode shift assumptions in Stage 2 (scenarios from Table 9)

Scenario	Bus	Walking	Cycling
1	10%	74%	493%
2	10%	63%	417%
3	10%	48%	322%
4	10%	37%	247%
5	10%	88%	586%

Results from the Stage 2 exercise showed high impacts on the highway network. For example, car mode share reduced to below 50% in all scenarios (from 65%) and mode shares for walking and cycling were forecast to be above 50% in some scenarios. Taken uncritically, this would mean that modelling of some scenarios predicts that Leicester could achieve the Decarbonising Transport target of 50% of trips by active travel by 2033/4.

Although this was very encouraging, it was also considered that the percentage increases masked real life limitations. The absolute numbers increase, especially for walking, was not considered realistically achievable, as numbers of walking trips are already very high. It was therefore decided to carry out an extra stage of analysis – Stage 3.

3.4.8 Stage 3 (EAE Consultants Ltd)

Stage 3 was carried out by EAE Consultants using the formula for calculating traffic impacts of mode shift from the results of the Stage 1 and 2 modelling work. This was:

...Analysis of the model forecasts that for every 100,000 car trips produced in Leicester City which move to sustainable modes of travel (across the 12-hour period 0700 to 19:00) there is:

- A forecast 6.2% reduction in traffic
- A 9% reduction in delay
- A forecast 3.2% increase in average speed

Additional evidence-based active travel assumptions were applied based on actual mode shift obtained in recent active travel initiatives, reflecting the current level of achievement. This was intended to moderate the mode shift figures used in Stage 2. The formula was then used to estimate Stage 3 results.

One third of WPL receipts (and funding levered in from other sources) was assumed to be spent on active travel, and one third on bus improvements. The remaining one third was assumed to be allocated for the rail station transformation and the impact of this on traffic reduction was not considered in this modelling exercise. The allocation of funds to the rail station in the first 10 years of

a WPL is likely to be less than a third now following the recent successful Levelling-Up fund bid resulting in total investment of £22m into the station first phase.

Then information from the [Government's Cycling and Walking Investment Strategy](#) (CWIS) was used to estimate potential increases in active travel that could be achieved based upon the likely level of funding available. For Stage 3a, the more conservative figure of a cost of £20 per new active travel trip generated was used.

The information in the modelling report was used to estimate the change in traffic, delay and average speed due to these updated assumptions in Stage 3a, as shown in Table 11:

Table 11: Stage 3a results showing the impact on daily travel (scenarios from Table 9)

Scenario	Increase in Active Trips	Increase in bus trips	Decrease in car trips	Change in Car mode share	Change in Traffic (Veh-km)	Change in Vehicle Delay	Change in Average Speed
1	30,093	8,500	38,593	-3%	-2%	-3%	1%
2	25,463	8,500	33,963	-3%	-2%	-3%	1%
3	19,676	8,500	28,176	-2%	-2%	-3%	1%
4	15,046	8,500	23,546	-2%	-1%	-2%	1%
5	35,774	8,500	44,274	-4%	-3%	-4%	1%

Assumes 10% increase in bus passengers and that the benchmark for estimating new active trips is £20 per new trip (CWIS more conservative figure)

These revised assumptions lead to much lower changes in car mode share, traffic reduction, delays and speeds compared to those presented in Stage 2 in the AECOM report.

However much depends on the figures used for the efficiency of investment. The CWIS acknowledges that there is a significant variation in the effectiveness of interventions. The continuation of the very effective Connecting Leicester and Transforming Cities Funds projects as well as a comprehensive behavioural change programme could significantly boost the effectiveness of the active travel schemes. For buses, if the bus mode shift 'cap' can be broken through and more positive assumptions are used on the efficiency of investment, then more impactful results can be obtained. Stage 3b in Table 12 shows the impact if the effectiveness of the interventions is doubled.

Table 12: Stage 3b results showing the impact on daily travel

Scenario	Increase in Active Trips	Increase in bus trips	Decrease in car trips	Change in Car mode share	Change in Traffic (Veh-km)	Change in Vehicle Delay	Change in Average Speed
1	60,185	17,000	77,185	-6%	-5%	-7%	2%
2	50,926	17,000	67,926	-6%	-4%	-6%	2%
3	39,352	17,000	56,352	-5%	-3%	-5%	2%
4	30,093	17,000	47,093	-4%	-3%	-4%	2%
5	71,549	17,000	88,549	-7%	-5%	-8%	3%

Assumes 20% increase in bus passengers over 10 years and benchmark for estimating new active trips is £10 per new trip (CWIS more positive figure)

3.4.9 Conclusions

Conclusions fall into two parts - those related to the individual scenarios and those related to the different stages (which themselves reflect different levels of mode shift and efficiency of investment).

Conclusions on scenarios

The scenarios modelled have a relatively small range of results. Minimum impacts for all scenarios are shown in Stage 1, and maximum impacts in Stage 2. In order to simplify these results and relate them to the development of the Base Case in this business case, the following qualifications have been applied to the scenarios:

- The most accurate and best justified scenario is Scenario 2, with a charge of £550pa and 22,000 chargeable WPPs (when a COVID-19 reduction has been applied).
- The proposed charge of £1,000 (as in Scenario 5) is found to be unacceptable in terms of its impact on business.
- Numbers of chargeable WPPs have been confirmed as 22,000 (after taking COVID-19 uncertainty into account) with NHS charged (although given a temporary 3-year partial discount, this is alongside a high level of behaviour change and parking management activity which is considered to equal or outweigh any reduction in traffic impact caused by the discount.)

Table 13 below provides summary information on Scenario 2 results, which can be used as a general summary of the results of the modelling work undertaken.

Table 13: Summary of Scenario 2 results

	Trip Productions in Leicester			Leicester Highways Network			
	Increase in active trips	Increase in bus trips	Decrease in car trips	Change in car mode share	Change in traffic (veh/km)	Change in vehicle delay	Change in avg speed
Stage 1	528	198	682	<-0.1%	<-0.1%	<-0.1%	<0.1%
Stage 2	287,151	7,711	295,777	-25%	-18%	-34%	12%
Stage 3a	25,463	8,500	33,963	-3%	-2%	-3%	1%
Stage 3b	50,926	17,000	67,926	-6%	-4%	-6%	2%

Conclusions on stages

The mode shift assumptions, as reflected in the different stages, have results that range quite widely in their impacts on the highway network, as shown in Table 14 below:

Table 14: Summary of ranges of results of all scenarios by stage

	Trip Productions in Leicester			Leicester Highways Network			
Stage	Increase in active trips (range)	Increase in bus trips (range)	Decrease in car trips (range)	Change in car mode share (range)	Change in traffic (veh/km) (range)	Change in vehicle delay (range)	Change in avg speed (range)
Stage 1	325 to 782	118 to 282	407 to 1050	< -0.1%	< -0.1%	<-0.1%	< 0.1%
Stage 2	169,217 to 402,718	7599 to 8178	177,323 to 412053	-18% to 33%	-10% to 27%	-19% to 44%	5% to 16%
Stage 3a	30,093 to 35,774	8,500	38,593 to 44,274	-3% to 4%	-2% to 3%	-3% to 4%	1%
Stage 3b	60,185 to 71,549	17,000	77,185 to 88,549	-6% to 7%	-3% to 5%	-7% to 8%	2% to 3%

In order to simplify these results and to relate them to conditions that are more appropriate in Leicester, the following comparison can be made, working on the basis of the Stage 3a predictions for vehicle reduction, because Stage 3a is considered best justified as it is based on evidence gained from recent projects in Leicester.

Taking figures from the best justified scenario and stage, Scenario 2 shows a 2% reduction in vehicle traffic modelled in Stage 3a.

In Leicester during school holidays traffic falls by approximately 10% in the morning peak and 2% over the day. In 2019 weekday (Mon-Fri) traffic was 10% lower in a sample of sites in the 8-9am peak in October half term (compared with the week before) and 3% lower in the 3-4pm hour. Total weekday traffic was down 2%. This follows a pattern seen in previous years.

Therefore, according to the best-justified traffic modelling results, WPL and its associated first 10-year investment programme could lead to broadly similar levels of traffic reduction as those seen during school holidays.

3.5 Other assessments

3.5.1 Strategic Environmental Assessment (full report available on request) – WPL was included in this assessment as a key proposal in the LTP. Overall, it was considered that the LTP strategies will result in significant positive social effects in terms of protecting and promoting everybody's safety and their physical and mental wellbeing, and in terms of improving air quality. Further environmental impact assessment may be required as relevant projects in the LTP are brought forward as part of the WPL investment programme.

3.5.2 Accessibility Assessment (full report available on request) – WPL was included in this assessment as a key proposal in the LTP. With regard to the general population, all should benefit from the improved transport options. Where employers decide to pass the levy charge on to car commuters, the report indicated LCC should advise on fair methods of doing this. It recommended that disabled people should be exempted from the charge.

3.5.3 Equalities Assessment

An Equalities Assessment is being developed throughout the whole WPL process as a 'live' document and is available on request.

3.6 Conclusions and mitigations

3.6.1 The assessments described above have provided valuable input into the development of the WPL scheme. The City Council has considered all the results and recommendations and has made changes where necessary. The most important areas of consideration are listed below with examples of changes made in response.

3.6.2 Mitigating impact on employers - the WPL scheme details and priority projects have been developed having already taken into account many of the comments made in previous discussions and in the first consultation. Examples are:

- Provision of more frequent and better radial and orbital bus services serving suburban employment sites and Park and Ride sites and also demand responsive buses, so more employees will have direct bus links to work. These improved services will in some cases also serve areas outside the City Council boundary.
- Including employer advice and support as a key part of the WPL proposals
- Proposing affordable bus fares where possible
- Giving a 100% discount to small businesses
- Proposing a WPL charge level that takes account of the specific needs of business in Leicester even though traffic benefits are reduced
- Following the Nottingham example in making the WPL as easy as possible for employers to administer e.g. exempting operationally necessary parking that is difficult to estimate in advance

3.6.3 Employer engagement and involvement - the City Council is proposing:

- Continuing to meet with large employers and employers' organisations (such as the Chamber of Commerce) as part of this consultation and after

- A large-scale employer engagement exercise in spring/summer 2022 which will advise employers on how to get a WPL licence as well as identify those employers who might benefit from more detailed advice on parking management and travel planning
- An Employer Transport Forum to provide ongoing input to a Workplace Parking Levy Board on transport policy and programmes as well as day-to-day operational issues

3.6.4 Lower paid employees - the City Council is proposing:

- A 100% small business discount, which will capture a large proportion of the identified low-wage sectors in Leicester.
- A business support initiative focusing primarily on the larger liable businesses. This advice will include practical and fair ways of passing on the levy to car commuters if that is what the employer wants to do. There are several examples in Nottingham of employers charging higher paid employees more and lower paid employees less than the levy charge, with the final figure equalling what is needed to pay the total levy, and this will also be encouraged in Leicester.
- Affordable bus fares with discounts for elderly, disabled, young and unemployed people and the ability for all travellers to get the 'best fare' on any journeys across the city.
- Provision of improved cycle routes offering convenient and safe low-cost travel options.

3.6.5 Ease of administration/managing parking - a long-term programme of employee and business support is considered vital to ensure the smooth operation of WPL, and this has been confirmed by the Nottingham experience. The programme will consist of:

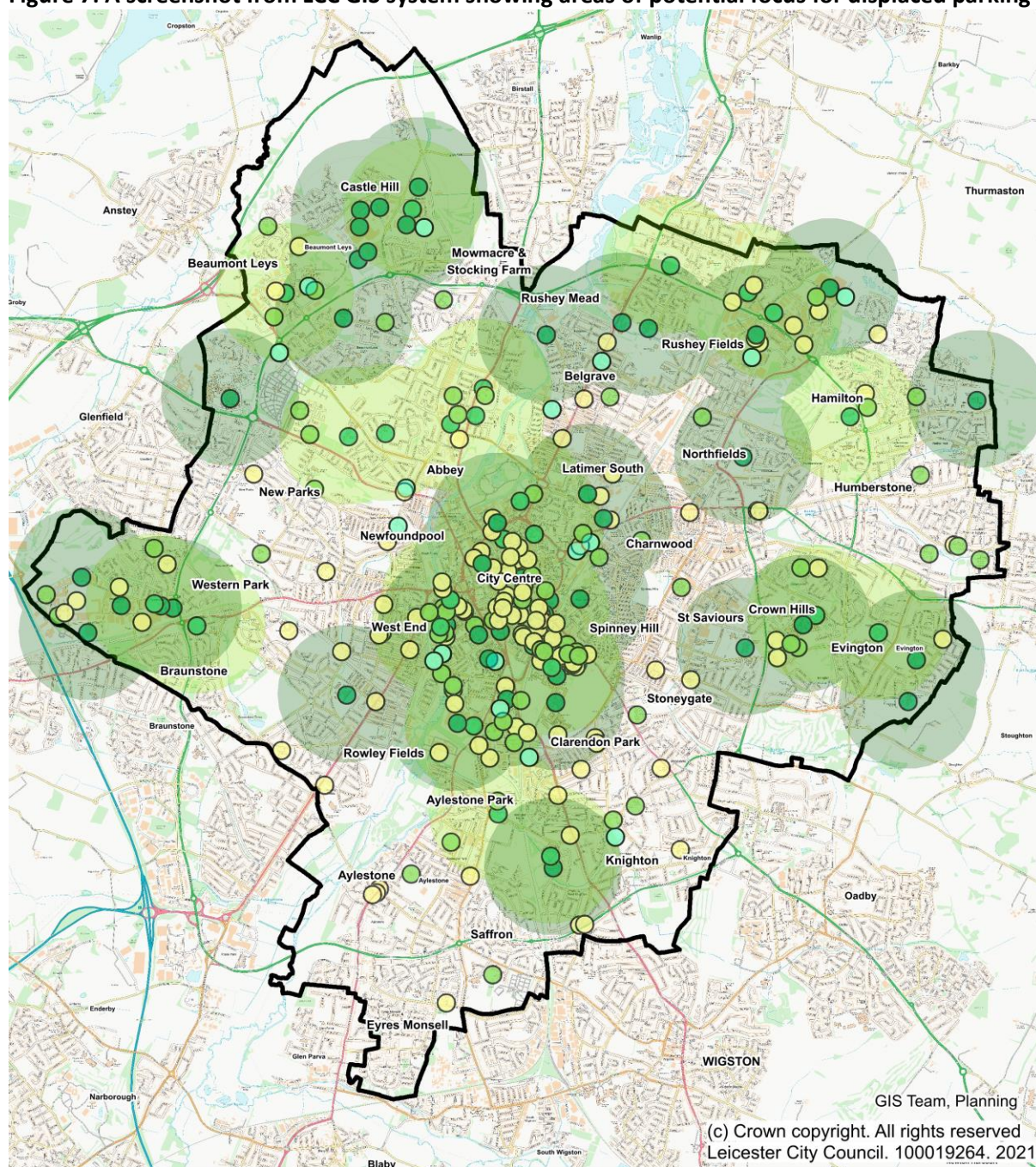
- Direct advice to employers liable for paying the WPL, including how to calculate chargeable parking places and how to estimate future use of parking places.
- Should the employer decide to pass the charge on, advice on how that can be achieved, and how to manage workplace car parking more effectively.
- Travel plan advice to employers on how to encourage employees to leave the car at home and consider alternative forms of transport
- Incentives and grants to undertake travel plan initiatives e.g. for on-site cycle parking facilities

3.6.6 Displaced parking - a displaced parking programme is being developed. There may be potential issues from employees, would be charged for using workplace car parking places, choosing to park on adjacent streets, and this possibility has been highlighted by Leicestershire County Council. This already happens to a certain degree, and there are established parking controls that can be extended if this happens in the future due to WPL. Nottingham City Council has considerable experience of this, and officers have advised on the development of a displaced parking strategy which will focus on residential areas initially within an 800m radius of large employers.

Figure 7 shows the locations of the larger workplaces in Leicester (darker dots show larger workplaces) and highlights possible 'hotspot' areas where displaced parking might occur (shown in green shaded circles around dots).

LCC takes these possible implications very seriously and is proposing to set up a Displaced Parking Task Force jointly with Leicestershire County Council and adjoining Boroughs and Districts as required. This Task Force will be responsible for identifying hotspots and, working with local residents, acting promptly to arrange appropriate mitigation such as Traffic Regulation Orders to manage any displaced parking and reduce its impact on residents, whether inside or outside the City Council boundary.

Figure 7: A screenshot from LCC GIS system showing areas of potential focus for displaced parking



3.6.7 Equalities issues – these are being considered continually through the Equalities Impact Assessment and this has led to the additional proposals, for example:

- A 100% discount for Blue Badge holders
- Additional discounted bus fares for young and unemployed people alongside those for the elderly
- Advice and support to employers in passing on the WPL charge fairly to car commuters
- A WPL charge level that is based on a typical bus fare

4. Proposed workplace parking levy scheme details

4.1 Scheme Order

4.1.1 This section sets out the key features of the scheme, with a rationale, including the proposed levy charge, exemptions and discounts, the WPL boundary, operating hours and duration.

4.1.2 The [draft Scheme Order](#) provides the legal definitions and legal framework for implementing the proposed levy in Leicester. Explanatory notes are also provided.

4.2 Determining scheme details

4.2.1 The assessments listed in [Chapter 3](#) follow a logical process starting with a high-level qualitative assessment, asking questions about the appropriateness of WPL to Leicester; then consideration of key scheme details such as levy charge and exemptions and discounts; and then remaining scheme details. The process is iterative and is used to narrow down possible options to a single Base Case, which becomes the preferred option.

4.2.2 This chapter considers the scheme details for inclusion in a Base Case, which is then further tested in [Chapter 5](#), looking at sensitivities including rate of collection of the levy, COVID-19 impacts on future parking numbers and the economy.

Figure 8: Assessment process



4.3 Proposed levy charge

4.3.1 A summary of the rationale for selecting the proposed levy charge of £550 pa per chargeable WPP is provided below. Subsequent sections provide more detail on these items.

- The estimated impact of the WPL on business costs is considered acceptable and is comparable to the situation in Nottingham, which was regarded as acceptable by the Department for Transport (DfT)
- The impact on salary costs of an average employee is considered acceptable and is comparable to that seen as acceptable by DfT in Nottingham
- There is however some concern about the impact of employers passing on the levy charge to low paid employees and £550pa is considered to be an upper limit in Year 1. Where employers are considering passing on the WPL charge to employees, the Council will advise on how this

can be done fairly as part of a proposed liable employer support package and will focus this advice on highly competitive, lower wage sectors

- Although a levy charge higher than £550pa is likely to result in greater positive traffic impacts, those positive impacts are not considered to outweigh the potential negative economic impacts of a charge higher levy charge
- The proposed charge will provide enough funds to pay the required contribution to deliver the required transport improvements as shown in the WPL investment programme
- The proposed charge is approximately equivalent to a single bus fare or a park and ride monthly ticket, so represents a reasonable and fair charge to commuters if passed on to them
- It compares favourably with average public car park charges for commuters in the city centre. These are not included in the WPL scheme

4.3.2 Initial considerations

Initial considerations led to a proposal to make the charge approximately equivalent to a typical bus fare and at a level that would yield sufficient revenue for delivery of the proposed WPL Investment Programme. This proposal was then compared with the Nottingham situation and tested in the Leicester WPL Economic Impact Study and by using the Leicester Transport Model.

4.3.3 Factors taken into consideration

- Economic impact on businesses
- Economic impact on employees (should the charge be passed on)
- Impact on commuting behaviour, and consequently on congestion, air quality and carbon emissions
- Funds required for the proposed WPL investment programme
- Nottingham experience
- Other Leicester specific circumstances (bus fares and existing public car parking charges)

4.3.4 Economic impact on business

The [Leicester WPL Economic Impact Study \(EIS\)](#) prepared by De Montfort University (DMU) used a rounded charge of £500pa to test impact on businesses. With the application of assumptions on the number of chargeable Workplace Parking Places, the estimated impact of the WPL was predicted to be less than 0.5% of costs for almost all businesses in the sample and less than 0.1% for most businesses. This was considered acceptable and is comparable with the Nottingham situation, summarised as, ‘the levy is likely to be less than 0.4% of total costs to an average firm’, in the DfT approval letter for their WPL scheme (available from NCC).

A charge of c.£500pa would have a comparable or lower impact on business generally to that in Nottingham. However, Leicester does have a different economic structure to Nottingham with more businesses in the production sector and fewer in the service sector. Many of these production sector businesses are small or micro-organisations.

Approximately 50% of WPPs are charged to employees using the parking places by employers in Nottingham. This has increased considerably over the nine years of operation and is encouraged by NCC when advising employers on parking management and travel plans.

Of the 18 large businesses interviewed in the EIS, 13 said they would not pass on the levy charge, three said they would and two were not sure. It seems reasonable to expect that the number passing the charge on would increase over time, as in Nottingham.

The improved transport infrastructure enabled by WPL will boost the Leicester economy, by supporting the large number of existing micro and small businesses and attracting inward investment. This will be most effective if integrated with other measures as part of an overall economic strategy.

4.3.5 Economic impact on employees

Much of the following information and analysis comes from the EIS.

Leicester employees are paid less on average than in either Derby or Nottingham, although the pre-COVID unemployment rate was also lower in Leicester (4.1% in March 2020) than in Nottingham (6.6%). In the 2011 Census 45% of low-paid Leicester workers commuted by car, although in the 2021 EIS interviews large employers estimated that 60% of their employees drive to work.

The EIS lists average wages by sector in Leicester in Table 22, reproduced in Table 15 below:

Table 15: Mean salary of employees in businesses sampled by sector

Sector	Count	Average per business	Average per employee	Lowest average
05-39 : Production	18	£35,000	£34,500	£19,500
41-43 : Construction	3	£45,000	£38,000	£37,500
45 : Motor trades	6	£28,000	£28,000	£26,000
46 : Wholesale	4	£33,000	£29,500	£23,000
47 : Retail	8	£20,000	£16,500	£10,500
64-66 : Finance & insurance	6	£42,000	£40,500	£32,500
69-75 : Prof., scientific & technical	2	£29,500	£39,000	£19,500
77-82 : Business adm. & support	9	£29,500	£21,000	£17,500
85 : Education	2	£40,500	£40,500	£40,000
90-99 : Arts, entertainment	3	£156,000	£185,000	£17,500

Note average salary for '90-99 Arts, entertainment' includes Leicester City Football Club which unbalances the figures

The 'lowest average' column in this table shows the mean salary for the organisation paying the lowest salaries in that sector. Retail; production; professional, scientific and technical; business administration and support and arts and entertainment all have figures of under £20,000 pa in this column. The proposed WPL charge has to take this into account.

The DfT approval letter for Nottingham WPL states 'the levy is estimated to be less than 1.5% of salary costs for an employee commuting by car'. A similar calculation for Leicester could be:

- Median full-time salary in Leicester - £28,555 pa
- Estimated salary costs to employer (including NI etc) - £31,850 pa
- @£500pa WPL charge – 1.6% of salary costs
- @£550pa WPL charge – 1.7% of salary costs

If a more realistic assumption is made on car use - that higher-paid employees are more likely to drive to work, then the following could be calculated:

- Salary at 60% point in distribution for people working full-time - £31,949
- Estimated salary costs employer (including NI etc) - £35,811

- @£500 WPL charge – 1.4% of salary costs
- @£550 WPL charge – 1.5% of salary costs

The proposed Leicester charge of £550 is considered to be acceptable and is comparable to the impact on employees of the Nottingham WPL.

However, because of the economic structure, there is the potential for negative consequences of the WPL for certain businesses and employees in the low wage and low skill sectors. Tight margins, a competitive market and an excess supply of labour, particularly in the textiles sector, create a setting in which the WPL could be passed on to relatively low wage employees or car use is displaced in a way that the business can lower the WPL charge (but car use still occurs with commuters parking elsewhere). Neither of these outcomes is desirable. Note this point was also raised in the LTP Accessibility Assessment. Mitigations are listed at 3.6.

In effect this indicates that there is likely to be an upper limit for the levy charge – a charge above which could start to create hardship or other undesirable consequences if passed on in full to low paid employees. The Council considers this upper limit to be £550 pa per space in Year 1 (2023/4).

4.3.6 Impact on commuting behaviour – traffic modelling

A transport modelling exercise using the Leicester Pan Regional Transport Model has informed the impact of WPL on traffic as outlined below.

In summary, traffic modelling suggests relatively small direct impacts initially from WPL on the level of car use but there are likely to be more significant indirect impacts when the WPL investment programme to deliver sustainable alternatives to car use are taken into account (see 3.4). However, the higher the levy charge, if it is passed on to employees, the more commuters will be encouraged to use other forms of transport. Even if the charge is not passed to commuters, employers will be incentivised to reduce parking at the workplace to minimise their levy payments.

The model assessed the traffic impacts of a £1,000 pa WPL charge to compare with a £550 pa charge proposal and looked at the impacts of different numbers of liable workplace parking places. Table 16 below demonstrates the range of impacts predicted with charges of £550pa and £1,000pa, all figures including the impacts of the WPL investment programme.

Table 16: Summary results from traffic modelling exercise (Stage 3, Scenarios 2 and 5)

Option	Mode shift away from car use	Daily traffic reduction	Delay	Speeds
WPL charge @£550 pa	4%	2-3%	2-4% reduction in delays	1% increase in speeds
WPL charge @£1,000 pa	5%	3-4%	5-6% reduction in delays	2% increase in speeds

The modelling results confirm that greater levels of traffic reduction, reduced delays and increased speeds are generated with a higher WPL charge, as more car commuters are attracted to other modes of transport. Additional mode shift to other modes is a key deliverable for the WPL and the LTP objectives, as it contributes to better air quality and reducing carbon emissions as well as reducing congestion.

However, the additional benefits of the higher charge are relatively small, and it is the view of the council that these extra benefits alone do not justify the higher charge level.

4.3.7 Funds required to deliver the LTP transport priorities

This business case indicates that to deliver the transformation required to sustainable transport set out in the LTP, the proposed WPL Investment Programme requires funds of at least c.£9m pa from a WPL. Clearly the investment programme can be changed if revenues are less, but the scale of projects would be reduced, with proportionately fewer benefits.

In the recent employer interviews in the EIS, the tram system in Nottingham was considered to be a suitable and visible recipient of WPL receipts which gave Nottingham a competitive advantage over other cities, including Leicester. Respondents felt it important to explain at the outset how any WPL revenue would be spent and for the Council to invest in a “significant” infrastructure project to show similar ambition for Leicester.

It is the view of the Council that receipts of at least c.£9m pa are required to create this significant investment in city transport. LCC is not however proposing a single project but a comprehensive range of projects which are considered necessary to achieve the ambitious whole city transport vision in the LTP.

4.3.8 Other Leicester specific factors

The remaining specific factors that can influence the setting of the levy charge are:

- Bus fares – A typical bus fare is between £4-5 per day, or £50-65 per 4-week period, depending on whether it is a single-operator ticket or multi-operator. Park and ride tickets cost £3.50 per day or £45 per 4-week period. The proposed WPL at £550 pa is approximately £45 per 4-week period, the same as the monthly park and ride ticket. At an average working year of 227 days, the WPL charge per day would be £2.40, half a typical day bus fare and approximately matching a single bus fare. It should be noted that the full cost of the WPL may not be passed on to employees.
- Note the Nottingham charge (£428 in 2021/2) was also based on a typical single bus fare in 2012 but the charge increases with inflation, whereas bus fares have increased by more than inflation over the last nine years. Leicester’s proposed charge, while matching current bus fares, is higher than Nottingham’s current WPL charge.
- Other parking charges – the average cost for up to nine hours at a LCC car park in the city centre was £8 in May 2019. The cheapest full day cost at a privately managed car park in the city centre was recorded at £4.50. These rates have varied during the COVID-19 pandemic. It may be possible to find unauthorised car parks on waste ground at a cost of around £3 or £3.50 per day on the edges of the city centre. At a WPL charge of £550 (£2.40 per day) public parking in the city centre is usually significantly more expensive than the proposed WPL charge. It should be noted that the full cost of the WPL may not be passed on to employees.

4.3.9 Nottingham experience

As noted above the initial rationale underpinning the level of WPL charge in Nottingham was to make it comparable to a typical bus fare in the city. This was considered to represent a fair equivalent charge for car commuters if passed on to them.

According to Nottingham City Council, the Nottingham WPL scheme has not caused any significant adverse economic impact, either on business or employees over the nine years of its operation. Nottingham's WPL charge has not led to significant observable modal shift by itself, but higher mode shifts have been identified when significant new infrastructure and improved public transport services were also included. NCC has been able to undertake many additional transport projects based not only on funds received from WPL but also on benefits gained from integrating the WPL into for example, behaviour change initiatives.

4.3.10 Levy charge conclusion

The impact on travel behaviour tends to increase with the level of charge. A decision on the final proposed levy charge is therefore a judgement taking into account the following main factors:

- Total receipts required to deliver sustainable transport benefits
- Impact on travel behaviour (using evidence from our traffic model)
- Impact on employers and employees (using evidence from the Economic Impact Study)

4.3.11 Table 17 below provides an options analysis summary to illustrate the trade-offs.

Table 17: Summary of options analysis (over first 10 years)

Charge Per Annum Per Space	Gross total WPL receipts (£m)	Summary impact on traffic (evidence from traffic modelling exercise Stage 3)	Summary impact on employers and employees (evidence from Economic Impact Study)
Base Case £550	209	Scenario 2 - a fall in car mode share of 3-6% with daily traffic falling by 3-4%.	Impact shown to be comparable to Nottingham for both employers and employees
Base Case £250	95	Not tested as insufficient revenue would be generated	Easier to cope with for both employers and employees
Base Case £1000	380	Scenario 5 – a fall in car mode share of 4-7% with daily traffic falling by 3- 5%	Considered unacceptable impact, especially if passed on to lower paid employees

4.3.12 The modelling results confirm that greater impacts on traffic are generated with a higher WPL charge, as more car commuters are attracted to other modes of transport. Additional mode shift to other modes is a key deliverable for the WPL and the LTP objectives, as it contributes to better air quality and reducing carbon emissions as well as reducing congestion.

4.3.13 However, the additional impacts of a higher WPL charge are relatively small, and it is the view of LCC that these extra benefits do not justify the higher charge level, as the findings in the EIS on the

impacts of the WPL on employers and employees (summarised in 4.2.4 and 4.2.5 above) outweigh the likely traffic benefits of a higher charge.

4.3.14 The final decision on the proposed WPL charge was for a charge of £550 pa, which is considered to be reasonable and justified for both employers and employees. It provides sufficient income, has an appreciable effect on congestion, air quality and carbon, particularly in kick-starting the ‘virtuous circle’ of reducing demand for cars and increasing use of sustainable modes.

4.4 Exemptions and Discounts

4.4.1 The WPL legislation is flexible on the provision of exemptions and discounts, which may be based on:

- Type of employer (such as emergency services or NHS)
- Type of vehicle (such as motorbikes or electric vehicles)
- Type of user (such as Blue Badge holders)

Exemptions relate to workplace parking places (WPPs) for which a WPL licence is not required. Premises with WPPs given 100% discounts need to obtain a WPL licence but are not charged. Discounts may also be given at reduced rates, not necessarily at 100%. Nottingham City Council decided to use only 100% discounts as a simplification for both employers and the Council itself.

4.4.2 The most significant discounts/exemptions considered are discounts relating to small businesses and the NHS. For details of Leicester’s proposals see the draft Scheme Order.

4.5 Providing a 100% discount for workplaces with 10 or fewer workplace parking places

4.5.1 Leicester has more micro and small businesses of 0-9 employees than either Nottingham or Derby (11,605 or 88% of all businesses in Leicester). Virtually all these businesses have 10 or fewer WPPs and would not have to pay the levy if a 10 or fewer WPP discount were in place.

Table 18: Number of VAT and/or PAYE enterprises in March 2020 by number of employees comparing Leicester, Nottingham and Leicestershire (not including Leicester).

Employees	Leicester	Nottingham	Derby	Leicestershire
0 to 4	10,015	6,890	5,645	23,415
5 to 9	1,590	1,115	840	3,490
10 to 19	875	635	460	1,715
20 to 49	475	375	280	910
50 to 99	150	140	115	300
100 to 249	60	75	50	200
250+	50	75	40	120
Total	13,215	9,050	7,430	30,150

Source: ONS

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation>

4.5.2 To better understand the potential impacts of the 10 or fewer WPP discount, estimates were made based on Nottingham actual figures, which were then refined with findings for Leicester from the Economic Impact Study on the numbers of small businesses. Tables 19a and 19b estimate the impacts on numbers of employers charged and numbers of WPPs charged if the 100% discount applied in Nottingham for small businesses is applied in Leicester. Note that LCC is actually proposing a different arrangement for the NHS to Nottingham (see 4.5) – the tables are purely indicative.

4.5.3 The difference between the ONS number of enterprises and the lower numbers of employers on the WPL database is due to the tighter definition in the Transport Act 2000. Employers on the WPL database must have workplace parking. They could have associated premises (branches, depots, shops) relating to the same employer which are recorded as a single unit. These may be defined as separate enterprises by ONS.

4.5.4 Assumption 1 shown in the tables below assume Leicester has a similar economic structure to Nottingham and Leicester figures are estimated from Nottingham actuals. For example, the estimated number of employers on the Leicester WPL database is the result of applying the Nottingham percentage of 32% to the Leicester ONS figure. Assumption 2 figures use EIS findings (Leicester has a different economic structure, with more small businesses), which reduces the estimated number of liable employers.

4.5.5 Indicative comparison of Leicester and Nottingham with 10 or fewer WPP discount:

Table 19a: Estimated number of employers affected by a 10 or fewer WPP discount

	Leicester (see note, estimated figs rounded)	Nottingham (actual figs rounded)
Total enterprises (ref ONS)	13,215	9,050
Total liable employers on WPL database	4200 (32% of all enterprises as recorded by ONS)	2900 (32% of enterprises as recorded by ONS)
No of employers liable to pay WPL after discounts applied (Assumption 1)	630 (15% of all employers on WPL database)	450 (15% of all employers on WPL database)
No of employers liable to pay WPL after discounts applied (Assumption 2)	420 (10% of all employers on WPL database)	

Table 19b: Estimated number of Workplace Parking Places (WPPs) affected by a 10 or fewer WPP discount

	Leicester (see note, estimated figs rounded)	Nottingham (actual figs rounded)
Total WPPs	38,000	42,000
No of WPPs charged	*22,000 (60% of all WPPs)	25,000 (60% of all WPPs)
No of WPPs not charged due to 10-WPP and NHS discount (Assumption 1)	16,000 (40% of all WPPs)	17,000 (40% of all WPPs)

No of WPPs not charged due to 10-WPP and NHS discount (Assumption 2)	more than 40% of all WPPs	
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* predicted from NCC parking model, all other Leicester figures estimated

4.5.6 Assumption 2 in Table 19a shows that if a 100% discount is set at 10 or fewer WPPs it is estimated that up to 90% of Leicester employers would not have to pay the levy, and with a 100% NHS discount, over 40% of WPPs would not be charged. This is similar to but slightly more enhanced than Nottingham because of the relatively large number of micro and small businesses in Leicester. This could mean that approximately 420 employers would be liable to pay the levy, and only 50-60% of chargeable WPPs would be included in the WPL scheme. Therefore, the WPL would only be charged to medium and large employers. Many of the largest employers are public sector and, of those in the private sector, most have a turnover of over £1m pa.

4.5.7 Providing a 100% discount for workplaces with 10 or fewer WPPs would reduce gross revenue by at least £6.6m pa and would also mean a small reduction in traffic impact. The EIS provides tentative evidence that the impact of paying WPL might be higher in production sector businesses which tend to be highly competitive. A small business discount would therefore particularly aid these sensitive sectors.

Table 20: Estimated impacts of proposed 10 or fewer WPP 100% discount with £550 levy charge

Impact	With no discounts	With 100% 10-WPP discount
Number of chargeable WPPs	38,000	26,000
Gross revenue pa	£20.9m	£14.3m (68%)

4.5.8 In light of the above the decision was therefore to provide a 100% discount to workplaces with 10 or fewer WPPs, following the Nottingham example. Although this means accepting considerably lower revenue, its value lies in supporting small businesses, especially those in the sectors with high competition and tight margins, and the reduction of complexity of operation and enforcement. It also follows the Nottingham example, which has not adversely impacted on the local economy.

4.5.9 Small businesses will benefit from the improved public and active travel options and the Council will continue to work with small firms on encouraging mode shift to the new transport opportunities in the WPL investment plan.

4.6 Providing a three-year 50% discount for NHS including University Hospitals Leicester (UHL)

4.6.1 There are over 4,000 potentially liable WPPs in the hospital sector alone in Leicester. Non-hospital NHS services, such as GPs, have much smaller differential impacts, and many will also be subject to the 100% discount for smaller workplaces.

4.6.2 Although Nottingham provides a 100% discount for qualifying NHS workplaces, an alternative proposal is put forward for Leicester reflecting the current context. Car parking is a significant challenge for NHS employers in Leicester and UHL is now engaged on a major reorganisation of health services across the city hospital sites. As part of this reorganisation and potentially linked to WPL, UHL could reduce its reliance on off-site leased parking, where some safety concerns have been raised by

staff, and also improve staff satisfaction. There is already a long waiting list for available parking places and a WPL could help UHL manage staff car parking demand and ultimately reduce provision, thus reducing rental costs and potentially opening up land for more productive uses both on and off-site.

4.6.3 It is considered that a one-off and innovative solution is required for the NHS to take account of the ongoing impacts of COVID-19, as well as the UHL Trust's transformation proposals and the potential for game-changing public and active transport options to be provided to all NHS staff. This has the potential to strongly support the NHS in delivering its sustainability objectives and make a significant impact on mode shift to sustainable transport across the city transport network.

4.6.4 It is proposed that qualifying NHS workplaces are given a 50% discount for the first three years of the WPL taking into account the current ongoing COVID-19 challenges and the planned reorganisation of the estate. This will allow LCC to work with the NHS trusts on reducing demand for parking. During the three-year period, LCC will also work intensively with UHL and the NHS Trust to provide convenient and accessible modes of public and active transport to support their staff, particularly the Greenlines bus network which will be expanded to create frequent linking services for all UHL sites and build on the free staff travel already provided on the Hospital Hopper.

4.7 Other options for exemptions and 100% discounts

4.7.1 There are other possible exemptions and discounts that the council has considered, largely based on the experience in Nottingham. The following table summarises Leicester's consideration of options with the implications of each and a decision reached:

Table 21: Exemption and discount options considered and LCC decision

	Options for exemption/discount	Potential implications	Decision
1	Operationally necessary vehicles including suppliers, business customers and occasional business visitors	Would minimise administrative burden for employers as these users are difficult to predict	Exemption
2	Small businesses (those with 10 or fewer chargeable WPPs)	See 4.5	100% discount
3	NHS and emergency services	See 4.6	50% discount for three years only for NHS
4	Emergency services	Supports function and accepts need to park close to workplace	100% discount
4	Blue Badge Holders	Supports people with disabilities who need to park close to work	100% discount
5	Certain sectors of industry e.g. low pay sectors, high tech	Supports low paid workers or those sectors that the economic strategy particularly supports	No – would be perceived as unfair, definition problems and would unacceptably reduce receipts

6	Electric vehicles	Supports climate emergency targets	No – timescale for transfer to electric vehicles is short, so discounts would be very short-lived
7	WPPs used by pregnant women and/or parents with small children	Supports parents who feel they need to use a car for commuting	No – difficult to administer and enforce. Employers can incorporate these users in any policy
8	Businesses that already have active travel plans and who commit to doing more	Supports those companies already working towards more sustainable transport options for their employees	No – difficult to administer and enforce
9	Employee WPPs at schools and other educational facilities including childcare	Supports educational facilities	No – same circumstances apply to school, college and university staff as any other employees
10	Care facilities for elderly and disabled people	Supports care function and puts them on an equal footing with NHS	No – same circumstances apply as any other employers
11	Spaces used at certain times in the day or year e.g. further education, in the run up to Christmas, part-time, shift work	To facilitate temporary work/study patterns	No – WPL is not charged if there is not a car parked in the WPP – so covered already
12	Charities	To support these functions	No - same circumstances apply as any other employers
13	Voluntary workers	Reflecting unpaid nature	Exemption
14	Personal mobility vehicles including motorbikes	Can be argued to be a step towards more sustainable alternatives, especially if electric	Exemption

4.7.2 After considering the above options, Leicester’s proposed additional exemptions and discounts are summarised below:

Table 22: Summary of additional proposed exemptions and discounts

	Exemption or discount?	Justification
Operationally necessary vehicles including suppliers, business customers and occasional business visitors	Exemption	Would minimise administrative burden for employers as these users are difficult to predict in advance.

Motorbikes and other personal mobility vehicles	Exemption	For clarity. Following Nottingham example and extending it to include modern forms of micro-mobility which may otherwise be classified as vehicles liable for WPL
Emergency Services (Fire, Police, Ambulance) premises	100% discount	Additional need for parking places close to the workplace
Workplace Parking Places used by Blue Badge holders	100% discount	Additional need for parking places close to the workplace
Unpaid volunteers	Exemption	For clarity - to encourage volunteering

4.8 Scheme details - Remaining options

4.8.1 Options are shown in the table below for the remaining scheme details based largely on what has already worked for Nottingham, but alternatives were also considered.

Table 23: Summary of remaining scheme options

	Proposed options	Reasons for selection of options
1.	Boundaries	
1a	Leicester City Council Administrative Area	Well known and understood, all within control of Leicester City Council. Follows Nottingham example.
1b	Leicester Principal Urban Area (PUA)	Includes existing and potential growth areas, viewed as logical Leicester built-up area, but includes parts within neighbouring Districts
1c	Inner Ring Road	City centre and immediate surrounds, where alternative options to cars are more likely to be available
2.	Operating Days	
2a	365 days (whole year)	Simple operation, easy to understand
2b	Certain days of the week	To reflect existing (pre-COVID) working patterns
2c	No school/national holidays	To reflect existing working patterns
3	Operating Hours	
3a	24 hours	Simple operation, easy to understand
3b	Restricted hours over the day	E.g. peak hours only. Reflecting focus on congestion and air quality improvement
4	Variation of charge over geographical area	
4a	Same over whole area	Simple operation, easy to understand, no overspill effects
4b	Variable charge over area	Could reflect availability of good alternatives to the car
5.	Duration of scheme	
5a	Indeterminate	Offers maximum flexibility
5b	Fixed period to 2036	Fits in with LTP and Local Plan timescale

4.8.2 Each of the above options were assessed against the three 'Critical Success Factor' headings using a Leopold Matrix:

- Alignment with Council and national priorities
- Finance and ease of implementation
- Stakeholder impacts

4.8.3 A panel of Officers then scored each criterion against each of the success factors, which were also weighted depending on their importance. This resulted in the summary matrix shown in Table 24.

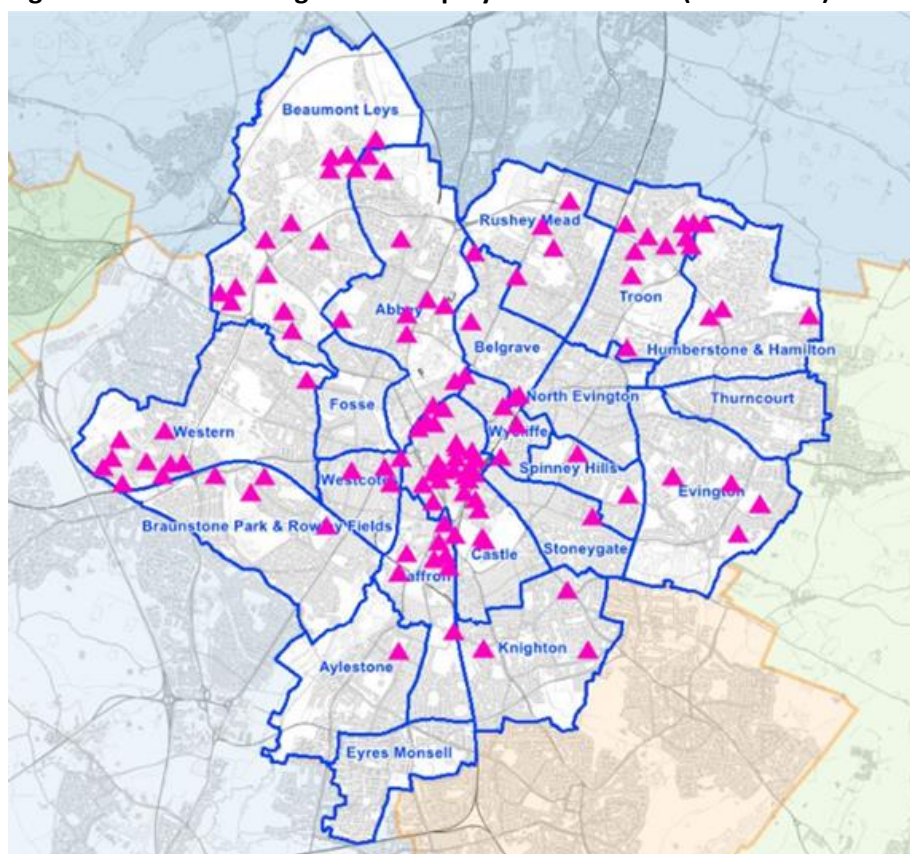
Table 24: Leopold Matrix of Variable Criteria

			Boundaries		Operating Days			Operating Hours		Charges		Duration of Scheme	
	Weighting	Inner Ring Road	Leicester Council Administrative Area	Leicester Urban Area	365	Certain days of the week	Not on School / National Holidays	24hr	Restricted hours over the day	Variable Charge over area	One charge over whole area	Indeterminate	Fixed Period to 2036
Meet Council and National Priorities													
Nitrogen Dioxide	5	2	4	5	5	3	1	5	3	2	5	5	3
Particulate Matter	5	2	4	5	5	3	1	5	3	2	5	5	3
Carbon Dioxide	5	2	4	5	5	3	1	5	3	2	5	5	3
Congestion	5	1	4	5	5	3	1	5	3	2	5	5	3
Health	5	1	4	5	5	3	1	5	3	2	5	5	3
Social Exclusion	5	2	4	5	5	3	1	5	4	2	5	5	3
Finance and Implementation													
Set up cost	-2	2	2	5	0	0	0	0	0	0	0	0	0
Operation of Scheme cost	-2	2	2	5	3	2	1	5	2	2	5	5	3
Income Generation	5	1	4	5	5	3	1	5	2	2	5	5	3
Simplicity of implementation	4	5	5	1	5	3	2	0	0	0	0	0	0
Stakeholder Impact													
Businesses Benefits	3	2	4	5	5	3	1	3	4	4	2	5	3
People Benefits	2	2	4	5	5	3	1	3	4	4	2	5	3
Totals		72	179	189	219	131	47	185	125	79	189	190	114

4.8.4 The options highlighted in green show those with the best overall fit to the critical success factors, which therefore form the basis for the scheme design, apart from one - the scheme boundary. There would be most benefit if the scheme were to operate over the whole Leicester Urban Area. However, this would require a joint scheme with Leicestershire County Council, who have stated that they currently have no intent to implement a WPL. It should be noted however that the benefits of a WPL will be available to residents living in the county e.g. park and ride, 'Mainline' bus services and rail station improvements.

4.8.5 It is considered that the Leicester City Council boundary is the right fit for a WPL scheme, as employers are distributed across the city, with no concentration in a particular geographic area as shown in Figure 7 below. A smaller boundary round a particular employment area is not considered appropriate for Leicester. The lack of transport options has however been cited an issue when discussing WPL proposals with employers, particularly those based outside the city centre. This highlights the need for a comprehensive transport strategy to ensure that as far as possible workplaces across the city are adequately served by sustainable transport options.

Figure 9: Location of largest 150 employers in Leicester (source LCC)



4.9 Preferred scheme details

4.9.1 From the analysis of options considered in this section the scheme details shown in Table 25 are preferred. These scheme details provide the best balance of economic and behavioural change impacts for Leicester's current situation and also ensure significant contributions to deliver LTP objectives.

Table 25: Summary of proposed scheme details

Scheme detail	Proposed Leicester WPL scheme
Scheme boundary	Leicester City Council administrative boundary
Proposed charge	£550 pa per chargeable WPP (as defined in the Transport Act 2000)
Proposed exemptions (no licence needed)	Motorbikes and personal mobility vehicles Delivery vehicles Occasional business visitors not attending their regular place of work Business customers (as defined in the Transport Act 2000) Unpaid volunteers
Proposed 100% discounts (licence needed but not charged)	Workplaces with 10 or fewer WPPs Emergency services Registered Blue Badge holders
Proposed 50% discount for 3 years only	Qualifying NHS premises
Time of operation	24 hours a day, all year
Variation of charges across area	Same charge across whole area
Duration of scheme	Indefinite

5. WPL receipts and proposed investment programme

5.1 Introduction

5.1.1 A critical success factor for the proposed WPL scheme is financial efficiency - providing the most efficient manner of managing and making use of WPL receipts and maximising funding from other sources using WPL receipts to lever in grant and other funding to create a WPL investment programme.

5.1.2 Chapter 4 shows how the key decisions regarding the proposed levy charge and the number of chargeable Workplace Parking Places (WPPs) were made. This chapter uses this information to create revenue scenarios and to test them against the identified risks. It also develops Base Case and Best and Worst-Case scenarios.

5.1.3 This chapter starts with gross financial projections and then develops a Base Case that is considered to most accurately represent the real-life conditions and therefore the likely revenue stream.

Figure 10: Developing the WPL Investment Programme



5.2 Gross financial projections

5.2.1 Gross financial projections were made with and without inflation:

- The proposed £550 pa charge with no change throughout the first 10-year revenue plan period
- The proposed £550 pa charge increased by inflation based on the Office for Budget Responsibility long-term estimates for RPI (3%)

5.2.2 These initial projections do not take account of operational costs, proposed exemptions and discounts, actions by employers to limit liable spaces, behaviour change by employees due to COVID-19 or any other factors which may limit revenues obtained.

5.2.3 The projected gross revenue stream is shown below both with and without levy charge indexation for comparison purposes.

5.2.4 Only the 'without indexation' figures are used in the following sections, for reasons of simplicity in developing the scenarios and projections. As Leicester's investment programme is incremental and flexible, it is anyway better able to cope with changes over time in both receipts and costs.

5.3 Projected operational, enforcement and associated costs

5.3.1 Table 26 estimates operational and enforcement costs taken together with necessary associated costs such as employer business support and programme management.

Table 26: Operational, enforcement and associated costs

000s	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operational and enforcement costs										
WPL team salaries	350	350	350	350	350	350	350	350	350	350
IT and equipment costs	150	150	150	150	150	150	150	150	150	150
Contingency incl consultancy support	175	175	175	150	75	50	50	25	25	25
TOTAL	675	675	675	650	575	550	550	525	525	525
Associated costs										
Displaced Parking Task Force	450	450	450	300	300	300	100	100	100	100
Business support/behaviour change	300	300	300	250	250	250	250	250	250	250
WPL investment programme management	75	75	75	75	75	75	75	75	75	75
TOTAL	825	825	825	625	625	625	425	425	425	425
TOTAL COSTS	1500	1500	1500	1275	1200	1175	975	950	950	950

Key assumptions

- Inflation not included
- IT and equipment costs averaged across 10 years (includes ANPR vehicle)
- Existing office premises used
- Operational and enforcement costs based on NCC actual costs
- Consultancy support likely to be mainly specialist legal services
- Displaced Parking Task Force costs - £300k pa for 6 staff and £150k pa for TRO costs
- Business support/behaviour change costs - £300k general support to employers
- WPL investment programme management – one senior officer to manage programme

5.3.2 The revenue prediction model allows for operational/support costs of 10% of gross revenue or £1.4m pa, which is adequate to cover anticipated costs as summarised above.

5.4 Developing further base case assumptions

5.4.1 Initial Base Case assumptions are derived from the Economic Case and are:

- 26,000 chargeable WPPs
- £550 pa charge per chargeable WPP
- Exemptions and discounts as shown in Section 4.
- Ten-year time period

5.4.2 Further Base Case assumptions are mainly taken from the Nottingham example. This is primarily because Nottingham has successfully created an operational scheme, which has already tackled some of the operational and financial issues (a Nottingham-type scheme is already factored into the gross revenue projections).

5.4.3 It is assumed that all the levy will be collectable and that the full process of enforcement will not be necessary to achieve 100% payment of the levy. This is the Nottingham experience and is due to full engagement with employers and allocating suitable resource to support employers during the first years of the levy operation.

5.4.4 It is also cautiously assumed that the estimated number of chargeable WPPs will reduce by 20% due to behaviour change caused by COVID-19, as more people will work at home. This follows the projections based on Nottingham data shown in 3.2 (Bounce Back without NHS), and is supported by some national surveys – see for example <https://www.bbc.co.uk/news/uk-56490823> and <https://voxeu.org/article/working-home-revolutionising-uk-labour-market>.

5.4.5 Assessment of the likely increase or decrease in WPPs over time due to economic growth, or lack of it, is complex. The variables are:

- Economic growth – likely to increase WPPs over time
- Behaviour change over time due to economic change and availability and cost of parking spaces and alternatives
- Type of businesses attracted and their own car parking and travel policies - also likely to reduce WPPs over time as companies move to more climate friendly travel options

5.4.6 The Nottingham example shows that the number of WPPs declined by approximately 5% over the seven years to 2019. There was however continuous economic growth in the East Midlands over that period, which is likely to have applied in Nottingham too. Growth in GDP pa (as measured by ONS LINK) was 2.5% in 2013 but had reduced to 0.3% by 2019. Whilst it is difficult to draw binding conclusions, clearly there is the potential for the number of WPPs to fall even during a period of economic growth, and it is assumed that the number of spaces in Leicester will decline by 1% pa.

5.4.7 Transport and planning policies, including parking standards imposed, are also likely to reduce WPPs over time as policies reflect lower parking requirements.

5.4.8 NHS workplaces are proposed to have a 50% discount for the first three years (see 4.5). This has been disregarded for the purposes of this analysis as the impact is not significant over the 10 years of these tables, especially in view of the scale of the other assumptions made. The additional behaviour

change focus for UHL should mean that the number of liable WPPs at NHS premises will reduce, but this is also disregarded as it is considered that the proposed 20% across the board Covid related reduction will also cover this predicted reduction at UHL premises.

5.4.9 Table 28 below shows the impact of the 50% discount on gross WPL revenues. The loss of gross revenue caused by the 50% discount for 3 years is £3.3m (£1.1m pa).

Table 27: Impact of proposed 50% 3-year discount for NHS (with 10 or fewer WPP discount included)

Year	NHS/UHL WPPs	Other WPPs	Annual NHS/UHL gross income	Total WPPs	Annual other gross income	Total annual gross income
1 – 3	4000	22,000	£1.1m	26,000	£12.1m	£13.2m
4-10	4000	22,000	£2.2m	26,000	£12.1m	£14.3m
10-year total	-	-	£18.7m		£121m	£140m

Note: this table does not sum to £143m because there are interdependent variables

5.4.10 **Summary of additional Base Case assumptions** following consideration of factors above:

- 26,000 chargeable Workplace Parking Places
- £550 pa levy charge
- Current prices only
- Nottingham model exemptions and discounts (except NHS)
- Proposed NHS 50% discount for 3 years only (disregarded in calculations)
- 0% uncollected levy
- 20% reduction in identified chargeable spaces due to changed behaviour after COVID-19
- 1% pa decrease in chargeable parking spaces due to employer action and economy
- 10% operational costs (includes complementary activities costs)

5.4.11 These additional assumptions have a substantial impact on estimated revenues as shown in Table 28 below:

Table 28: Estimated impact of additional Base Case assumptions on WPL revenue over 10 years

Additional Base Case assumptions	Estimated receipts (rounded)
Receipts with initial Base Case assumptions	£143m
20% reduction in WPPs due to COVID (applied in year 1)	- £29m
10% operational costs	- £15m
1% pa decrease in WPPs due to employer action and economy (applied after above reductions)	- £11m
Total impact on gross receipts of all assumptions taken together	- £48m
Estimated net receipts after taking above factors into account	£95m

Note: The figures in this table do not sum as some variables are interdependent

5.5 Sensitivity tests

5.5.1 Although the Base Case is appropriately justified, there are risks (see 6.7). Therefore, ranges of the variables in the Base Case assumptions have been developed as sensitivity tests.

5.5.2 An Excel revenue prediction tool was used to calculate figures for the sensitivity tests. Each variable was calculated separately to assess the individual impact of each one on the Base Case.

5.5.3 The variables used in the sensitivity tests (justified for the Base Case in 5.4 and with sensitivity ranges determined in an officer workshop) were:

1. Uncollected levy – there may be reasons specific to Leicester that mean that not all the levy payments can be collected (as they are in Nottingham), so medium (5%) and high (15%) rates of non-collection were assumed for the sensitivity tests.
2. Changes in spaces due to COVID-19 behaviour change, primarily due to people who previously drove to the workplace working at home – although there is currently a lack of evidence on the likely future impacts, Nottingham-based evidence for 2020 is available (see 3.6). Two sensitivity options were developed, considered to be the extremes of a possible range of impacts:
 - Low impact (nil change in chargeable WPPs ie 26,000, implies all pre COVID-19 chargeable spaces are filled in future, either with the same commuters' vehicles or because there is latent demand for scarce parking spaces)
 - High impact (13,000 chargeable WPPs as projected for 2020 Lockdown One in Leicester from Nottingham actuals - see 3.2). This was during the time that people were strongly advised to work from home if possible, so this test assumes a continuation of the behaviours established then.
3. Change in spaces due to the economy – this is a very difficult variable to predict, particularly so in view of the effect of the COVID-19 lockdowns on the economy. The Latest quarterly UK Economic Outlook | National Institute of Economic and Social Research ([niesr.ac.uk](https://www.niesr.ac.uk)) central prediction suggests that in 2023 (when the WPL starts) the economy will be approximately the same level as it was in 2019 and slow growth is projected for the following two years. It is possible that the economy will return to pre COVID-19 rates of growth during and after that time.

If this happens the first 10 years of the Leicester WPL should benefit from a similar rate of growth to that of 2018/19, and it could be assumed that the number of chargeable WPPs will change at a similar rate as has happened in Nottingham. This is incorporated into the Base Case as a decline of 10% over 10 years, averaged to -1% pa.

The two sensitivity tests are intended to represent the possible extremes – a high growth optimistic forecast of nil change to WPPs and a low growth pessimistic forecast resulting in a decline of 20% over 10 years, averaged to -2% pa.

Table 29: Summary of sensitivity tests

	Variables	Estimated receipts (rounded)
	Base Case	£95m
1a	5% uncollected levy	£90m
1b	15% uncollected levy	£81m
2a	No reduction in chargeable Workplace Parking Places due to COVID (26,000)	£119m
2b	15,600 chargeable WPPs due to COVID (40% reduction)	£71m
3a	No change in chargeable WPPs due to economic situation/behaviour change	£103m
3b	2% pa decrease in chargeable WPPs	£88m

5.6 Developing scenarios

5.6.1 Variables 1 (amount of uncollected levy) and 4 (operational costs) are largely within LCC control and can be mitigated by efficient management and enforcement. However, variables 2 (COVID-19 impact) and 3 (economic impact) are not within Council control. LCC are continuing to work with NCC on measuring the ongoing impacts of COVID-19 and the EIS considers economic impacts of the WPL.

5.6.2 The following scenarios were calculated:

- Best Case – using all best-case variables
- Worst Case – using all worst-case variables

Table 30: Best and worst-case levy scenarios

Scenarios	Estimated receipts over 10 years
Base Case	£95m
Best Case All levy collected No COVID reduction applied No change in chargeable spaces over time	£129m
Worst Case High rate of uncollected levy (15%) Low chargeable spaces due to COVID (40% reduction applied in yr 1) 2% pa decrease in spaces over time	£56m

5.6.3 The Best-Case scenario was considered over optimistic in the light of the uncertainties around COVID-19 and the need for prudent estimates but has been maintained as a comparator. It gives an indication of how the programme could be developed if the Base Case predictions are exceeded.

5.6.4 The Worst-Case scenario is a significant threat to delivery of the full proposed investment programme. If realised it would not fund the full requirements of the proposed programme within the 10-year period and will inevitably delay the achievement of the benefits. However, it can still provide sufficient funds to enable a slower and/or more modest programme which would be impactful.

5.7 10-Year workplace parking levy investment programme

5.7.1 Leicester's draft 10-year investment programme will inform the first revenue plan. All the projects and initiatives included in the LTP will also be included in the revenue plan, but most of the expenditure will be on the three priority projects shown in Table 31 below.

5.7.2 The approximate distribution of funding for the first 10-year investment programme (Base Case) is also shown in Table 31 – note operational and business support costs are already allowed for.

Table 31: Indicative Base Case 10-Year Investment Programme

LTP Key Theme	Priority projects	Est total theme cost	Proposed WPL allocation for theme	Other contributions from
Connected Corridors and Hubs	Leicester Bus Services Transformation	£400m	£70m	BSIP-related funds (totalling £294m) Other Govt grants Tech funds e.g. digital ticketing S106/developers Levelling Up Fund Rail funds
	City-wide cycle network			
	Rail Station Transformation Future Phases			
Connected Healthy Neighbourhoods	Connected Healthy Neighbourhoods	£40m	£20m	Health funding Other Govt grants Community funds Commercial eg bike hire
Managing Demand for Car Use		£10m	£5m	S106/developers Govt grants Tech funds Commercial
TOTAL		£450m	£95m	

6. Management and operation of the workplace parking levy

6.1 Introduction

6.1.1 Discussions are well advanced on how the council will operate the WPL and advice is being taken from Nottingham City Council. This section sets out the consideration that has been given to how the council will organise operation of the WPL and procurement options being considered for operating systems; the approach that will be taken to procuring contractors to deliver WPL funded transport projects; proposed governance and programme management arrangements; strategic risks and mitigation; project evaluation and monitoring; and operation, licensing and enforcement of the scheme.

6.2 Workplace parking levy operation – options assessment

6.2.1 Procurement requirements and strategy - the operation of WPL is an additional function for the Council that can be carried out in-house or contracted out, partially or wholly. Partnership with, or a managed service from Nottingham City Council (NCC) are also options. The City Council has a Sustainable Procurement Strategy which includes requirements for environmental, social and economic objectives. The Council already operates the following functions which have some similarity with WPL, and it is possible that WPL operation could be added to one of the following, possibly after training from NCC:

- On-street parking regulation
- Public parking in city centre car parks
- An existing billing system such as for Business Rates

6.2.2 Operating system delivery model options assessment – a final decision has yet to be made on what type of delivery model should be employed and the following assessment is preliminary. Current options being explored are:

- Buy a tailor-made operational system from NCC, and then for LCC to run the operation itself or outsource the operation. An addition would be for NCC to provide training and coaching services for LCC staff
- Managed service from NCC – for NCC to undertake the whole operational service for LCC.
- Partnership with NCC – a joint operation or collaboration where both Councils work together, details would need to be defined
- For LCC to develop its own operational system in-house and then run it, again potentially with training and coaching from NCC

Table 32: Assessment of identified options

	Buy operating system from NCC, LCC run it or outsource	Managed service from NCC	Partnership with NCC	LCC develop and run own system
Supports Council policy				
Value for money	Unknown at this stage			
Speed of set up				
Responsiveness				
Expertise				
Integration with other Council services				
IT and data compatible	Unknown at this stage		Unknown at this stage	

6.2.3 Further detailed work to agree an operational solution will continue in early 2022, working closely with Nottingham City Council, with a resolution expected in spring 2022.

6.3 Procurement of the workplace parking levy investment programme projects

6.3.1 The Authority has experienced in-house project management, design and delivery teams who report to the Programme Director of the WPL Programme. These teams will lead on delivery of the individual projects within the programme, following on from the TCF programme. Due to the scale of the WPL programme it will be necessary, as with the TCF programme, to draw in external resource for most elements of project delivery. This will be achieved by utilising the existing frameworks in place and through scheme specific procurement exercises.

6.3.2 The Council's Procurement Section has been consulted to ensure frameworks have the required capacity to deliver the initial stages of the programme. Once WPL is confirmed information will be provided to the Framework Managers to help them plan their project pipelines with the Framework contractors. Framework Managers have been made aware of the WPL investment programme and are keen to be involved in the delivery of this programme.

6.3.3 The Project Managers will be responsible for monitoring the contractor's activity when on site to ensure that the works progress to the agreed schedule/work programme.

6.4 Governance

6.4.1 This section sets out the approach to governance for the WPL both now and in the operational phase.

6.4.2 City Mayor/Deputy City Mayor - WPL Leads

Leicester City Council has a directly elected City Mayor, Sir Peter Soulsby, who was re-elected for a four-year term in 2019. The City Mayor takes the leading role sponsoring the WPL project and is supported by the Deputy City Mayor responsible for Environment and Transportation, Adam Clarke.

6.4.3 Scrutiny and Overview of WPL

Overview Select Committee scrutinises the work of the City Mayor, deputy city mayors and areas of work overseen by them.

Economic Development, Transport and Climate Emergency Scrutiny Commission considers matters which include regeneration, transport, adult learning, job provision and climate emergency. Scrutiny of WPL proposals is within its remit and the commission has considered initial proposals.

6.4.4 Workplace Parking Levy Board Pre-Implementation

The WPL Board is currently an officer-level decision making body which considers and guides WPL development work. It consists of officers from different Council departments, including Transport, Finance and Legal, and is led by the Programme Director. It escalates items to be considered for approval by the CM and DCM.

6.4.5 Workplace Parking Levy Board Post-Implementation

When the WPL is implemented, the WPL Board will become the Programme Board for the WPL delivery programme and will also consider and confirm funding arrangements for WPL investment programme items. The Board will report items to be considered for approval by the CM and DCM. It will be responsible for reviewing the WPL investment programme after the first 10 years and selecting further priority projects for future years. It will also be responsible for review and evaluation of the WPL itself.

6.5.6 Individual Project Boards

Each individual project or package funded by WPL will be managed using a Project Board arrangement.

6.6 Delivery and programme management

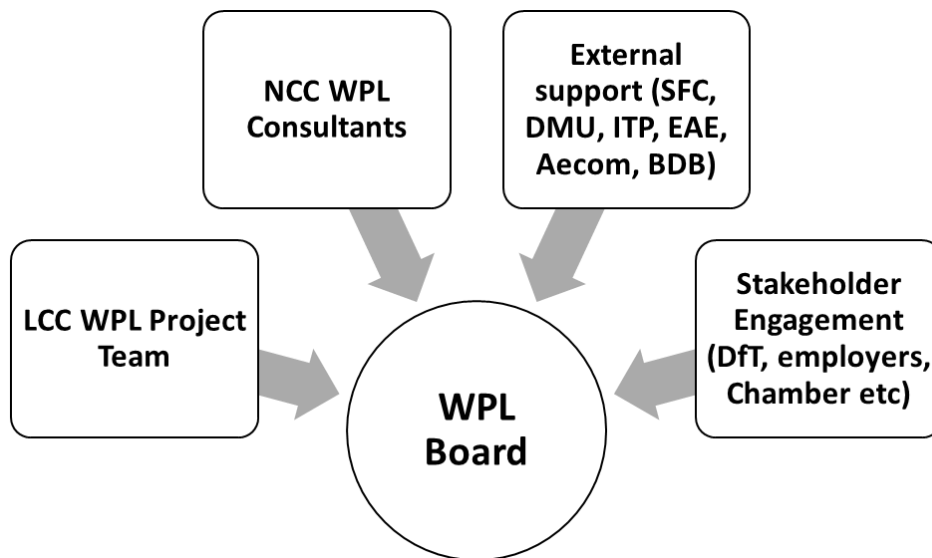
6.6.1 Programme management for investigation and preparation phase

The project management arrangements for the preparation of the WPL are summarised in the diagram below. The key elements are:

- WPL Board – as described in 6.4.4
- Leicester City Council WPL Project Team – responsible for co-ordination of all preparation and investigation activity including developing the business case, stakeholder engagement, and presenting information to key people and bodies.
- Nottingham City Council WPL Consultants – responsible for operational advice and development of supporting information for the business case and WPL Scheme Order.
- External support:
 - o Sue Flack Consultancy (SFC) – commissioned to write the LTP and the WPL business case
 - o De Montfort University (DMU) – commissioned to undertake reports on WPL strategy and economic impact
 - o Royal Haskoning DHV / Integrated Transport Planning (ITP) – commissioned to undertake a Strategic Environmental Assessment (SEA) and accessibility assessment of the LTP including the WPL proposals
 - o EAE Consultancy – commissioned to advise on traffic modelling and economic case for WPL
 - o AECOM – commissioned to undertake traffic modelling of impacts of WPL proposals
 - o BDB Pitmans LLP – commissioned to advise on specialist legal aspects including development of Scheme Order

- Stakeholder engagement – ongoing engagement, information dissemination and comments influencing decisions on development of business case and scheme details

Figure 11: WPL Governance and PM Structure (investigation and preparation phase)



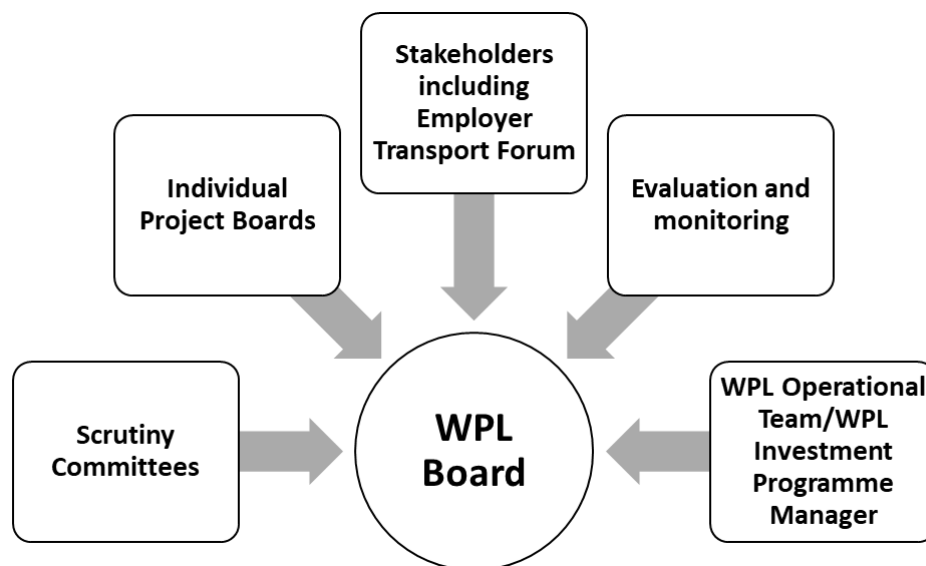
6.6.2 The project management and decision-making structures and timescales for the LTP and WPL are aligned to maximise effectiveness.

6.6.3 Programme management arrangements for the WPL operation and delivery phase

Arrangements are summarised in the diagram below. The key elements are:

- Scrutiny Committees – as described in 6.4.3
- WPL Board – as described in 6.4.5
- Individual Project Boards – for the projects or packages of projects to be funded by WPL receipts
- Stakeholders – LCC will co-ordinate ongoing input from stakeholders including employers and relevant organisations through a regular Leicester Employers Transport Partnership Forum.
- Evaluation and monitoring – LCC will co-ordinate evaluation and monitoring as described in 6.8, and link it with other monitoring activity including that required for the LTP and Local Plan
- WPL Operational Team (advised by NCC) – will provide financial reports as well as monitoring information. They will also raise policy issues as necessary.

Figure 12: WPL governance and PM structure (post-implementation)



6.6.4 The WPL Board will have a significant role in overseeing the WPL Investment Programme. Members will take an overview of the likely receipts from WPL, opportunities for leveraging in additional funds and requirements to deliver key projects. The Leicester Employers Transport Forum will become a valued partner organisation and will be influential in key strategic decisions. A WPL assurance framework is being developed based on the principles of the approved TCF assurance framework.

6.6.5 The WPL Board will also decide on day-to-day operational policy for the WPL, in consultation with the City Mayor and/or Deputy City Mayor, and these policy documents will be published on the LCC website.

6.6.6 The programme will be delivered following the principles of PRINCE2 and Managing Successful Programmes methodology. The authority has an experienced and skilled Transport Strategy section consisting of six teams with specialisms in:

- major transport scheme delivery
- public transport infrastructure and management
- cycling, walking and business engagement
- public realm infrastructure delivery and training programmes
- in-house civil engineering construction delivering construction projects, asset management and maintenance
- transport policy and strategy development and implementation.

6.6.7 There is also the opportunity to use Leicester City Council and other frameworks to provide additional project management, design and construction capacity.

6.6.8 The City Council has worked successfully with stakeholders including bus companies and user groups e.g. bus user forum, cycle campaign groups, accessibility groups and other affected parties, in designing and delivering significant programmes of similar schemes in recent years, most recently with TCF schemes.

6.7 Risk management proposals

6.7.1 A Risk Management Strategy and Strategic Risk Register are being developed based on those approved for TCF. An outline of strategic risks and proposed mitigation is shown below.

Table 33: Strategic risks

	Risk	Mitigation/justification
Strategic/political		
1	COVID-19 pandemic remains worldwide causing economic and social stress in Leicester	Robust governance and programme management, with flexible programmes and schemes that can be substituted
2	External event or series of events causes reassessment (reduction) of WPL charges (eg climate change, future pandemic, recession)	
3	National government changes key legislation which impacts on WPL/LTP implementation	Ongoing discussion with DfT
4	Change of political power in Leicester with anti-WPL manifesto	Ongoing discussions and promotion of scheme benefits
5	Local or national opposition to WPL increases and becomes difficult to combat	Ongoing discussion with DfT and stakeholders
Financial		
6	Priority projects overspend or are delayed beyond 10-year plan period	Robust programme and project management
7	WPL provides insufficient funds to meet expected levels of expenditure	
8	Priority projects become unviable and/or are overtaken by new technology	Flexible programmes with easily substituted projects
9	Priority projects do not meet expectations and/or do not contribute significantly to objectives in LTP	Assurance framework for investment programme
Economic		
10	Increase in number of companies rationalising, closing down or moving out of city	Monitor scheme and potential for direct impact from WPL Consider WPL policy changes
11	Increase in unemployment or in-work poverty in city	
Operational		
12	Operational costs are greater than planned	Scheme informed by Nottingham experience and specialist legal advice
13	Non-compliance with WPL is greater than anticipated	
14	Employers reduce numbers of WPPs to unviable levels	
15	WPL Scheme Order/business case/consultation process have faults and are challenged	
16	Enforcement/penalty charge/criminal offence system fails	
17	Lack of skills/resource on operation/enforcement and to implement investment programme (including legal)	LCC has access to additional resources when required
18	Displaced parking takes place	Mitigation plans are included in the WPL proposals. Ongoing liaison with County Council for issues outside the city

6.8 Evaluation and monitoring proposals

6.8.1 Effective monitoring and evaluation are an important part of the overall appraisal process. We intend to carry out a joint monitoring and evaluation programme alongside that required for the LTP, to identify the extent to which LTP objectives have been achieved. All schemes will be monitored against a set of standard government input, output and outcomes measures as set out in DfT's publication 'Monitoring and Evaluation Framework for Local Authority Major Schemes September 2012'.

6.8.2 A WPL monitoring and evaluation strategy is being developed based on the ones currently used for TCF and the LTP.

6.9 Proposals for operation, licensing and enforcement

6.9.1 Nottingham has developed comprehensive and workable operational principles for WPL, and it is proposed to follow these as they have proved successful in practice. Further detail is provided in the draft Scheme Order.

6.9.2 Scheme operation – proposed principles

- All liable employers must licence their WPPs, normally on an annual basis. However, those with a 100% discount will not need to pay the levy
- The scheme will not be administratively onerous for employers paying the levy
- The application and payment process will be made simple, easy and transparent, with as much as possible undertaken online
- The City Council will provide advice and support for employers, and enforcement procedures are light touch, started only as a last resort
- The City Council also provides advice to employers on car park management, travel plans, and other staff travel initiatives to improve staff satisfaction at the same time as reducing liability for WPL

6.9.3 The WPL will operate as a licensing scheme, and any organisation providing workplace parking places must obtain a WPL licence and may incur a WPL financial liability. Exemptions and discounts apply to the scheme.

6.9.4 Licences will run for a full year, starting on 1 April. An application form will need to be completed by an employer for every premise where workplace parking is provided. The employer is required to licence the maximum number of liable parking places being provided at any one time and the number of those places that qualify for a 100% discount e.g. disabled blue badge occupancy. It is anticipated that an electronic WPL Licensing system will be in operation and that system will automatically work out any financial liability based on the information entered by the employer. The employer has a choice of payment options and will select the preferred method at the time of applying for the licence. A licence will be produced electronically and sent to the employer once a valid application form is received.

6.9.5 As part of the process to introduce a WPL scheme, the council intends to provide significant support and guidance to employers to assist them with preparing for the introduction of the scheme, providing advice and guidance on the information required to obtain a WPL licence, how to apply for

a licence and how to manage and potentially reduce their liability by implementing parking management schemes and encouraging sustainable transport solutions.

6.9.6 Employers will be able to manage their own WPL licence(s) via an electronic WPL licensing system and may vary or surrender (cancel) their licence(s) throughout the licensing year. A WPL team will be established to manage the scheme, principally the administration, compliance, and enforcement aspects. This team will broadly follow the best practice established by the Nottingham City Council WPL team. The WPL team will utilise Management Information Systems and Geographical Information Systems to operate as efficiently as possible.

6.9.7 There will be a tiered system of compliance and enforcement activity adopted by the WPL compliance team and this will range from visual inspections of an employer's parking provision to formal compliance surveys utilising Automatic Number Plate Recognition (ANPR) technology to capture "best evidence". These officers will have "real time" access to the WPL licensing system to check the list of premises that have a licence.

6.9.8 If after engagement with the WPL team and support being offered, an employer fails to obtain a licence, is not licensed correctly, or breaches any conditions of a licence then penalty charge notices (PCN's) may be issued.

6.9.9 Where necessary, cases of criminal offence(s) enforcement may be progressed in the Magistrates' court (i.e. intentionally giving false or misleading information in connection with a licence application or for refusing to grant access to a duly authorised WPL Officer).

6.9.10 In respect of the three civil offences attached to the WPL scheme (see 6.9.12), should PCN's be issued, an employer may appeal in writing to a nominated officer within the City Council within a specified time period. If the matter cannot be satisfactorily resolved, then the matter may be heard by the County Court.

6.9.11. Lessons have been learnt from Nottingham's experience of enforcement. Nottingham's compliance-focussed approach has proved successful as there have been no penalty charges issued or criminal offences committed. Nottingham operates a compliance centred regime in which officers take time to explain the WPL provisions to employers, and if an infringement is found, the employer is supported, given opportunity to put forward their case and comply before any formal enforcement action is taken. Duly Authorised WPL Officers have right of entry to a workplace once a WPL scheme is in operation and may actively visit and survey liable premises using ANPR equipment.

6.9.12 Compliance and enforcement proposals

The key elements of the proposed enforcement scheme are:

Civil Contraventions (Penalty Charge Notice served; penalty charge is proposed to be 50% of the annual charge per unlicensed place for each day a contravention occurs)

- Failure to have a WPL licence
- Not being accurately licensed for the places provided
- Breach of licence conditions

Criminal Offences (may be prosecuted in the Magistrates Court or Crown Court, may lead to a conviction resulting in an unlimited fine and/or a term of imprisonment)

- Intentionally providing false or misleading information in connection with a WPL licence application
- Obstructing a Duly Authorised WPL officer's powers of entry

Appeals In respect of the three civil offences attached to the WPL scheme, should a PCN be issued, an employer may appeal in writing to a nominated officer within the City Council within a specified time period. If the matter cannot be satisfactorily resolved, then it can be considered by the County Court.

Glossary

BSIP – Bus Services Improvement Plan
CSF – Critical Success Factor
DfT – Department for Transport
DMU – De Montfort University
EIS – WPL Economic Impact Study
LCC – Leicester City Council
LTP – Leicester Transport Plan 2021-36
NCC – Nottingham City Council
PCN - Penalty Charge Notice
RUC – Road User Charging
SoS – Secretary of State for Transport
TCF – Transforming Cities Fund
WPL – Workplace Parking Levy
WPP – Workplace Parking Place as defined in s182 of the Transport Act 2000
ZEBRA – Zero Emission Bus Regional Areas fund

Supporting documents and links

[Workplace Parking Levy Summary Business Case](#)
[Leicester Workplace Parking Levy Draft Scheme Order and Explanatory Notes](#)
[Draft Leicester Transport Plan 2020-2036](#)
[Draft Leicester Transport Plan and Initial Workplace Parking Levy Consultation Report](#)
[Bus Services Improvement Plan](#)
[Desktop Parking Analysis Report \(Nottingham City Council\)](#)
[Workplace Parking Levy: An evidence-based review of policy and prospects for Leicester \(DMU\)](#)
[Workplace Parking Levy Economic Impact Study \(DMU\)](#)
[Workplace Parking Levy Traffic Modelling Report \(AECOM Ltd\)](#)

Documents available on request from Leicester City Council

(transport.strategy@leicester.gov.uk)

Leicester Transport Plan Accessibility Assessment Report

- Leicester Transport Plan Strategic Environmental Assessment Report
- WPL Equality Assessment – this document will be updated through the development of the project and the latest version can be provided on request
- Report on Economic Impact of WPL in Nottingham