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Section 1: What is a WPL

1. What is a workplace parking levy?

A workplace parking levy (WPL) is a licensing scheme for active workplace parking places. It charges employers and education providers for the number of places they provide that are occupied by employees, students or other relevant persons.

2. Who can implement a WPL?

In London, a WPL can be implemented by:

- a single borough within its area
- two or more boroughs in combination (within their areas) or
- TfL (anywhere within Greater London)

The body that implements the WPL is referred to as the ‘licensing authority.’

It should be noted that a WPL does not have to apply to the entire borough – it can apply to part of a borough (and several schemes could operate in the same borough, but not overlap).

3. Who has to pay the charge? Who to?

The charge is levied by the licensing authority (boroughs or TfL) on employers and education providers who provide workplace parking places that are in the scope of the scheme.

It is the employer’s decision whether to pass the charge on to car commuters or whether to absorb the charge.

4. Why do a workplace parking levy?

In the Mayor’s Transport Strategy (MTS), WPLs are included as a means of traffic reduction and of helping to achieve the target of 80% sustainable mode share by 2041.

5. How does it help achieve these aims?

By imposing a cost on parking at work, WPL acts as a demand management measure, leading to mode shift to more sustainable modes or reductions in traffic by other means (such as car sharing), a long-term reduction in parking supply and local transport improvements funded by scheme revenue. The ability to fund better public transport locally from WPL revenue is critical to this mode shift.

- **Demand management:** the increase in the total cost of driving to work (through an increase in parking charges);
- **Funding improvements to active travel and public transport:** WPLs generate revenue which must be reinvested in the local transport network. These improvements can lead to wider mode shift, across different types of journey; and

- **Long-term reduction in parking supply:** as new development takes place, employers are more likely to minimise their parking as a response to an existing WPL.

6. Where else has a workplace parking levy?

Nottingham City Council is currently the only local authority in the UK that operates a Workplace Parking Levy. Other cities including Sydney and Perth operate similar schemes outside the UK.

Currently (January 2020) a number of cities in the UK are considering a WPL, including Oxford, Birmingham, Leicester, Bristol, Reading, Edinburgh and Glasgow.

7. Is there any evidence that it works?

There is evidence from Nottingham that the scheme has been successful in funding new public transport and increases in public transport patronage, cycling and a reduction in traffic.

- Since 2012, £64m of revenue has been raised (now at c. £10m / year)
- This has part-funded two new tram lines (NET 2 and 3), 60 new electric buses and improvements to the main railway station.

8. How is a WPL operated?

The London borough defines the WPL scheme and its characteristics, including for example its boundary, the charge level and any discounts. It is then a requirement on liable businesses within that area to license their workplace parking places every year and, where applicable, pay the levy to the licensing authority. The licensing authority will be the borough where it is a borough scheme or TfL where it is a TfL scheme.

Section 2: Legislative framework and policy fit

9. What is the law around WPLs in London?

Schedule 24 of the Greater London Authority Act 1999 (GLAA), is the legal basis for Workplace Parking Levy (WPL) in London. It is also necessary for new Regulations to be made by Government both to complement the framework legislation in the GLAA so that WPLs may be effectively put in place, and also to establish the necessary statutory enforcement and appeals mechanisms. In England (other than London) and Wales, the relevant legislation is the Transport Act 2000. In Scotland the relevant legislation is the Transport (Scotland) Act 2019.

10. How does WPL fit with the Mayor's Transport Strategy (MTS)

The third MTS (2018) is the first to identify WPLs as an intervention which is supported in London (see Proposal 23 below). All WPL schemes in London must be in conformity with the MTS. This means that the design of a WPL scheme itself, as well as the transport projects it funds, must demonstrably contribute to the objectives laid out in the MTS.

Proposal 23

The Mayor, through TfL, will work with those boroughs who wish to develop and implement appropriate traffic demand management measures, for example local (TfL or borough) road user charging or workplace parking levy schemes, as part of traffic reduction strategies where they are consistent with the policies and proposals set out in this strategy.

11. What guidance is available to London boroughs who are interested in a WPL?

Not all elements of WPL schemes are determined in detail by the provisions of the Schedule 24 of the GLA Act; it allows some room for discretion for how a WPL scheme should operate. To address this and support boroughs, TfL has developed statutory Mayor's Guidance, which outlines both the processes to be followed in preparing WPL schemes and the provisions that the Mayor expects to be included, for example on level of charge and exemptions for 'Blue Badge' spaces. At the same time, we have sought to keep the Guidance to be as light-touch as possible so that boroughs have flexibility to develop a scheme that is appropriate for local circumstances.

12. How is this different to the Congestion Charge?

The Congestion Charge is a daily charge, introduced in central London in 2003 with the objective to reduce traffic and congestion in the central area and operates 7am to 6pm Monday to Friday. The scale, area and objectives of the Congestion Charge differ to WPLs.

13. How is this different to the Ultra Low Emission Zone?

The Ultra Low Emission Zone is a specific scheme to improve air quality in central London from April 2019, then inner London from 2021. Vehicles which do not meet the required emissions standards are required to pay a daily charge. The scale and objective of this scheme differs to a local WPL.

14. How does a WPL interact with local road user charging?

MTS Proposal 23 states that boroughs can implement WPL and local road user charging schemes as a means of managing demand and thereby reducing traffic locally. It is important to decide what will be the most effective intervention locally, using analysis of traffic, for example.

15. How does a WPL interact with Healthy Streets initiatives?

A WPL can provide revenue for spending on Healthy Streets initiatives aligned with the Mayor's Transport Strategy in boroughs.

Section 3: Developing a WPL scheme

16. Is it just about a WPL?

It is important that WPL is considered as part of a package of measures for employers and employees to encourage and enable commuters to switch to more sustainable modes. As well as the new transport the WPL helps to pay for, this

means that there should be appropriate information on alternative options to car commuting and help to use these options.

17. What is TfL doing to help boroughs?

TfL has produced:

- Mayor's Guidance on WPL on the expectations for schemes in London.
- A Model Scheme Order (MSO) that boroughs can use to develop their own Scheme Orders
- a step-by-step guidance document outlining what is required at the different stages of the project

Additionally, TfL is providing support to boroughs as they investigate and develop schemes.

18. What is needed and how long does it take to prepare a WPL scheme?

There is no 'one size fits all' answer. WPLs can be diverse and the time taken will vary according to the nature of the scheme, the length of engagement undertaken and other factors. There must be a formal consultation and the development of a business case, impacts assessments and revenue plans, for example.

Given the requirements set out in the Mayor's Guidance, it would be expected that, from initial development to go live, preparation could take up to 3-4 years.

19. Does it require consultation?

Yes. Both early informal engagement with employers and a formal consultation process will be required so that residents, businesses and local stakeholders can have their say throughout the process. Please refer to the Mayor's Guidance for more information on the consultation process and the documents required.

20. What is the procedure for getting a WPL scheme approved?

All schemes in London will require the approval of the Mayor. The Secretary of State also has a role in approving the revenue plans. This is in addition to the local borough approval processes. The process to be followed is set out in detail in the Mayor's Guidance.

21. What say do businesses and employees get on a proposed WPL scheme? And what about local residents?

London boroughs must undertake early engagement with businesses and those affected prior to a formal consultation on the potential scheme. This should also include residents and businesses that, while not in scope for the potential scheme, could be affected by it for example by reduced traffic or by new transport interventions.

As part of the formal consultation, the authority would be expected to publish:

- proposed transport programme that the WPL contributes to, and an explanation of how the WPL contributes
- draft WPL Scheme Order
- an Integrated Impact Assessment (equalities, economic, environmental, business) and regulatory assessment (if required)
- option identification and appraisal
- consultation report
- approach to operations and enforcement
- proposed complementary and associated measures

Section 4: Charge level and discounts and exemptions

22. How much is the charge?

The Mayor's Guidance sets out expectations for the charge range, although the precise amount will be a decision for the borough. This is to ensure some consistency in London and limit unintended negative impacts e.g. business relocation.

In designating a local charge, boroughs should have regard to: the alternative options available to people (in terms of alternative modes and other types of parking); what purpose the net proceeds of the scheme are applied to and the overall impacts of the scheme locally.

In Nottingham the charge is currently £415/year per liable place (2019/20).

23. Can the charge be increased?

The model SO contains a provision that the charge increases each year in line with inflation (RPI). It also allows for a lower initial charge which can be increased when public transport or other alternatives are introduced.

The power to make a WPL scheme also includes the power to vary or revoke such a scheme including the level of the charge once it has been implemented.

24. What discounts and exemptions can be made in a WPL scheme?

The licensing authority has the power to make discounts and exemptions for a WPL scheme. These must align with the Mayor's Guidance.

Discounts and exemptions can pertain:

By organisation – e.g. small businesses

By vehicle – e.g. low emission vehicle

By user – e.g. Blue Badge

25. What discounts and exemptions are in the Nottingham scheme?

Each of these gets a 100% discount:

1. Small business (<10 parking places)
2. Blue Badge
3. Emergency Services (broad definition)
4. Qualifying NHS premises

Exemptions:

1. Motorcycles
2. Fleet vehicles
3. Delivery vehicles
4. Business customers
5. Occasional business visitors

Section 5: WPL Revenue

26. Who receives the revenue from WPL?

The revenue from a WPL scheme is collected and retained by the licensing authority. In London, in most cases this will be the borough.

27. What can revenue be spent on?

The revenue from a WPL scheme must be used for local transport improvements which are in line with the MTS.

28. Will LIPs funding be reduced as a result of implementing a WPL?

The LIPS 3 guidance says that revenue is retained by the borough. There are currently no plans to reduce LIPs funding for boroughs implementing WPLs.

29. What is the procedure to get a WPL revenue plan approved?

A potential WPL scheme can only come into force once a ten year revenue plan has been approved by the Secretary of State and if the scheme is a borough scheme by the Greater London Authority. An application can only be approved by the Secretary of State after approval is received from the Greater London Authority or if it is made by the Greater London Authority acting on behalf of the borough.

For as long as the licensing scheme remains in force, the licensing authority must submit a written statement of their proposed spending every four years to the Secretary of State and Greater London Authority.

Section 6: Operations and enforcement

30. How is a WPL scheme operated?

WPL schemes require all employers to license their liable parking provision, and it is advisable to record all workplace parking whether liable or not. It is likely that this can be done via an online process with questions on the various types of parking provided by the employer. Once a licence is granted, an invoice is sent to the employer for their chargeable parking places. Normally licences will be valid for a year and renewed on an annual basis.

31. How is a WPL scheme enforced?

The WPL Scheme Order will make provision for the enforcement of penalty charges relating or connected with a licensing scheme, which are likely to be similar to other parking enforcement procedures. Please refer also to Question 9 (the law around WPLs in London).

32. What is the process for licensing?

Any employer or education provider that provides places for employees, students and other users (as specified) within the WPL area must license their places. Employers and education providers require a separate WPL licence for each premise where workplace parking is provided.

33. Is there an appeal system?

Yes. This is likely to be similar to the process of appealing other penalty charge notices (PCNs), for example Congestion Charging.

Section 7: Hostile questions

34. Why introduce a WPL and why not something else?

As part of the development of a WPL scheme, boroughs must consider other funding options, such as the funding they receive from TfL, an increase to business rates, local congestion charges, borrowing, CIL/s106, for example. The decision to propose WPL must be properly justified in the documents submitted for the Mayor's approval.

35. Isn't this an attack on cars?

The Mayor has set an ambitious target for an 80% sustainable mode share – using public transport, walking and cycling – by 2041. We are putting in place a range of measures to help achieve this, including investment in these sustainable modes. In this context it is appropriate to encourage a shift away from car use by applying a price to parking which would otherwise be free. As well as discouraging car use this will help to provide revenue for new transport, benefiting commuters and residents. This also has associated benefits in terms of reducing emissions from cars and freeing up road space for other uses such as freight, buses and cycles, which are all more efficient uses of the land available.

36. Isn't this an attack on business?

No. WPL will not be an appropriate solution everywhere and we expect boroughs who want to introduce it to undertake considerable work in ensuring that the type of WPL put forward is right for the area. They will also be required to undertake an impact assessment so that the likely effects on business and the local economy can be properly understood and mitigations made if necessary. Boroughs have considerable scope to shape WPL schemes locally. In addition, employers can choose how to respond to the levy; they can pass all or some of it on to employees according to business needs.

37. Is this a land tax?

WPL is a charge on parking places used by employees and certain other groups, rather than a charge on the land available or designated for parking. A licence is required for each day a workplace parking place is used by one or more liable vehicles. If an employer manages their car parking so that existing parking places are used more efficiently their WPL levy payment can be reduced.

38. Won't people just park somewhere else?

This is a risk if there is not sufficient preparation for a WPL. In developing a scheme, it is important to review alternative parking available locally, including on-street parking. It may be appropriate to make changes to on-street parking and local parking charges in order to ensure that the WPL works well and does not lead to adverse impacts. Also working with employers before and during the WPL is implemented helps to mitigate this.

39. Why implement a WPL when it could penalise those on lower incomes who can't afford or can't access alternative transport options?

It is the employer's decision whether to pass the charge on to their workforce or whether to absorb the charge. They may also decide, for example, to apportion the charges differently to different parts of the organisation. Or they may decide that people working certain hours should not have to pay a levy charge, or should pay less, while those parking during the day should pay more as there are fewer personal safety concerns and a greater contribution to congestion and air quality issues. Nottingham City Council, for example, charges its own lower waged employees a lower rate, and also charges those parking in the city centre more than those parking in areas with fewer available public transport alternatives.

As part of developing a WPL, boroughs must prepare an impact assessment of its expected impacts, including an equality impact assessment.

Improved public transport options can be especially beneficial for people on lower incomes.

40. What impact will it have on existing businesses and jobs? Won't businesses just move out of London?

As part of developing a WPL, boroughs must prepare an impact assessment of its expected impacts, including those on the economy and businesses. The Mayor's Guidance has indicative charge levels for London boroughs to help avoid 'undercutting'.

WPLs can have a positive impact on existing businesses and jobs, because making it easier to get to work can increase the pool of employees available allowing more people to access work opportunities.

41. Won't it discourage businesses from locating to a borough or discourage new or existing businesses from developing and growing?

There is no evidence from the Nottingham scheme of businesses leaving the area as a result of the WPL. There is also no evidence that businesses are not locating to the city. In 2015, three years into the scheme, Nottingham experienced a ten year high of new start-up businesses in the area. In 2017, Nottingham's year-on-year economic growth figure was 2.5%, on a par with Greater Manchester and higher than Birmingham, Bristol, Leeds, Liverpool, Newcastle and Sheffield¹.

42. Will it reduce inward investment in a borough?

There is no evidence from Nottingham that a WPL scheme reduces inward investment to an area where a scheme applies. Improvements in local transport funded by WPL revenue can also encourage investment into the area.

43. Public transport options are limited, so what can car commuters do instead?

WPLs are not suitable for every location. In developing a scheme, boroughs should think about the potential availability of alternative options, including those which will be paid for by the levy. It is important to support businesses' transition to WPL by reserving funds for advice and support for employers. It is also important that those who pay for the scheme are able to access the benefits of improved transport.

44. Isn't it self defeating? If the borough succeeds in reducing workplace parking don't they also reduce the revenue for the transport improvements?

A WPL has two objectives – to encourage mode shift and to help to pay for other transport interventions which can act as alternatives to car commuting. Ideally these will work together in a coordinated package which will, over time, reduce the need for as many workplace parking places – but also with better, cleaner and more sustainable alternatives in place. Any predicted revenue reduction has to be planned for as part of the development of the WPL scheme.

¹ <http://www.mynottinghamnews.co.uk/nottinghams-economy-is-one-of-the-fastest-growing-of-any-uk-city/>