Central London Sub Regional Transport Partnership

FUNDING INNOVATIONS

for Local Transport Authorities in Central London

Final Report

14 June 2019

Tony Halmos

Tom Dewey

Mollie Miller

CROSS RIVER PARTNERSHIP

Central London Sub-Regional Transport Partnership

FUNDING INNOVATIONS

for Local Transport Authorities in Central London

14 June 2019 – FINAL REPORT

Tony Halmos, Director, Commission on London at Policy Institute, King's College, London

Tom Dewey, Account Director, Lowick

Mollie Miller, Researcher, Lowick

Contents

Executive Summary

Cross River Partnership (CRP) was set up in 1994 and is a voluntary delivery partnership in inner London between local government, business and the voluntary sector for infrastructure and other projects. Its areas of work include air quality, behaviour change, business growth, freight management, health and wellbeing, employment, place shaping, smart infrastructure, sustainability, and transport, together with a number of other areas.

As part of its transport work, it manages the Central London Sub-Regional Transport Partnership (CLSRTP). This is a grouping of transport directors from ten central London local authorities which provides strategic advice for, and on behalf of, TfL and assists in collaboration between boroughs on sub-regional transport priorities.

The CLSRP boroughs are: City of London Corporation, City of Westminster, London Borough of Camden, London Borough of Hackney, London Borough of Islington, London Borough of Lambeth, London Borough of Lewisham, London Borough of Southwark, London Borough of Wandsworth, and the Royal Borough of Kensington and Chelsea.

In light of the ongoing shrinking budgets available to local transport authorities, as well as local government more widely, it is crucial to ensure that all potential areas of funding are examined and understood for their potential to fund both statutory and non-statutory services. This research project has looked into potential income sources and funding innovations on behalf of the 10 Central London Sub Regional Transport Partnership (CLSRTP) boroughs and the Cross-River Partnership. It is based on a workshop with transport directors, desk research, and a benchmarking exercise around certain key areas. General parking revenue has been excluded from the scope of this report, though there are areas of crossover. It provides an assessment of existing and potential funding sources and models for London transport authorities, including services that link with other borough departments and external organisations.

This report focused on the following areas; public sector funding and grants; fees and charges; planning gain; and private sector contributions. It was agreed to focus on the scope for funding sources within the existing framework of laws and rules, rather than aim to set out a programme of legislative and other changes that would give boroughs new powers to raise funds for transport expenditure in their area.

Public sector funding

There are a variety of funding sources from public bodies outside of Revenue Support Grant and core local taxation. The main external funding bodies for transport authorities remain Transport for London (TfL), the Greater London Authority (GLA), and the Department for Transport (DfT). It is clear from the boroughs' Local Implementation Plans (LIP) that all boroughs make good use of the funding from TfL and the GLA.

On the other hand, some boroughs fail to utilise as effectively the grants available from Office for Low Emissions Vehicles (OLEV), DfT, DEFRA, and Highways England. An audit of existing funding options has demonstrated that some funds are well advertised with clear guidance, but others are merely announced by a Government minister with no further information provided. Furthermore, there are multiple overlapping funding points on some areas such as air quality and electric vehicle charging.

Fees and Charges

This report examined a range of fee generating and charging schemes. Firstly, local level congestion charging schemes are unlikely to provide significant additional financial resources within central London due to overlap with existing schemes, as well as requiring significant time, political capital and expertise to establish.

The rollout of electric vehicle charging is a major infrastructure project to tackle air quality issues is London. The primary source for the rollout of new points is from the Go Ultra Low City Scheme (GULCS). Two other funding sources for residential and business charge points from OLEV are less well exploited. In addition, commercial deals with charge point operators which provide a fixed, percentage or profit share on new points are increasingly being pursued by boroughs.

A Workplace Parking Levy (WPL) could, given the time to develop, consult and implement, could yield large and consistent funding for transport programmes. A WPL scheme is currently being considered by a number of boroughs including Hounslow (which is furthest progressed), Camden, Merton and Brent. The London Borough of Hounslow parking survey estimated that, depending on the level of charge, an estimated 4200 spaces would generate net income over 25 years of between £44m (£500 charge) and £95m (£1000 charge).

Finally, there is a wide range of approaches to car clubs, both in the models supported and permit mechanisms. While not a source of income, it is notable that there is an extremely wide range of permit prices ranging from as low as a £245 up to £4,020 per annum. As mobility as a service become more developed boroughs will need to ensure that their kerb space is managed effectively, and commercial operators make an appropriate contribution to manage demand.

Planning Gain

Planning obligation can deliver or fund transport schemes, largely through one-off contributions. Boroughs' powers are overall responsibilities in this area are clear and there are obviously wide variances in the level of income depending on the quantum and type of development locally. What also varies considerably, and quite rightly is at the discretion of each borough, is the way in which the revenue from these sources are allocated across council services.

The best approach seems to be a strategic overview being set at cabinet and chief executive level, after systematic annual deliberations on the overall allocations of the shares of these funds for the year in question. Where we have found this systematic approach to setting priorities, projects and monitoring, the proportions allocated to transport schemes has tended to be notably higher. With some London authorities, around 50% of CIL is allocated to be spent broadly on transport schemes. However, there are also undoubtedly other mechanisms for achieving the same desired outcomes.

Private sector contributions:

There could be some scope for tapping funding sources from private and venture capital. There area has, so far, been little explored by most councils, but where a transport scheme may generate itself sufficient revenue to provide a return for the capital invested, this may provide a viable opening to explore this option.

A second area of private, voluntary funding could come from a specific arrangement between a business or a group of businesses and a Borough to support a particular scheme on a voluntary basis, because of its expected benefit to the business(es) in general. A further area of funding is the scope to access a proportion of the supplementary business rate levied by Business Improvement Districts (BIDs) by working with the relevant BID in an area on the implementation of a particular transport scheme. BIDs generally are looking to assist in the improvements of their area, and this has often included local transport schemes of various types, so this area could be increasingly available.

In summary, there is significant scope in the following areas:

- Refreshing contacts with central government departments to obtain assistance with managing the application process for funding, alongside clarity on the available funding pots.
- Exploring the available electric vehicle charging funding pots from the Office for Low Emissions Vehicles, alongside novel approaches such as commercial deals with charge point operators.
- The introduction of a WPL scheme which could yield large and consistent funding for transport programmes.
- There is scope for effective benchmarking on setting car club permits, and a more consistent approach to policy, given that there is currently a wide variety in pricing.
- A more systematic approach to setting out transport projects to be funded from planning gain, aligned with each borough’s priorities.
- There is likely to be further scope for obtaining funds on a voluntary basis from the private sector, including BIDs when priorities are aligned.

1. Introduction

In light of the ongoing shrinking budgets available to local transport authorities, as well as local government more widely, it is crucial to ensure that all potential areas of funding are examined and understood for their potential to fund both statutory and non-statutory services.

This research project has looked into potential income sources and funding innovations on behalf of the 10 Partnership boroughs. It is based on a workshop with transport directors, desk research, and a benchmarking exercise around certain key areas. General parking revenue has been excluded from the scope of this report, though there are areas of crossover such as with car-clubs. It provides an assessment of existing and potential funding sources and models for London transport authorities, including services that link with other borough departments and external organisations. It provides a series of recommendations and best practice which can be applied.

Context: the funding challenge for local transport authorities

Following a sustained period of restricted public finances, local authorities are facing unprecedented financial challenges. London boroughs have seen a consistent reduction in core funding, including for transport initiatives, with core funding reductions totalling £4 billion during this decade; one of the largest falls has been experienced by highways and transport (38 per cent)[1]. These reductions coupled with rising demand for services and cost shunts from central government departments to councils have created significant pressure on local government services.[2]

Similarly, TfL is facing an ever-tighter budget with central government grant set to end in 2019, making TfL one of the few city transport authorities globally that does not have state support. This has been compounded by national anti-London rhetoric around government funding, with suggestions that London often receives a bigger share of the money than other cities. London boroughs have shown considerable ingenuity and adaptability in response, but after eight years of efficiencies London boroughs must continue to look for new avenues of funding as well as ever greater savings, while still tackling major public policy challenges.[3]

[1] T. Colthorpe and R. Brown (2018). The London Intelligence Issue 4. Centre for London.
[2] London Councils (2018). London's Local Services: investing in the Future.
[3] Ibid.

2. Funding Innovations

2.1. Public Sector funding and grants

There are a variety of funding sources from public bodies outside of Revenue Support Grant and core local taxation through Council Tax and retained Business Rates. All the funding sources we have identified are listed in *Appendix 1* and this section looks at some of the key areas where there is potential for Partnership boroughs to seek additional funding. The main external funding bodies for transport authorities remain TfL, the GLA, Department for Transport, DEFRA and Highways England. The vast majority of sources are capital funding or highly project specific. However, there is also an increasing crossover of transport schemes in their widest sense with policies on air quality, climate change and public health, and their associated funding.

2.1.1. Core budget and local taxation

There is extensive discussion around local government finance more generally, including various models of council tax and business rate reform which is not the subject of this report. A comprehensive discussion of these issues can be found in the work of the London Finance Commission, which published its final report 'Devolution: a capital idea' in 2017[4].

2.1.2. Tax Increment Finance (TIF)

Tax increment financing (TIF) permits local authorities to borrow money for infrastructure projects against the anticipated increase in tax receipts. TIF works on the principle that the supply of new or improved infrastructure usually leads to new development and an increase in the value of surrounding property, which serves to increase the area's level of property taxation. [5] This anticipated increased taxation is used to fund the infrastructure that has been provided.

This is regularly used in the United States, and has occasionally been utilised in the UK, most notably to provide part funding for the extension of the Northern Line with a £1bn loan repaid through retained business rates. TIF arrangements are useful to kickstart regeneration when no alternative source of funding is available. However, TIF relies on strong economic conditions and is predicated on borrowing against assumed future economic growth.[6] As such, there will need to be certainty that the development or schemes will be completed and occupied.

Furthermore, TIF schemes are at the discretion of the Treasury and are not always approved; for example, Westminster Council and the West End Partnership applied in 2017 for a c. £400m TIF scheme, through retention of a higher percentage of business rates to fund a range of projects[7], but to date this bid has been unsuccessful.

[4] London Finance Commission (2017). Devolution: a capital idea, GLA.
[5] M.Sandford (2016). Briefing Paper: Local Government in England: Capital Finance. House of Commons Library.
[6] British Property Federation (2008). Tax Increment Financing: A new tool for funding regeneration in the UK?
[7] West End Partnership (2017). Transforming the Competitiveness of the West End: A business case for Investment.

2.1.3. *Greater London Authority and Transport for London*

The Local Implementation Plan funding is the process through which TfL provides financial support to boroughs for schemes to improve their transport networks in line with the goals of the Mayor's Transport Strategy (MTS). It is clear from the boroughs' Local Implementation Plans (LIP) that all boroughs make good use of the funding from TfL and the GLA, which is well organised and has clear guidance. For example, boroughs effectively utilise the Good Growth Fund; Quietway's Cycling Fund; and Liveable Neighbourhood Fund; the Bus Priority Programme; and the Corridors and Neighbourhoods Programme. Yet, each borough's LIP funding varies greatly, and the information provided in borough LIPs differs significantly in the depth of detail. It seems that a systematic approach to both applying for this funding and creating these LIP documents is needed.

2.1.4. *Central Government grants and funding streams*

On the other hand, some boroughs fail to utilise as effectively the grants available from OLEV, DEFRA, and Highways England. For example, several grant schemes which have not been used to their full potential in recent years include the DEFRA Air Quality Grant Scheme and smaller funds for charging from the Office for Low Emissions Vehicles (OLEV); the residential on-street charge point scheme and the workplace charge point scheme. An audit of existing funding options has demonstrated that some funds are well advertised with clear guidance, but others are merely announced by a Government minister with no further information provided. Furthermore, there are multiple overlapping funding points on some areas such as air quality and electric vehicle charging. There are potential action points here regarding boroughs asking the government for clarity on the funding opportunities which fail to be clearly addressed and refreshing contacts with government departments to obtain assistance with managing the process.

A small, but interesting, £2 million funding pot was recently announced to help the purchase of e-cargo bikes. Grant funding will be 20% of the total cost of each e-cargo bike, up to a maximum of £1,000 per bike. Applications will be capped at 50 e-cargo bikes, or £50,000, per organisation.

Some of the largest transport funding sources announced in recent years explicitly exclude London, such as the Transforming Cities Fund. Effective coordination from London Council and GLA will be required to halt, or reverse, this trend of excluding the capital from funding while also resisting calls for devolution of tax to the city.

2.1.5. *European Union*

There remains considerable uncertainty over the UK continued membership of the European Union (EU) and its future relationship. However, if Britain does leave the EU, the current Structural Investment Funds, amongst others, will of course come to an end. The exact nature and scale of these funds are also yet to be confirmed for the next EU budgetary cycle from 2020. There has been a political commitment by the Government to replace these funds post-Brexit with a new scheme, but this has not yet been expanded upon in any detail.

Ultimately, it will be crucial that local government ensure that they get a share of this money, and also that London does not miss out on this funding; this is perhaps a lobbying issue for the GLA and London Councils. A secondary issue here is protecting the funding London boroughs currently have, given the anti-London rhetoric.

2.1.6. Crossover with Air Quality and Public Health budgets

There are several areas, such as public health and air quality, which crossover with the remit of transport departments. Although there is a clear path for transport departments to obtain funding associated with air quality, such as the Mayor's Air Quality Fund and DEFRA's Air Quality Grant Scheme, the area of health is less clear cut. As with some of the larger transport funding pots, the main DEFRA Clean Air Fund excludes London.

There are not clearly separate options for applying for public health funding outside local authorities' core budget, so it is key that there is cross-department working within council teams to explore these options. There needs to be an internal conversation surrounding the public health budget, which has also seen significant reductions in funding. A number of boroughs share officers between departments on these crosscutting areas; this seems a particularly promising avenue to follow.

2.2. Fees and charges

With regard to fees and charges, these are widely used across boroughs, the legal powers on which they are based are clear and they generally operate smoothly. We have not looked in depth at many common charges around traffic management orders and skip licenses for example, as these are usually cost recovery based. However, there are a number of areas with scope for either generating income or examining best practice.

2.2.1. Congestion Charge, emissions charging and local road pricing

One area for proposed consideration is the scope for individual boroughs and/or neighbouring boroughs to implement local level congestion charging schemes, as well as ultra-low emissions zones. Under the relevant legislation, this would not be possible within the current central London zones (or the extended ULEZ, when it takes effect), but it is feasible elsewhere.

However, it effectively requires TfL approval before a borough could proceed with a local scheme of this kind. There is very limited local scope of the area which could be covered in this way. While a scheme may bring substantial local benefits and could obviously be justified on those grounds alone, it is unlikely to provide significant additional financial resources as well as requiring significant time, political capital and expertise to establish. Some boroughs are collecting an evidence base to examine the feasibility of this.

The movement towards a London-wide smart road pricing scheme has been signalled in the recent MTS, and a coherent citywide approach rather than a patchwork of overlapping charges, tolls and zones is likely to be preferable. A recent Centre for London report, 'Green Light', outlined a model London wide-road charging scheme which would bring together both emissions and congestion factors using current technology. The underlying data on potential revenue from Arup indicates around £3bn per annum of revenue from such an approach.[8]

[8] Silviya Barrett, Martin Wedderburn, Erica Belcher (2019). Green Light: Next generation road user charging for a healthier, move liveable, London. Centre for London.

2.2.2. Ultra-Low Emissions Vehicle (ULEV) charging

The rollout of electric vehicle charging is a major infrastructure project to tackle air quality issues is London. Both the capital funding for installation, and ongoing revenue funding for maintenance, monitoring and measures are considerations.

Source London managed by Bolloré Group since 2014 have around 850 charge points and arrangements with 23 boroughs including most in inner London. The decision to sell off the network remains controversial and the mixture of models, ownership and cost to the end-user has limited the appeal. There is a small annual payback mechanism to the boroughs with levels set by zone.

The primary source for the rollout of new points is from the Go Ultra Low City Scheme (GULCS) with £13.2m of funding from 2015/16 to 2019/20 for London from the Office for Low-Emissions Vehicles (OLEV) within DfT. Most borough we have surveyed are taking advantage of this and also providing some of their own match funding.

However, OLEV also have two additional grant schemes available to boroughs not fully exploited; the residential on-street charge point scheme and a workplace charge point scheme. Both have rolling applications and London boroughs are eligible to bid.

Finally, there are a number of novel approaches from boroughs such as Hackney, Camden, Westminster and Islington with commercial deals with charge point operators which provide a fixed, percentage or profit share on new points. RBKC have sought to incentivise ULEV car-club operators to install new points in return for a lower introductory permit.

2.2.3. Workplace Parking Levy

A Workplace Parking Levy (WPL) is a levy on employers that provide workplace parking, a power granted through the Transport Act 2000. A licensing scheme may be made by a non-metropolitan local traffic authority, or jointly with TfL within Greater London and places a modest charge upon the use of commuter parking places. This aims to encourage employers to manage the amount of free workplace parking and promote the use of sustainable modes of transport as a means of reducing congestion. Any revenue raised must, by law, be used to fund transport improvements.

In October 2011 Nottingham introduced a workplace parking scheme aiming to tackle problems associated with traffic congestion; with over £25 million raised in its first three years of operation. This has been used to help fund extensions to the existing tram system and the redevelopment of Nottingham Station.[9] Experience suggests that public acceptability of the scheme is very much associated with how concrete the link is between the proposed charge and the new transport infrastructure it facilitates.

Consideration of a WPL for London is not new, it is referenced in the MTS, and has been proposed by a range of bodies including the London Assembly Transport Committee. A WPL scheme is currently being considered by a number of boroughs including Hounslow (which is furthest progressed), Camden, Merton and Brent.

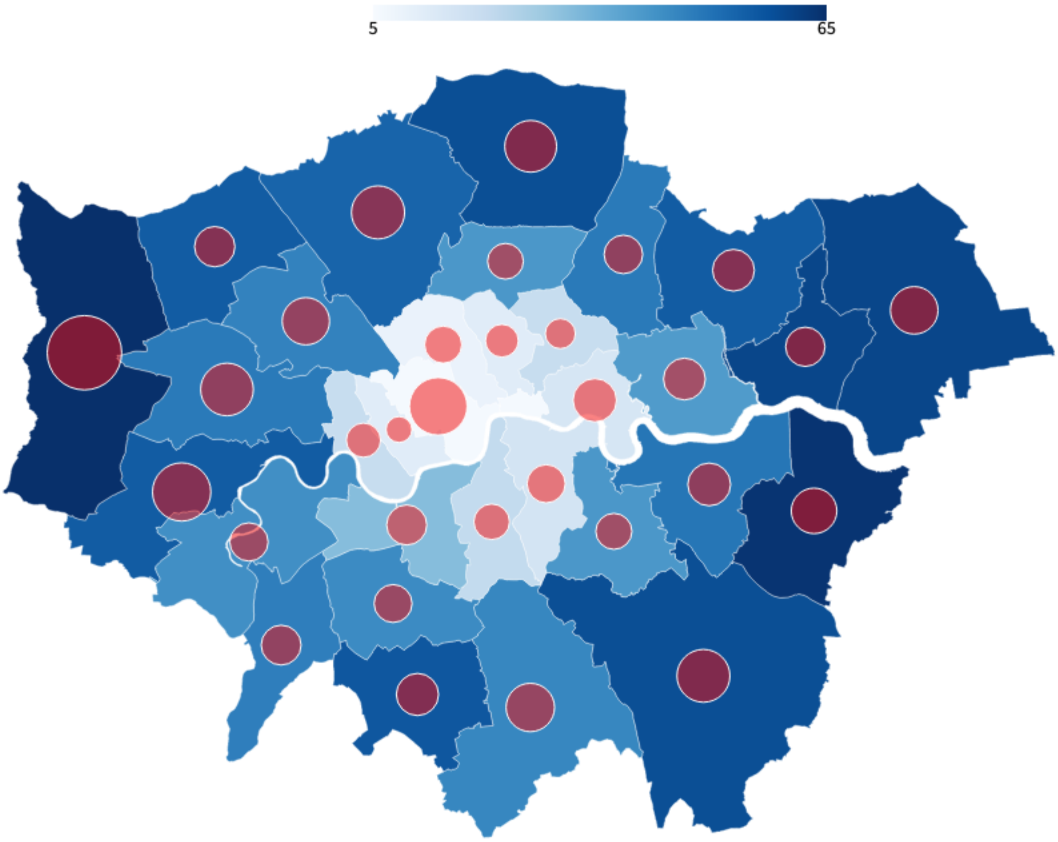
In 1999, the report Road Charging Options for London (ROCOL) looked at the potential impact of a central London Workplace Parking Levy of £3,000 per parking

[9] WWF Scotland (2016). International Case Studies for Scotland's Climate Plan: Workplace Parking Levy, Nottingham, UK.

space. The report concluded that such a scheme was feasible in London, would raise around £100 million per year in revenue and could command support if the money raised was used to improve transport options. [10] The 2005 London Parking Supply study carried out by TfL, estimated a total of 671,000 private parking spaces for employees across London, the majority of these in outer London.[11]

Visualisations of commuter car travel by borough

Shading (blue) indicates proportion travelling to work by car by borough, points (red) indicate total number.



Data from 2011 Census, Table WU03UK[12]

The destinations for the highest numbers of commuter car journeys are in central London and locations around Heathrow Airport. For central London commuter destinations, public transport predominates but large numbers still commute to central and inner London by car. For the central London boroughs of Westminster, City of London, Hammersmith and Fulham, Camden, Islington, Hackney and Tower Hamlets, very few people drive out of, or within, their boroughs to work and are heavily outnumbered by people driving into their boroughs from outside. Lewisham and Greenwich are the most car dependent of the inner London boroughs. As a result, any WPL within inner London would have relatively low impact on residents.[13]

[10] Government Office for London (1999). Review of Charging Options for London Report.
[11] Transport for London (2005). [The 2005 London Parking Supply Study](#).
[12] Office for National Statistics (2011). [2011 Census](#).
[13] Office for National Statistics (2011). [2011 Census](#).

In Hounslow, the council have consulted on a proposal for the introduction of a Workplace Parking Levy in the 'Golden Mile' area of the Great West Road in Brentford. The proposal is based on the Nottingham scheme, and most notably, closely aligns the funds from the WPL to specific transport projects.

In order to estimate the amount of income a WPL would generate, the London Borough of Hounslow commissioned a parking survey of businesses in the affected area in 2017. Depending on the level of charge, an estimated 4200 spaces would generate net income over 25 years of £44m (£500 charge) to £95m (£1000 charge).

This is not an immediate source of revenue, given the time to develop, consult and implement, but could yield large and consistent funding for transport programmes. Obtaining public and political support for a WPL scheme is a key factor in its success; this is likely to be the main challenge.

The scheme is best suited to outer London boroughs with a clear area to cover and a high level of commuters driving to work. The success of a WPL rests on the clear linkages between the scheme and specific transport programmes to build public and political support. It is key that boroughs provide a clear plan outlining where the WPL funds will be spent.

2.2.4. Car Clubs

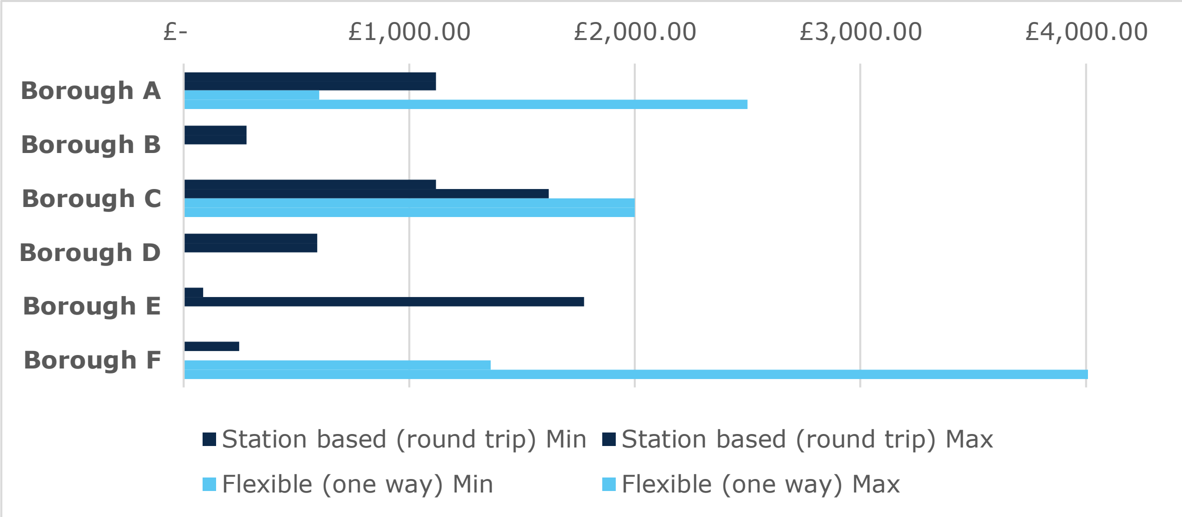
As parking is a matter largely for the boroughs, there is a wide range of approaches to both car clubs and permits as is only to be expected from autonomous organisations with different challenges, demographics and geography. Station based car clubs are longstanding, and flexible (or one-way) car clubs are increasingly common, with large and growing zone of boroughs which have adopted them.

Parking permits are regulated and are subject to restrictions on how any charges may be levied and spent in accordance with the Act. While the focus of the research will generally exclude parking, car-club are expanding rapidly in London and can be seen as part of a growing trend towards mobility as a service. There was a desire to benchmark the approach of central London authorities towards permits.

Notable from our exercise was the extremely wide range of permit prices. While respecting the autonomy of the boroughs, a more unified sub-regional approach may encourage the expansion of car clubs. Permit charges can also be used to incentivise the uptake of cleaner vehicles in car club fleets. We found a significant range, beyond what would be expected solely by different parking stress and emissions policies.

	Station based (round trip)	**Flexible (one way)**
Lowest charge	£245*	£600
Highest charge	£2,000	£4,020

RBKC have sought to incentivise ULEV car-club operators to install new points in return for a lower introductory permit of £87 per annum for the first three years. None of the boroughs we surveyed received any ongoing revenue support for officer time to facilitate car clubs, though data sharing was a common in-kind benefit.



2.3. Planning gain

Planning gain are obligations attached to land that is the subject of a planning permission. They are used to mitigate or compensate for the negative impacts of a development or to prescribe the nature of a development. Planning obligation can deliver or fund transport schemes and provide ongoing funding in some circumstances. However, there is a large variance about how this is applied borough to borough.

Boroughs' powers are overall responsibilities in this are clear and there are obviously wide variances in the level of income depending on the quantum and type of development. What also varies considerably – and quite rightly is at the discretion of each borough – is the way in which the revenue from these sources are allocated across council services and thus the extent to which they can be accessed for use to help fund transport projects.

2.3.1. Community Infrastructure Levy (CIL)

Community Infrastructure Levy (or CIL) is a tariff-based charge on new development designed as a simple, predictable replacement for Section 106 (s106). It was introduced by the Planning Act 2008 and most London Borough have now adopted a local CIL scheme, though different approaches and rates have proliferated. It now sits alongside S106 contributions and the two direct major sources of funding from new development. A list of projects or areas which CIL funds will be spent must be published by boroughs, the Regulation 123 list.

From 2012 the Mayor of London has had a city-wide Mayor's Community Infrastructure Levy (MCIL) based on net additional floorspace. The levy was raised to fund Crossrail 1 (the Elizabeth Line) and has now been extended to fund both Crossrail 1 and 2 (MCIL2), and indeed any other major transport infrastructure if the latter doesn't go ahead. Together with s106 contributions for Crossrail it has raised over £630m and MCIL2 is expected to pay for around 15-20% of the total cost of Crossrail 2.

Most central London boroughs have now had a CIL operating for a number of years and have consequently seen income shift away from s106 to an extent. While the prioritisation of how CIL will be spent, and the governance process, will of course remain discretionary to the borough, there are some notable variances in approach. The best approach seems to be a strategic overview being set at cabinet and chief executive level, after systematic annual deliberations on the overall allocations of the shares of these funds for the year in question.

Where we have found this systematic approach to setting priorities, projects and monitoring, the proportions of CIL allocated to transport schemes has tended to be notably higher. With some London authorities, more than 50% of CIL is allocated to be spent broadly on transport.[14] However, there are also undoubtedly other mechanisms for achieving the same desired outcomes.

Case Study: Camden Council's Medium-Term Financial Strategy[15]

An example of this planned, strategic approached to utilising CIL funds is provided by Camden, who allocate 70% of funds to strategic projects, 25% to local projects and 5% to administration. A Strategic CIL funding list[16] sets out the spending priorities and projects in advance, with a short-term and medium-term horizon and regular reviews. A significant proportion of these priorities relates to transport and public realm schemes, including major investments such as the West End Project.

2.3.2. Section 106 agreements

Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development.

Once CIL is in place, the vast majority of s106 contributions tend to be towards affordable housing. However, similarly to CIL, those boroughs that produce detailed, costed schedules of projects which require gap funding through developer contributions tend to allocate a higher proportion to transport. While these projects are necessarily site specific, they are often well aligned with site allocations or opportunities areas providing an opportunity for strategic planning.

There is potential alignment here with private sector contributions, particularly in areas with BIDs or large landowners. Large and complex projects may require a coordinated approach, with multiple sources of funding of which s106 can play a considerable part.

2.3.3. Travel plan fees

Various monitoring fees related to travel plans or other planning obligations remain common in local authorities, though vary in amount and scope. Such practices are now questionable due to court judgements over the last few years. Subject to the legal questions being resolved around their enforceability, they can provide a significant resource to cover the significant cost of monitoring obligations. Some authorities have also sought to use these arrangements to fund sustainable transport measures in addition.

For example, Camden has had a £60 per hour charge for monitoring draft travel plans on certain types of development. The Travel Plan financial contribution is secured for the 'monitoring and measures' of each Travel Plan. Therefore, one third of the fee collected for each Travel Plan will be put towards the implementation of

[14] For an example of good reporting on CIL funds, see Camden and Wandsworth. Westminster are due to consider their CIL priorities on July 1st, 2019 through a Cabinet CIL committee.
15 https://www.camden.gov.uk/community-infrastructure-levy?inheritRedirect=true - agiu
[16] Camden Strategic CIL Funding List 2016

sustainable travel measures such as Cycle Skills Training, The Cycle Loan Scheme and the Community Cycling Programme which are all delivered by the Council.

2.4. Private sector contributions

Given the pressure on local budgets, Boroughs have examined in a number of cases the scope for raising funds in some way from the private sector to cover certain transport expenditures. It is also clear from relevant discussions that there is likely to be further scope for obtaining funds on a voluntary basis from the private sector.

As an example, The Baker Street Two Way project has been led by Westminster City Council and Transport for London and supported by the Baker Street Quarter Partnership BID and The Portman Estate, with all providing funding. Many members of the BID and the wider community have raised concerns for some time about the dominance of traffic in the area and associated noise, pedestrian and cyclist safety concerns and pollution. In 2011 the BID commissioned a Traffic & Pedestrian Study followed by an Urban Realm & Transport Study, the results of which supported the local aspirations to remove the existing Baker Street gyratory.

Turning Baker Street and Gloucester Place to two-way flow will reduce the impact and dominance of traffic, making the area more attractive to residents and businesses. This is not just a traffic project, albeit a substantial one, as the benefits will also transform and revitalise the local area. As part of the changes, pavements will be widened, innovative new pedestrian crossings will be introduced, improved cycling facilities implemented, together with better lighting and greening.

2.4.1. Private funding and co-funding agreements

There could be some scope for tapping funding sources from private and venture capital. There area has, so far, been little explored by councils, but where a transport scheme may generate itself sufficient revenue to provide a return for the capital invested, this may provide a viable opening to explore this option.

A second area of private, voluntary funding could come from a specific arrangement between a business or a group of businesses and a Borough to support a particular scheme on a voluntary basis, because of its expected benefit to the business(es) in general, without their seeking an explicit financial return, as described above. Such benefits could include facilitating access to the business by customers, especially in the retail and related sectors, or providing direct benefits to employees, which might, for example, enhance recruitment and retention of staff.

2.4.2. Business Improvement Districts (BIDs)

A further area of funding is the scope to access a proportion of the supplementary business rate levied by Business Improvement Districts (BIDs) by working with the relevant BID in an area on the implementation of a particular transport scheme. One example of this recently has been the role of the Northbank BID on the preliminary work with Westminster on the possible new transport scheme for Aldwych/Strand. BIDs generally are looking to assist in the improvements of their area, and this has often included local transport schemes of various types, so this area could be increasingly available.

2.4.3. Corporate Social Responsibility (CSR)

This relates to the earlier points but could be the result of a corporate programme to make improvements to the neighbouring community of the business as part of its CSR responsibilities and commitments, including commitments to reduce or offset carbon emissions and their impact on the climate. The sums are small and there is no central reporting. This could be an area for future research.

2.5. Speculative future sources

It was agreed at the beginning of the project to focus on the scope for funding sources within the existing framework of laws and rules, rather than aim to set out a programme of legislative and other changes that would give boroughs new powers to raise funds for transport expenditure in their area.

In part, this was because this work had already been conducted to a considerable extent elsewhere, especially in the two reports of the London Finance Commission, under the chairmanship of Professor Tony Travers of the LSE[17]. However, we note that little progress has been made in implementing the bulk of the Commission's recommendations and it would certainly be useful, in the context of the work of this project, for boroughs, London Councils and the GLA to continue to find opportunities to promote and publicise these recommendations and the benefits they would bring to Londoners, partly to help fund much-needed transport improvements.

Of particular relevance to the area of transport is the recommendations to allow the GLA to levy some form of tourist or hotel tax, thus enabling London specifically to gain additional funds from visitors to help fund the transport provision of which they make substantial use.

[17] London Finance Commission (2017). Devolution: a capital idea, GLA.

3. Conclusion

This study has covered the spectrum of current and available sources of funding for borough-level transport projects – public grants, fees and charges, payments linked to planning permissions, and private sector support.

It has highlighted certain public grants and funding sources which are widely accessed across all members of the Partnership, are extensively publicised with clear and smooth mechanisms for submitting applications and have made a tangible contribution to improved transport facilities across central London. These are often, though not invariably, funding sources managed by the GLA or TfL, as against central government departments. The picture in the case of the latter is more mixed: some funding sources are similarly very well-accessed and used, while others are not so successful. In some cases, the existence of the funds has barely proceeded beyond the initial Ministerial announcement and it is not clear how to apply for the funds and the scope to which they can be used. It could be productive for the Partnership to take forward the information provided here and, working with London Councils, TfL and the GLA to seek to secure better provision of information across boroughs about such funding sources, where to make applications and the purpose for the funds can be used.

With regard to fees and charges, in some cases, likewise, these are widely used across boroughs, the legal powers on which they are based are clear and they generally operate smoothly. In the case of workplace parking levy and car clubs, the position is more mixed. The powers are clear, but boroughs have not adopted the same approaches to the use of these options, with, in some cases, their development being at a very early stage. Of course, they are not suitable for all areas and circumstances and it is essential that local discretion remains strong, but there are some useful experiences which can be shared across boroughs about how best to proceed.

The issues concerning payments linked to planning permissions – section 106 agreements and the community infrastructure levy (CIL) – highlight and different issue. Boroughs' powers are overall responsibilities in this are clear. What varies considerably – and quite rightly is at the discretion of each borough – is the way in which the revenue from these sources are allocated across council services and thus the extent to which they can be accessed for use to help fund transport projects. The best approach seems to be a strategic overview being set at cabinet and chief executive level, after systematic annual deliberations on the overall allocations of the shares of these funds for the year in question. However, there are also undoubtedly other mechanisms for achieving the same desired outcomes.

We also examined the extent of private sector support at borough level for transport. This covered ad hoc voluntary contributions of various kinds, corporate social responsibility commitments and the scope for working jointly with Business Improvement Districts (BIDs) in the area. This is clearly a much less-developed source of funding across boroughs, even where the scope for it would appear to exist. Boroughs could certainly benefit overall from exploring scope for this to be extended, either individually or jointly with others.

In the absence of legal and other changes to allow new sources of funding for transport to be tapped, including those proposed by the London Finance Commission, and the continued absence of any relief to the severe budgetary cuts of recent years, the main sources of additional funding examined here provide the best opportunities for boroughs to sustain and improve their transport provision. The Partnership could usefully, together with the GLA, TfL and London Councils, also devote some efforts to ensuring that these funding sources are both maintained and extended and that as extensive use as possible is made of them to assist with boroughs' transport work.

Sources

British Property Federation (2008). *Tax Increment Financing: A new tool for funding regeneration in the UK?*

Government Office for London (1999). *Review of Charging Options for London Report*.

London Borough of Hounslow (2018). Workplace Parking Levy (WPL) Consultation.

London Councils (2018). London's Local Services: Investing in the Future.

London Assembly Transport Committee (2017). London Stalling: Reducing Traffic Congestion in London.

M. Sandford (2016). Briefing Paper: Local Government in England: Capital Finance. House of Commons Library.

Nottingham City Council (2019). WPL Costs and Payments Webpage.

Office for National Statistics (2011). 2011 Census.

S.Dale, M. Frost, S. Ison, K. Nettleship, and P.Warren (2017). *An evaluation of the economic and business investment impact of an integrated package of public transport improvements funded by a Workplace Parking Levy*. Transportation Research Part A 101, pp. 149-162.

T. Colthorpe and R. Brown (2018). The London Intelligence Issue 4. Centre for London.

The Green Party (2016). Briefing: A Workplace Parking Levy for London

Transport for London (2005). The 2005 London Parking Supply Study.

WWF Scotland (2016). International Case Studies for Scotland's Climate Plan: Workplace Parking Levy, Nottingham, UK.

London Finance Commission (2017). Devolution: a capital idea, GLA.

Appendix 1: Table of public grants and funding sources

Fund	Funding Body	Eligibility	Description	Money Available	Guidance	Deadline
Liveable Neighbourhood Programme	TfL	London Boroughs.	A project will deliver attractive, healthy, accessible and safe neighbourhoods for people. This may involve changes to town centres and their surrounding residential areas to improve conditions for walking and cycling and reduce traffic dominance.	The programme has a budget totalling £114.9 million 2017/18-2021/22. The funding range available is £1 million to £10 million. This is in addition to LIP funding.	http://content.tfl.gov.uk/tfl-liveable-neighbourhood-guidance.pdf	Currently set to run until 2021 with a yearly submission deadline.
Crossrail Complementary Measures	TfL	Targeted to 13 London Crossrail boroughs, although the funding is towards a line-wide programme of improvement.	The funding is available for urban realm and interchange integration works outside the Crossrail stations.	A total budget of £28.5 million available over the four-year period 2015/2016 - 2018/2019.	http://content.tfl.gov.uk/tfl-crossrail-complementary-measures-guidance.pdf	Funding ends 2019.
Greener City Fund	Mayor of London/ GLA	London Boroughs.	Regeneration programme to support growth and community development in London. The fund supports innovative regeneration activities that enable Londoners to actively participate in their local community; delivery of co-ordinated place-based strategies that welcome growth in a way that works with the physical character of London's	The fund has £12 million available, broken down into; £5m for tree planting and green space; £3m for green infrastructure; £3m for urban forest; £1m for community engagement.	https://www.london.gov.uk/what-we-do/environment/parks-green-spaces-and-biodiversity/greener-city-fund	Applications for tree planting schemes will open again in spring 2019. Community green space grants open in the summer of 2019.

CROSS RIVER PARTNERSHIP

			many places; diverse and accessible local economies.			
Good Growth Fund	GLA	London Boroughs only.	The application will be measured on the projects ability to empower people, make better places and growing prosperity.	The fund offers £70 million in funding, and there is currently £20 million remaining. The funding options are; capital grants up to £2m to deliver place shaping and development projects. This is repayable capital grant funding between £50k and £2m.	https://www.london.gov.uk/sites/default/files/goodgrowthfundprospectus_round_2_web.pdf	Runs until 2021, with a second round of funding in 2019.
Mayors Air Quality Fund	GLA	London Boroughs only.	To support projects to improve air quality including; projects to inspect construction sites; low emission neighbourhood; pedestrianisation; supporting update of low emission vehicles.	A £20 million fund distributed over ten years.	https://www.london.gov.uk/what-we-do/environment/pollution-and-air-quality/mayors-air-quality-fund	Deadline for the latest round was January 2019; applications are currently closed.
Workplace Charging Scheme	OLEV	Any business, charity or public authority is eligible to claim the grant towards the cost of installing electric vehicle charge points providing they have dedicated off	A grant scheme for electric vehicles charging infrastructure. This is a voucher-based scheme that provides support towards the upfront cost of the purchase and installation of electric vehicle charge points. Public sector bodies are allowed to apply.	The voucher will cover up to 75% of these costs, capped at a maximum of £500 per socket.	https://www.gov.uk/government/collections/government-grants-for-low-emission-vehicles#workplace-charging-scheme https://www.apply-workplace-chargepoint-grant.service.gov.uk	Rolling consideration.

CROSS RIVER PARTNERSHIP

		street parking for staff or fleet use only.				
On street residential charge point scheme	OLEV	All local authorities.	Local authorities can apply for funding to help with the costs of procurement and installation of on-street charging points for residential use.	£4.5 million available across 2018/2019 and 2019/2020. The funding available is for 75% of the capital costs of procuring and installing the charge point and an associated dedicated parking bay.	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/792884/onstreet-chargepoint-residential-scheme-guidance.pdf	Applications are considered on a monthly basis.
Cycling, Safety and Integration Fund	Highways England	Unclear if London is eligible.	Funding for projects covering cycling, safety and integration.	This fund has £175m available between 2015-2020.	https://s3.eu-west-2.amazonaws.com/assets.highwaysengland.co.uk/Designated+Funds/Cycling+Safety+Integration+Fund+Plan-v6-web.pdf	Apply through a form on website on a rolling basis.
Innovation Fund	Highways England	Unclear if London is eligible.	This fund supports projects which actively encourages more innovation and use of technology to support improving average delay, safety on roads and environmental considerations. Themes of innovation including safety, data and information, improving our infrastructure,	The total funding available is set at £150 million, with a £30 million allocation for 2020 to 2021.	https://www.gov.uk/guidance/highways-england-designated-funds	

			new and emerging technology and support to sustainable operation.			
Environment fund	Highways England	Unclear if London Boroughs are eligible.	This supports projects to make our strategic road network (SRN) work more harmoniously with its surroundings to deliver an improved environment.	The fund consists of £225m of ring-fenced investment for delivering environmental improvements that go over and above the traditional focus of road investment. A further £100m is ring-fenced for air quality interventions, which is managed separately.	https://www.gov.uk/guidance/highways-england-designated-funds	
Charging Infrastructure Investment Fund	Department for Transport	Unclear if London Boroughs are eligible.	The aim of the fund is to catalyse the rollout of electric vehicle charging infrastructure that is required to support the electrification of vehicles, by providing greater access to finance on a commercial basis.	This is a £400 million investment fund.	https://www.gov.uk/government/publications/charging-infrastructure-investment-fund	This launches Spring 2019. Currently seeking fund managers interest.
E-Cargo Bike Grant	Department for Transport	Public, community or third sector organisations are eligible providing they meet the eligibility criteria.	The fund aims to help organisations obtain e-cargo bikes.	A £2 million funding pot. The grant available will be calculated to cover the cost of the basic model of the new e-cargo bike(s); it does not include other costs. Grant funding will be 20% of the total cost of each e-cargo bike, up to a maximum of £1,000 per bike. Applications will be capped at 50 e-	https://dftecargobikeapplication.est.org.uk https://www.energysavingtrust.org.uk/sites/default/files/eCargo%20Bike%20Grant%20Eligibility%20Criteria.pdf	First come first served.

				cargo bikes, or £50,000, per organisation.		
Clean Air Fund	DEFRA	London is not eligible (the Mayor of London was extremely critical of this).	The scheme helps local authorities to make air quality improvements.	There is £220 million of funding available over the period of 2018/19 to 2020/21. There is no upper limit for awards that can be made to any single authority and there is no guarantee of a minimum award.	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693239/clean-air-fund-gov-resp-section2-separated.pdf	
Air Quality Grant Scheme	DEFRA	London is eligible.	This supports schemes which help councils develop and implement measures to benefit local communities. Provides funding to local authorities for projects in local communities to tackle air pollution and reduce emissions.	In the last round, £3 million was awarded.	https://www.gov.uk/government/collections/air-quality-grant-programme	The last round of applications ended in November 2018.
Transforming Cities Fund	Department for Transport	London is not eligible.	The Fund is focused on intra-city connectivity, making it quicker and easier for people to get around and provide additional capital investment for productivity enhancing programmes.	The government will make £840 million available over the four-year period to 2021- 22. The funding will be entirely capital.	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/689407/transforming-cities-fund-call-for-proposals.pdf	
National Roads Fund	Department for Transport	TfL eligible to bid for funding.	The fund is for projects improving local roads.	£28.8 billion 2020-2025. The Road Investment Strategy will receive funding of £25.3bn. The remaining £3.5bn will be available for the Major Road Network and Large Local Major schemes.		Commencing April 2020.

Pothole Action Fund	Department for Transport	Transport for London (TfL) and London Boroughs who do not have an operational highway maintenance PFI project are eligible to bid.	The fund is only used to repair potholes.	Boroughs can bid for up to £10m of the Fund. Funding is calculated according to the size of the local road network in the area.	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/305469/pothole-fund-guidance.pdf	
HS2 Community and Business Funds	Groundwork (on the Governments behalf)	London is eligible.	The funding aims to help offset the disruption of Phase One on local communities and businesses.	The fund consists of £10,000 up to a maximum of £1 million of a £40 millions funding pot.	https://www.groundwork.org.uk/Sites/hs2funds/pages/Category/business-funds-hs2	Available for 11 years from 2014.
Connecting Europe Facility Fund	EU	London is eligible for funding.	The Connecting Europe Facility (CEF) supports sustainable and efficiently interconnected trans-European networks and infrastructures in the sectors of transport, telecommunications and energy. The programme objective is to contribute to smart, sustainable and inclusive growth within three thematic areas including transport.	The overall budget for the programme is €50 billion with €9.1 billion dedicated to energy infrastructure, €9.2 billion for broadband infrastructure and €31.7 billion for transport infrastructure.	https://www.londoncouncils.gov.uk/node/30914	Applications are currently closed, and the fund officially ends in 2020 for the current budget round.
Interreg North-West Europe Fund	EU	UK is eligible, including London Boroughs.	The programme promotes the economic, environmental, social and territorial future of the NWE area. The programme has identified three thematic priorities: innovation, low carbon and resource and material efficiency. The three	The programme has a budget of €372 million to co-finance projects at a rate of 60%.	http://www.nweurope.eu/about-the-programme/	The fund ends in 2020 with the end of the current budget cycle.

			priorities cover a range of policy areas, including transport and mobility.			
European Structural Investment Funds	EU	London boroughs are eligible to bid.	There are 3 types of funds involved in the programme: European Social Fund (ESF) focuses on improving the employment opportunities, promoting social inclusion. European Regional Development Fund (ERDF) supports research and innovation, small to medium sized enterprises and creation of a low carbon economy. European Agricultural Fund for Rural Development (EAFRD) supports rural businesses to grow and expand, improve knowledge and skills and get started.	The UK receives €10.7 billion in ERDF and ESF Structural Funding for 2014-20, of which London was allocated €745.4 million.	https://www.gov.uk/guidance/england-2014-to-2020-european-structural-and-investment-funds	The fund ends in 2020 with the end of the current budget cycle.
Go Ultra Low City Scheme	Department for Transport	London boroughs are eligible.	Proposals considered which provide residential charging infrastructure, car club infrastructure, rapid EV charging, neighbourhoods of the future.	£13m in capital funding to drive the uptake of ultra-low emission vehicles in the period 2015/16 - 2019/20.	https://www.londoncouncils.gov.uk/our-key-themes/transport/roads/gulcs	Deadline passed, unclear if there will be another round.
HS2 Road Safety Fund	Department for Transport	Available to towns and villages along the HS2 route between London and	The funding can be used for traffic calming measures, safer pedestrian crossings or safer junctions for cyclists, pedestrians and drivers.	£30 million is made available through this fund.	https://www.gov.uk/government/news/30-million-to-improve-road-safety-for-communities-along-hs2-route	Awarded in 2017.

		West Midlands.				
HS2 Woodland Fund	Department for Transport	Available to areas along the HS2 railway route, within a 25-mile zone.	Capital funding to restore PAWS sites, at 100% of the standard costs for eligible activities including restocking with native trees and shrubs, and associated items including fencing and gates, as well natural flood management items.	Opened in 2018 with a budget of £1 million, a further £4 million budget is now available. Payments are capped at £4,000 per net hectare of planting (for planting costs only). Capital funding at 100% of the standard costs of creating and protecting new native woodland. Capital payments are capped at £8,500 per gross hectare of new woodland. Maintenance payments of £200 per hectare per year for ten years.	https://www.gov.uk/guidance/hs2-woodland-fund#deadlines	First come first served, open all year round but applications are assessed quarterly.
Ultra-Low Emission Bus Scheme	OLEV	Any English or Welsh Local Authority, Combined Authority or Bus Operator can apply for funding.	The fund aims to increase the uptake of ultra-low emission buses, reducing the need for subsidy support; and support the improvement of local air quality.	£48m of ULEBS funding is available for the purchase of ULEBs and the infrastructure to support them between 2018/19 and 2020/21; 2018-19 (£11m); 2019-20 (£19.5m); 2020-21 (£17.5m). The DfT will contribute up to 50% (or up to 75% where the bus can operate in zero emission mode) of the cost	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/694955/uleb-scheme-participant-guidance.pdf	The window for grant funding will be open for three financial years, 2018/2019, 2019/2020, 2020/2021.

				difference between the ULEB and the standard conventional diesel equivalent of the same total passenger capacity. For infrastructure, they will contribute up to 75% of the capital expenditure incurred as a result of its purchase and installation.		

Appendix 2: Workplace Parking Levy

Case Study: Nottingham WPL

In October 2011 Nottingham introduced a workplace parking scheme aiming to tackle problems associated with traffic congestion; as commuters account for about 70% of congested peak traffic and approximately 60,000 people travelled to work in Nottingham each day by car or van[18]. Significantly, it was the first local authority in Europe to implement such a scheme. The scheme not only acts as an incentive for employers to manage their workplace parking provision but also provides for transport initiatives as the revenue is ringfenced to be spent on transport initiatives contained within the Councils Local Transport Plan.

The Scheme

- The scheme operates within the City Council administrative boundary and applies to around 25,000 liable spaces.[19]
- The scheme places a levy on employers who provide eleven or more liable spaces, but this does not apply to spaces available for customers, occasional business visitors, business fleet vehicles and discounts of 100% are applicable to Blue Badge holders, emergency service vehicles and qualifying NHS premises.
- The cost per workplace parking place per year for the licensing period 1 April 2019 to 31 March 2020 is £415.[20]
- Employers are responsible for paying any WPL charge, although employers can choose to reclaim part or all of the cost of the WPL from their employees.

Outcome

- This has been extremely successful in Nottingham, with over £25 million raised in its first three years of operation. This has been used to help fund extensions to the existing tram system and the redevelopment of Nottingham Station.[21]
- There has been 100% compliance of liable employers and the Council reports a significant increase in public transport usage since the WPL was introduced.[22]
- There has been a positive impact on congestion levels, whilst the feared negative impacts on the local economy and inward investment have not transpired.[23]

Best Practice

- Nottingham Council have had great success with the introduction of the UK's first WPL scheme, providing a strong case for the implementation of similar schemes in other regions. Notably, there is scope for London Boroughs learning from the practice of Nottingham, as it is a city with a population of 312,000 and therefore of similar size to some of the larger London boroughs.[24]
- The WPL is a flexible demand management tool that can be tailored to meet local requirements in terms of coverage, charge levels, exemptions, and support package.

[18] Office for National Statistics (2011). 2011 Census.

[19] The Green Party (2016). Briefing: A Workplace Parking Levy for London.

[20] Nottingham City Council (2019). WPL Costs and Payments Webpage.

[21] WWF Scotland (2016). International Case Studies for Scotland's Climate Plan: Workplace Parking Levy, Nottingham, UK.

[22] Ibid.

[23] S.Dale et al (2017). An evaluation of the economic and business investment impact of an integrated package of public transport improvements funded by a Workplace Parking Levy. Transportation Research Part A 101.

[24] The Green Party (2016). Briefing: A Workplace Parking Levy for London.

Significantly, the scheme costs less than 5% of the revenue to run, with staffing costs limited to fewer than 10 full time employees.[25]

- It is crucial to learn from the practice of Nottingham in implementing the WPL. Most significantly, the clear business case aligned with the policy objectives, extensive communication strategy, widespread public consultation, liaison with DfT and multi-disciplinary project team were all key in its successful implementation. Experience suggests that public acceptability of the scheme is very much associated with how concrete the link is between the proposed charge and the new transport infrastructure it facilitates. In Nottingham there was an obvious and very strongly publicised link between the levy and the new tram network.

The WPL in London

There is an active precedent for the workplace parking levy to fund transport schemes. TfL has the power to introduce a WPL anywhere in London, and individual boroughs can also implement this in their areas through the 1999 Greater London Authority Act. Consideration of a WPL for London is not new, it is referenced in the MTS, and has been proposed by a range of bodies including the London Assembly Transport Committee. A WPL scheme is currently being considered by a number of boroughs including Hounslow (which is furthest progressed), Camden, Merton and Brent. A WPL would not only help raise revenue for transport improvements but would also help reduce pollution and congestion by disincentivising private car travel.

The London Assembly Transport Committee January 2017 report stated that although a new road pricing scheme should be TfL's preferred option for managing congestion through charging, a Workplace Parking Levy is a tool that could be effective[26]. The committee noted that it would be most effective to implement a WPL in outer London, given that the share of people commuting to central London by car is lower. It is considered that a WPL is better suited to an outer London context within an easily defined and managed zone with multiple large employers, low levels of access to public transport and associated levels of car parking. In outer London centres which are beyond the congestion charge zone, they would provide an efficient congestion control mechanism while in Canary Wharf or the Royal Docks, they would complement existing measures in areas where good public transport is already in place.[27]

In 1999, the report Road Charging Options for London (ROCOL) looked at the potential impact of a central London Workplace Parking Levy of £3,000 per parking space. The report concluded that such a scheme was feasible in London, would raise around £100 million per year in revenue and could command support if the money raised was used to improve transport options. [28] The 2005 London Parking Supply study carried out by TfL, estimated a total of 671,000 private parking spaces for employees across London, the majority of these in outer London.[29]

The destinations for the highest numbers of commuter car journeys are in central London and locations around Heathrow Airport. For central London commuter destinations, public transport predominates but large numbers still commute to central and inner London by car. For the central London boroughs of Westminster, City of London, Hammersmith and Fulham, Camden, Islington, Hackney and Tower Hamlets, very few people drive out of or within their boroughs to work and are heavily outnumbered by people driving into their boroughs. Lewisham and Greenwich are the most car dependent of the inner London

[25] WWF Scotland (2016). International Case Studies for Scotland's Climate Plan: Workplace Parking Levy, Nottingham, UK.
[26] London Assembly Transport Committee (2017). London Stalling: Reducing Traffic Congestion in London.
[27] Ibid.
[28] Government Office for London (1999). Review of Charging Options for London Report.
[29] Transport for London (2005). London Parking Supply Study.

boroughs. As a result, any WPL within inner London would have relatively low impact on residents.[30]

Data from 2011 Census, Table WU03UK[31]

Borough	Number travelling to work in the borough (all methods)	Number driving to work in the borough	Percent driving
Hillingdon	143,012	93,563	65%
Bexley	54,602	35,065	64%
Barking and Dagenham	43,647	26,106	60%
Havering	63,709	38,262	60%
Bromley	81,922	47,326	58%
Enfield	78,599	45,330	58%
Sutton	53,852	30,097	56%
Harrow	50,193	27,535	55%
Hounslow (consulted)	***105,269***	***57,432***	***55%***
Redbridge	54,141	29,516	55%
Barnet	89,244	47,676	53%
Greenwich	63,391	30,974	49%
Ealing	97,801	46,901	48%
Waltham Forest	52,000	25,149	48%
Kingston Upon Thames	56,946	26,843	47%
Brent	81,732	37,811	46%
Croydon	88,324	39,645	45%
Merton	55,011	24,348	44%
Richmond Upon Thames	57,322	24,794	43%
Haringey	52,461	21,650	41%
Lewisham	**53,500**	**21,961**	**41%**
Newham	74,050	29,557	40%
Wandsworth	**87,897**	**27,217**	**31%**
Lambeth	**107,906**	**21,498**	**20%**

[30] Office for National Statistics (2011). 2011 Census.
[31] Office for National Statistics (2011). 2011 Census.

Hackney	**79,498**	**15,304**	**19%**
Hammersmith and Fulham	**106,523**	**19,857**	**19%**
Southwark	**157,768**	**24,643**	**16%**
Tower Hamlets	216,232	31,854	15%
Islington	**149,075**	**18,259**	**12%**
Kensington and Chelsea	**97,921**	**11,375**	**12%**
Camden	**250,615**	**23,253**	**9%**
Westminster and City of London	**917,068**	**56,032**	**6%**
TOTAL	3,721,231	1,056,833	28%

Case Study: Hounslow 'Golden Mile' WPL

In Hounslow, as part of the new transport strategy and regeneration plans for the Great West Corridor, the council have consulted on a proposal for the introduction of a Workplace Parking Levy in the 'Golden Mile' area of the Great West Road in Brentford. This is being considered with the view of funding specific development projects including a new train service between the existing train stations at Syon Lane and Brentford up to Old Oak Common and onto Cricklewood, a new passenger train service connecting the Great Western Mainline and Elizabeth Line (Crossrail) and improved bus services to and along the Great West Road. The proposal is closely based on the Nottingham scheme, and most notably, closely aligns the funds from the WPL to specific transport projects.

In order to estimate the amount of income a WPL would generate, the London Borough of Hounslow commissioned a parking survey of businesses in the affected area in 2017. It concluded that there were over 4200 workplace parking spaces in the zone by using visual inspections and information obtained directly from the businesses. The results of this survey were then used in an income model based on the Nottingham scheme.[32]

The table below shows the results that could be obtained for an operational period of 25 years and three potential levels of charge at £500, £750 and £1000 per space per annum.

Golden Mile WPL Model Results for mid-growth scenario (London Borough of Hounslow, 2018)[33]

Charge Level (£ per space per annum)	**Estimated Net Income over 25 years* (£ million)**	**This would fund…**
500	44	This level of charge means that WPL would make a contribution towards the cost of delivering improved bus services and public realm in the area. It would be unlikely to be enough to secure the delivery of the proposed link to the new Elizabeth Line

[32] London Borough of Hounslow (2018). Workplace Parking Levy (WPL) Consultation.
[33] Ibid.

		service at Southall without substantial additional public funding.
750	70	This would likely secure delivery of the link to the new Elizabeth Line service, and some modest improvements to the wider public realm, bus services and limited grant assistance with EV charging and cycle facilities for businesses.
1000	95	This would allow significant investment in public realm; new and improved bus routes including a potential express service along the A4. It would ensure delivery of the link to the new Elizabeth Line at Southall. It may also allow a contribution to be made to the West London Orbital, expediting the delivery of this scheme to benefit the area. Also included would be comprehensive travel planning assistance for businesses as well as grants for EV charging and cycle parking facilities.

A possible timetable for implementation including consultation, audit of workplace parking space, preparation of proposal, consultation on final proposals and implementation is around 18 months.[34] Crucially, TfL are in the process of preparing a model scheme order for boroughs to use and are lobbying for secondary legislation to be introduced that will permit WPLs to be enforced in London. At this stage 2020/21 would likely be the earliest possible start date for a WPL scheme. As such, this is not an immediate source of revenue but could yield large and consistent funding for transport programmes.

Challenges

- There is an issue around the layering of charges for businesses, and concern surrounding whether businesses are elastic enough to be able to cope with this additional charge.
- Obtaining public and political support for a WPL scheme is a key factor in its success; this is likely to be the main challenge given that this will likely be viewed as yet another charge.

Key Facts

- A WPL could provide a significant source of income for boroughs, whilst costing relatively little to implement and operate. Furthermore, the funding is ringfenced for transport initiatives.
- The scheme is best suited to outer London boroughs with a clear area to cover and a high level of commuters driving to work.
- The success of a WPL rests on the clear linkages between the scheme and specific transport programmes to build public and political support. It is key that boroughs provide a clear plan outlining where the WPL funds will be spent.

[34] The Green Party (2016). Briefing: A Workplace Parking Levy for London.

Appendix 3: Methodology

The project used a mixture of research methods, these included desk-based research, surveys and interviews.

One survey was sent to all the Central London Sub-Regional Transport Partnership boroughs which focused on several areas, including car clubs, electric vehicle charging and planning gain. The responses were then utilised as a basis for the benchmarking included in the report. Responses were received from the following boroughs:

- Royal Borough of Kensington and Chelsea
- City of Westminster
- London Borough of Wandsworth
- London Borough of Camden
- London Borough of Islington
- London Borough of Hackney

Interviews were conducted in order to establish more in-depth information on a range of issues covered in the report. The interviews were conducted by Tony Halmos with the following organisations and individuals:

Westminster City Council:

- Hugh Brennan, Transport Programme Manager
- Michael Clarkson, Chief Executive's office
- Damon Budds, Transport team

London Councils:

- Katharina Winbeck, Head of Transport and Environmental Infrastructure

Northbank BID:

- Katherine Fleming, Operations Director