



**CABINET – 29 MARCH 2022**

**LEICESTER CITY COUNCIL WORKPLACE PARKING LEVY  
BUSINESS CASE PROPOSALS**

**REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT**

**PART A**

**Purpose of the Report**

1. The purpose of this report is to seek the Cabinet's approval of the County Council's response to the consultation from Leicester City Council on its Workplace Parking Levy Business Case proposals. The proposed response is attached as Appendix B to this report.

**Recommendations**

2. It is recommended that the Cabinet:
  - a) Notes the concerns expressed by Members to date regarding Leicester City Council's (LCiC) Workplace Parking Levy Business Case proposals (the proposals) as set out in this report;
  - b) That in the event of the Workplace Parking Levy being put in place in Leicester, LCiC be requested:
    - i. to ensure that it establishes appropriate data collection and monitoring arrangements in respect of the impacts identified and in assessing the benefits of the enhanced passenger transport and cycling and walking measures funded by the Levy;
    - ii. to develop the Displaced Parking Strategy and to establish a Displaced Parking Task Force (as indicated in the proposals) to mitigate the impact of any displaced parking, including in areas of the County; and
    - iii. where there is evidence of adverse impacts in County areas, to identify appropriate mitigation measures and to implement those measures at no cost to the County Council;
  - c) Notes that LCiC has been in close discussion with the NHS which is currently considering its position on the WPL proposal;

- d) Does not raise a formal objection to the proposals subject to the points in (b) above being met by LCiC;
- e) That the comments set out in Appendix B to this report be submitted to LCiC as the views of the County Council.

### **Reasons for Recommendation**

- 3. To note the concerns expressed by members of the County Council which have informed the Council's views on the proposals.
- 4. To ensure that the potential effects on communities and businesses in the County are carefully monitored and that mitigation is provided where necessary, working with the County Council. It is the view of the County Council that any such mitigation should be funded by LCiC.
- 5. It is recognised that the WPL is a key element of LCiC's proposed LTP4 and its outcomes align well to the Department for Transport's policy agenda for the decarbonising of transport. The proposals can be, in principle, an appropriate response to the growth and carbon challenges faced by the local area.
- 6. To ensure that the views of the County Council are taken into account.

### **Timetable for Decisions (including Scrutiny)**

- 7. LCiC has undertaken a consultation exercise on the proposals, which closed on 13 March. LCiC has agreed to accept the County Council's response following its consideration by the Cabinet on 29 March.
- 8. The decision as to whether LCiC can introduce a WPL rests with the Secretary of State for Transport. It is understood the City Council will submit its proposals for consideration later this spring with an aim of the scheme being implemented in early 2023.

### **Policy Framework and Previous Decisions**

- 9. The proposed response to the consultation has been informed by a number of County Council and partnership policies and strategies, outlined below.
- 10. The Strategic Growth Plan (SGP) for Leicester and Leicestershire was approved by the County Council and the other nine partners, including LCiC, in late 2018. It provides the long-term vision for planned growth of the area to 2050. It recognises the pivotal role of the City of Leicester in the area and its 'central city' role, supporting the market towns and rural area around it through more jobs, leisure, arts, culture and entertainment. The SGP recognises that Leicester needs to grow in such a way that enables full use to be made of its existing services and infrastructure and notes that by providing more homes close to jobs in the city centre and other employment centres, this will help relieve development pressures in the County.

11. In May 2019, the County Council declared a Climate Emergency.
12. In November 2020 the Cabinet approved the Leicester and Leicestershire Strategic Transport Priorities document (2020-2050), which highlights where Leicestershire County Council and LCiC will work together to deliver common transport aims and objectives and ensuring that long-term development needs and associated transportation requirements are coordinated.
13. In late summer 2021, in parallel with its consultations on its LTP4, LCiC undertook consultation on the concept of a WPL. On 17 September 2021 the Cabinet agreed comments be submitted to LCiC as the views of the County Council on the concept of a WPL; including that it was opposed to the idea in principle but would respond further once the draft Business Case had been made available.
14. In October 2021, the Cabinet approved for consultation the draft Strategic Plan (2022-26). The proposed outcomes include: 'Clean, green future – The environment is protected and enhanced, and we tackle climate change, biodiversity loss and unsustainable resource usage.' (The final Strategic Plan is the subject of a separate report to this Cabinet meeting).

### **Resource Implications**

15. There are no immediate financial implications for the County Council arising from the recommendations in this report. However, should the proposals be implemented, officer resources will be required (funded from within existing budgets) to continue to work with LCiC to monitor and understand its impacts, including to evidence whether and if there are any adverse impacts in County areas and to agree mitigation measures as required.
16. Conversely, it is proposed that monies raised by the proposals will be invested in measures that will benefit County residents (as outlined in Part B of the report) and this may help to ease some pressures on County Council resources.
17. Where there is evidence of adverse impacts in County areas, the County Council will expect LCiC to work with it to identify appropriate mitigation and to implement that mitigation at no cost to the Authority.
18. The Director of Corporate Resources and the Director of Law and Governance have been consulted on this report.

### **Circulation under the Local Issues Alert Procedure**

19. This report will be circulated to all Members.

### **Officers to Contact**

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## **PART B**

### **Background**

20. The workplace parking levy is a proposal contained in the Leicester City Mayor's 2019 election manifesto. As a Unitary Authority, LCiC is developing its own policy responses to address the growth and climate challenges within the Leicester and Leicestershire Housing Market Area.
21. LCiC's proposals are intended to encourage more people to switch from using private cars to sustainable transport and to help deliver the funding for transport improvements that have been identified in its LTP4 for the period up to 2036. LCiC proposes investment from WPL in radial bus routes and services, new park and ride sites and an improved rail station, all of which would have the potential to benefit travellers from the County and beyond. As indicated in the Business Case:
  - a) the levy will only apply within the administrative boundary of the City of Leicester;
  - b) the proposed amount is £550 per parking space per annum, index-linked (i.e. it will increase year-on-year);
  - c) it will be the choice of businesses/employers as to whether they pay the levy or instead pass on the cost of payment to employees (partially or fully);
  - d) residential parking and spaces for customers are outside the scope of the levy;
  - e) businesses with 10 parking spaces or less, emergency services and registered Blue Badge holders will all receive 100% discount (i.e. they will make no payment); and
  - f) NHS premises will receive a 50% reduction for a period of three years following the proposals' introduction, after which the full levy would become payable.

### **Mitigation**

22. LCiC states that it takes the risk of displaced parking very seriously. It proposes to develop a Displaced Parking Strategy, which will be based on experiences of introducing a Workplace Parking Levy in the City of Nottingham; an extract (extract 1) from the Business Case in Appendix A highlights areas where parking might be displaced, including in respect of the County:
  - a) some areas of Glenfield and Braunstone to the west of the City;
  - b) possibly the edges of Thurmaston and Birstall to the north;
  - c) an area to the north of Scraftoft (albeit the area shown within the Business Case is largely undeveloped at present); and

- d) an area between Oadby and Thurnby to the east (albeit within the area shown in the Business Case there are very few roads).
23. A Displaced Parking Task Force is proposed to operate jointly with the County and adjoining district councils as required. It would 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.

#### Use of WPL Monies

24. LCiC estimates likely receipts from the levy will be approximately £95m over the first 10 years. It also states that this could attract match funding, making a total investment pot of up to £450m.
25. LCiC proposes to use the monies to deliver substantial improvements to passenger transport services including funding towards a 'Mainlines' urban bus network of 25 'route groups' and enhanced park and ride facilities that would serve County areas (see second extract from the Business Case at Appendix A). A fully branded package of transformative improvements will include:
- a) 170 electric buses with audio-visual displays and enhanced access features;
  - b) enforced bus priority measures and signal priority;
  - c) automated 'best fare' digital ticketing;
  - d) on-street real time information at all boarding stops;
  - e) new bus shelters at main boarding stops;
  - f) a new St Margaret's Bus Station; and
  - g) for each 'Mainline', a route group with an integrated timetable to a minimum frequency standard within Greater Leicester:
    - o every 15 mins or better daytime Monday to Saturday,
    - o every 30 mins evenings and Sundays,
    - o every 10 mins on eleven 'Mainlines' connecting to all key locations outside the City Centre.
26. The monies raised will also be used towards funding further significant expansions of the City's cycleway network and transformation of Leicester Railway Station.

#### **Views expressed by County Council Members on the proposals**

27. In January 2022, all County Council Members were invited to an online briefing session on the proposals, from LCiC officers.

28. Around half of the County Council's Members were able to attend the briefing. Members raised a number of questions with the City Council officers during the briefing and have also subsequently contacted County Council officers with their concerns and queries.
29. In general, the two major areas of concern were identified:
- i. On-street parking - the proposals would lead to greatly increased levels of on-street parking in those communities around Leicestershire which adjoin the City, notably Anstey, Groby, Ratby, Oadby, and Wigston, as people travelling into the City to work by car sought to avoid the Levy. This over parking in residential areas, would result in disruption and congestion for local residents and would adversely affect road safety.
  - ii. NHS employees (hospitals, doctor's surgeries etc.) - would be adversely affected. The added cost for NHS premises and employees might be said to represent a tax on the health services, noting that NHS staff already had to pay car parking charges. Additionally, for many of those staff who worked shifts, there were concerns that safety would be an issue if they had to use public transport late at night.

Other issues included:

- iii. Whether the proposed travel improvements to be funded by the levy were appropriate, e.g. Leicester might benefit from a tram system.
- iv. The need for longer operating hours for Park and Ride Services, taking into account the night-time economy and shift-work.
- v. The inadequacies of alternative transport provision beyond the City, for example, to the south and east of Leicester along the A6 corridor.
- vi. That, given the struggles faced by businesses following the pandemic, it was not perhaps wise to seek to introduce a WPL at the present.
- vii. That the impact of the WPL on schools could be considerable. Schools were already struggling with their budgets and the levy would effectively deprive them of resources that might otherwise be used for children's education.
- viii. The LCiC must fully fund any mitigation scheme(s) required in the County.
- ix. The proposals would affect County commuters into the City to a far greater extent than those who already lived and worked there (e.g. because someone living in the City had greater opportunities to access alternative means of transport to the car relative to someone living in the County) but most of the revenue generated from the WPL would be directed towards improvements to transport services in the City and would not benefit County residents.

- x. That the proposals would apply to public sector services and workers such as teachers, GP surgeries, and hospitals.
  - xi. That consideration should be given to an exemption for those travelling to places of religion to worship.
30. LCiC officers responded at the briefing to members comments. It was emphasised that, as set out in the Business Case, it was intended to have a process in place to address displaced parking in the areas adjoining the City and that where mitigation was required the cost of this would be met by the City Council.
31. LCiC officers advised that the City Council had been in close discussion with NHS representatives which was, at the time of the briefing, still considering its response to the consultation. During initial discussions, the NHS had accepted that there could be positive benefits for their employees in the form of extended free bus service provision and in offsetting land costs where the NHS currently leased off-site car parking spaces.

### **Views of the County Council**

32. The proposed views of the County Council to be submitted to the LCiC are attached to this report as Appendix B. The main considerations that have informed this are outlined below.
33. A Workplace Parking Levy was included in the City Mayor's manifesto and is a key element of LCiC's proposed LTP4. The outcomes the proposals aim to deliver - reduced congestion, improved air quality increased cycling, walking and public transport use - align well to the Department for Transport's policy agenda for the decarbonising of transport.
34. The Leicester and Leicestershire Strategic Growth Plan (SGP), referred to in Part A of this report, sets out, inter-alia, the scale of housing required to meet the needs of the area's population out towards 2050. Based on the SGP, around 118,000 new homes are required to be delivered between 2011 and 2036 (figures pre-date changes to the Government's Standard Method for calculating housing number requirements, published in December 2020). The new method increased Leicester's housing need by 35%, adding a further 9,712 homes to its need between 2020 and 2036 (or adding 607 homes per year to give a new total of 2,341 per annum).
35. The City and district councils are currently developing their Local Plans, which include the delivery of new homes and jobs required to meet the needs of the growing population (and to fulfil the Government's housing requirements). In each case the underpinning transport evidence shows that, based on the current travel habits and behaviours, traffic levels are forecast to increase, resulting in:
- a) increased levels of congestion;



- b) the potential for increasing levels of traffic to be diverting on to less appropriate roads (with associated safety and community impacts); and
  - c) presenting challenges in seeking to achieve common net-zero requirements.
36. Certain benefits will be achievable through efforts to increase levels of cycling and walking (for example, through the Authority's adopted Cycling and Walking Strategy and associated Local Cycling and Walking Infrastructure Plans), and to deliver enhanced passenger transport services (for instance, through the adopted Bus Service Improvement Plan). Nevertheless, further policy interventions, including to seek to manage travel demand by car, are likely to be required in order to meet the simultaneous (and some might argue opposing) challenges of providing for population and economic growth whilst achieving required reductions in greenhouse gas emissions.
37. Difficult and sensitive policy choices are increasingly likely to be needed in order to deliver growth whilst simultaneously meeting net-zero requirements. From a Leicestershire perspective, the appropriate policy approach required to address these challenges will have to be considered in the County Council's next Local Transport Plan (LTP4). But, in that context, LCiC's seeking to implement a levy as a form of 'demand management' - a policy approach that actively seeks to discourage car usage - can be, in principle, an appropriate and valid response to the growth and carbon challenges faced by the Leicester and Leicestershire Housing Market Area.
38. With regard to the specifics of the proposals, LCiC has acknowledged the risks around possible displaced parking, and it is beneficial that LCiC has drawn on the experiences of Nottingham City Council in this regard. Its position is not unreasonable at this stage; there is little more than can be done unless and until the levy is implemented and its impacts monitored. As stressed by County Council members, it is important however that the LCiC is committed to working with the County Council in addressing any such impacts.
39. The proposed passenger transport measures funded by the WPL should benefit County residents in terms of providing cleaner, higher-quality bus services that give better access to jobs, services and facilities in Leicester. Improvements to Leicester Railway Station should also provide benefits for County residents and is a key to achieving greater passenger space capacity to accommodate future growth in levels of rail travel and/or new passengers arising from enhanced services.
40. Should LCiC implement the WPL proposals, it will be essential for the County Council to be kept informed of the project's development and for its officers to work closely with the City Council to deliver any mitigation necessary.

## **Conclusion**

41. It is clear that Members have significant concerns about the proposals, in particular the impacts that it could have on local communities and on public sector services and employees, including the NHS and schools.
42. On balance, given the importance of supporting cleaner and greener transport measures but recognising the concerns raised by Members it is therefore proposed that the comments at Appendix B are submitted as the views of the County Council, stressing the importance of partnership working to:
  - a) establish appropriate data collection and monitoring arrangements in respect of the impacts identified by Local Members and in assessing the benefits of the enhanced passenger transport and cycling and walking measures funded by the Levy;
  - b) develop the Displaced Parking Strategy and establish the Displaced Parking Task Force (both part of LCiC's proposals) to provide the platform for identify and delivering any mitigation measures required to address displaced parking issues, including in the County; and
  - c) where there is evidence of adverse impacts in County areas, to identify appropriate mitigation measures and to implement those measures at no cost to the County Council.
43. Moving forward on this basis, this best supports objectives to deliver clean, green growth in Leicester and Leicestershire and provides a positive platform for joint working with LCiC to address any adverse impacts arising from the proposals should the WPL be agreed by the Secretary of State.

## **Equality and Human Rights Implications**

44. There are no equality and human rights implications arising from the recommendations in this report.
45. A scheme which levies a charge on vehicular parking carries the potential to have a greater impact on individuals who rely on their own vehicles for transport. This potentially includes a higher than average number of elderly or disabled persons or persons with mobility difficulties.
46. *The Business Case sets out that 'equalities issues 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’.*

47. The County Council will continue to work with the City Council where appropriate to minimise any negative impact on the County.

### **Environmental Implications**

48. A stated aim of the LCiC’s WPL proposals is to seek to significantly improve passenger transport provision and cycling and walking facilities, thus bringing about forecast reductions in car usage. This should deliver environmental benefits overall.

### **Background Papers**

Report to the Cabinet 23 November 2018 – Leicester and Leicestershire Strategic Growth Plan - Consideration of Revised Plan for Approval

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=5185#A157659>

Report to the Cabinet 20 November 2020 – Leicester and Leicestershire Strategic Transport Priorities 2020 to 2050.

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5999&Ver=4>

Report to the Cabinet 17 September 2021 – Leicester City Council Draft Local Transport Plan 4 and Workplace Parking Levy Consultations

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6446&Ver=4>

Leicester Workplace Parking Levy Business Case Summary December 2021

[https://consultations.leicester.gov.uk/sec/wpl/supporting\\_documents/WPL%20Summary%20Business%20Case.pdf](https://consultations.leicester.gov.uk/sec/wpl/supporting_documents/WPL%20Summary%20Business%20Case.pdf)

### **Appendices**

Appendix A – Two extracts from LCiC WPL Business Case, December 2021

Appendix B – Proposed WPL Business Case Consultation Response

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