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| Contains Confidential or Exempt Information | No |
| Title | CEX 390 Great West Corridor Workplace Parking Levy (WPL) and Brentford to Southall Rail Link |
| Member Reporting | Cllr Hanif Khan, Lead Member for Transport and Corporate Property |
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| For Consideration By | Cabinet |
| Date to be Considered | 03 September 2019 |
| Implementation Date if Not Called In | 17 September 2019 |
| Affected Wards | Osterley & Spring Grove, Brentford, Syon |
| Keywords/Index | Workplace Parking Levy, Great West Corridor, Public Transport, Golden Mile, Crossrail, Elizabeth Line, Southall Rail Link |

1. Details of Recommendations

Cabinet is asked to:

- a) Note the contents of this report concerning the background to the proposal to introduce a Workplace Parking Levy (WPL) within the Great West Corridor (GWC) opportunity area, including the results of a public consultation which took place in the western section of the corridor between November 2018 and January 2019.
- b) Note a further update on the progress made on the technical feasibility for a Brentford to Southall Rail Link.

Cabinet is asked to:

- c) Approve in principle the progression of the proposal for a Workplace Parking Levy in the western extent of the GWC, broadly covering the area shown in Figure 1, section 3 of this report, with the primary purpose of providing a funding stream to enable transport infrastructure improvements to be made.
- d) Approve a second and final public consultation on the defined 'scheme order' for the WPL which will outline the proposed design of the scheme; the tariff per space; the use of any income it raises (the spending plan) and; all the terms and conditions of its operation, including any exemptions and the enforcement arrangements.

- e) Delegate to the Director of Customer Relations, Environment and Culture to progress the preparation of the required five-point business case and associated environmental and equalities assessments for the WPL to inform this consultation.
- f) Note that the findings from this consultation and the full business case for the scheme be brought to Cabinet in 2020/21 to determine if an application should be made to the Mayor of London, and the Secretary of State for Transport to bring the scheme into operation.
- g) Approve the progression of a further feasibility study and initial consultation on a possible second WPL scheme covering the eastern extent of the Great Western Corridor opportunity area (broadly as set out in Figure 3) to support improved transport facilities in this area.
- h) Delegate to the Director of Customer Relations, Environment and Culture to progress the Brentford to Southall Rail Link scheme to the next stage of project development namely the Network Rail GRIP 4 – Single Option Development study and the development of an Outline Business Case for submission to the DfT.
- i) Further delegate to the Director of Customer Relations, Environment and Culture to work with all relevant parties and partners to identify external funding required to complete these studies, noting that a council contribution to the scheme may be required as set out in section 5 of this report if external funding is not forthcoming.

If the recommendations are adopted, how will residents benefit?

| Benefits to residents and reasons why they will benefit, link to Values | Dates by which they can expect to notice a difference |
|--|---|
| A Workplace Parking Levy could form a key financing tool for improved public transport and walking & cycling infrastructure in the Great West Corridor area. The imposition of charges on the use of off-street car parks could also help encourage a move towards sustainable modes of travel. These outcomes would help reduce pollution, congestion and therefore help to improve quality of life for those who live or work in the borough as well as supporting new development in line with the aspirations of the Local Plan and the Mayor of London's London Plan. | A WPL is expected to reduce traffic levels from the date of its implementation whilst further benefits will materialise on the introduction of the transport improvements. The earliest this scheme could be in operation in the western area would be 2021. |
| The Brentford to Southall Rail link, potentially funded by the Workplace Parking Levy, will deliver a step change in public transport accessibility for the corridor through provision of a direct link to the Elizabeth Line. This will help provide a reliable alternative to accessing the corridor to the private car. | This scheme could be operational by 2024-25. |

2. Report Summary

1. This report deals with the proposed introduction of a workplace parking levy in the western end of the Great West Corridor opportunity area in Brentford, following a public consultation held between December 2018 and January 2019. It further recommends the investigation of an additional workplace parking levy to be progressed within the eastern extent of the Great West Corridor. It also updates Cabinet on progress made on ascertaining the technical feasibility of a Brentford to Southall Rail Link which will be the major beneficiary of funding raised by the western WPL.
2. It recommends that these schemes are progressed to further consultation and the development of the necessary business cases/technical feasibility assessments as required by central government and the Mayor of London.
3. These recommendations are being made because these schemes are considered necessary to deliver the required growth in housing and employment within the Great West Corridor opportunity area as set out in the draft London Plan and our emerging Local Plan review for this area in a sustainable way.
4. If adopted, the key financial implications for the Council are the cost of progressing the development of a business case for WPL (c£180,000) and a feasibility of a WPL around the eastern extent of the GWC (c£50,000). The progression of the technical feasibility for Brentford to Southall Rail Link to Network rail GRIP 4 level is estimated at c£1.8m and associated development of an outline and full business case for review by the DfT in order to unlock central government capital or revenue support for the scheme at c£500,000.
5. An additional point to note is that funding is expected to be secured from TfL to assist in progressing the business case development for the WPL proposals discussed in this report. The council has also secured the funding required to progress the technical feasibility of the Brentford to Southall Rail Link in part, however additional funding is required to complete the work recommended by this report in full. It is proposed to delegate to the Director of Customer Relations, Environment and Culture to engage with a range of external partners (DfT, TfL, GLA etc) in order to explore external funding opportunities to support the progression of these works to completion. In the event that these discussions are unsuccessful the shortfall will need to be met by the council as set out further in section 5 of this report.

3. Background

3.1. This report updates cabinet on the proposal for a workplace parking levy (WPL) at the western end of the Great West Corridor (GWC) opportunity area in Brentford, and seeks approval to progress this onto a preferred scheme option and a full business case. It also recommends further feasibility and initial consultation is undertaken on a WPL for the eastern extent of the Great West Corridor. It further updates cabinet on the work undertaken to date on the Brentford to Southall Rail Link, following the last report to cabinet on this subject on the 20 September 2016. It recommends progression of this scheme to the next stage of feasibility (known as 'GRIP level 4', or single option development) and the development of the

accompanying outline business case. These three schemes are now dealt with in turn.

WPL in the GWC - Western Extent

3.2. The London Mayor's Transport Strategy (MTS), released in March 2018, included a proposal (P23) to support boroughs wishing to develop and implement traffic demand management schemes including levies placed on employee 'workplace' parking. The legal basis for implementing a Workplace Parking Levy in London is provided by Schedule 24 of the Greater London Authority Act 1999 (GLAA).

3.3. A workplace parking levy (WPL) is a charge on employers who provide workplace parking, collected and enforced by a Local Authority. Currently only one operational WPL scheme exists in the UK, in Nottingham, where income generated has been used to fund public transport improvements, notably a tram line. All revenue generated from a WPL must be retained by the local authority and must by law be spent on transport improvements. The decision on whether or not to pass the charge on to employees is made by the employer.

3.4. Following the approval of the MTS, the London Borough of Hounslow began an investigation into the possible introduction of a WPL into a section of the Great West Corridor (GWC) area of Brentford. The GWC has been designated as an Opportunity Area in the proposed new London plan with targets for 7,500 new homes and 14,000 new jobs. Previous transport studies have shown that the GWC can only accommodate this growth with the addition of significant new transport infrastructure. For example, a report by SDG consultants in 2015 concluded that the existing highway network may only be able to accommodate the equivalent of 1,200 new jobs before experiencing severe impacts. Growth without transport mitigation is therefore likely to lead to unacceptable increases in congestion and a deterioration of air quality in an area that already breaches air quality standards for Nitrogen Dioxide.

3.5. The primary purpose of a WPL in the GWC would be to provide a relatively stable revenue stream against which the council could borrow money. This funding would then enable significant improvements and capacity increases to public and active transport infrastructure in the area. The largest proposed project being explored is a new rail link connecting Southall (Crossrail / Elizabeth Line) using an existing freight line to a proposed new station at Brentford Golden Mile (broadly at the junction of Shield Drive and the Great West Road). This is discussed further below. However, the Levy could also support wider transport improvements such as new or enhanced bus services, walking and cycling links and enhanced public realm generally. As noted below, it is expected that placing a cost on car parking, if this is passed on in full or in part to employees, would also assist in encouraging people to consider options to access the corridor other than private car which may help reduce congestion and reduce pollution.

3.6. The cost of the transport improvements required in the area is likely to be in excess of £100m, hence the council is considering a range of possible sources of funding. Initial discussions with Transport for London (TfL) and the Department for Transport (DfT) have indicated that there is no obvious public funding available to cover the full cost of the improvements required which would therefore have to be largely or wholly funded by the council or private investment.

3.7. Identified sources include developer contributions (e.g. CIL/s106) and borrowing (either from public or private sources) based on new income unlocked by development such as increased business rates. Initial indications suggest that these funding mechanisms may contribute a significant proportion towards the cost of the proposed enhancements, however they may not provide the full sum required to realise all the necessary enhancements and in particular more costly rail infrastructure.

3.8. In respect to Strategic CIL, which can be used for transport improvements of this nature, based on the current tariff and expected quantum of development in the west area of the Great West Corridor, a yield of around £16.5m between now and 2034 is anticipated. However, a significant proportion of this is expected from the West Cross Quarter (L&G owned) site. This development will also need to provide land to accommodate the new station. This may reduce the quantum of CIL payable. Strategic CIL can be used for transport, however it may also be required to address other infrastructure needs such as schools or green space enhancements so may not be available in full to support new rail infrastructure. Across the whole corridor an expected yield of around £55m in strategic CIL is anticipated, however this will also need to be allocated to other transport and infrastructure improvements. The council is soon to consult on a potential increase to the CIL which may increase the income received from new developments, however this is yet to be approved.

3.9. In respect to business rates, there has been considerable volatility in the government's position in how this tax is to be applied in the future, and the proportion of the funds collected that remain with the local authority and so can assist in servicing the necessary borrowing to fund infrastructure investment. At the current time the business rates collected from the western part of the Great West Corridor are in the region of £58m/yr, however only around £7.8m/yr is retained by the council, the rest going to the treasury. Provisional assessment of the impact of the development scenario on business rate yield in the area has suggested an increase of between £1m-3m/year. The wide range reflects uncertainty about government policy on retention and valuation, as well as uncertainty about delivery of new employment space. This suggests that additional business rates could play an important role in covering borrowing costs, but are unlikely to cover in full the likely cost of an infrastructure loan. It should also be noted that retained business rates income across the borough may vary significantly year on year. By hypothecating business rate income from one location against a specific loan product over an extended time period would limit the flexibility for the council to effectively and prudently manage such year on year volatility.

3.10. It is important to note however that these funding sources are not guaranteed and therefore are difficult to utilise to underwrite borrowing within an acceptable risk profile for the council. This may then preclude the delivery of the proposed new rail infrastructure (in particular) up front and ahead of development coming forward. This in turn could lead to a 'catch 22' situation where development cannot progress without the new transport infrastructure being provided, but delivery of this infrastructure being stalled awaiting the income generated from the development it unlocks. This could lead to inertia and planning blight. Alternative financing solutions have therefore been investigated and Workplace Parking Levy has been identified as a possible option worthy of further exploration, since it is likely to lead to a more sustainable income flow in the near and medium term and could commence immediately, to some scale, rather than be dependent on a development pipeline.

3.11. Experience from other cities in the UK that have considered WPL is 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.

3.12. As a consequence of this feedback, the council has been keen to design a WPL scheme that is as closely as possible tied to a very clear and beneficial improvement in public transport access to those liable to pay for it – in this case that is largely around delivering the Southall rail link. Furthermore, it is proposed to apply the levy only to such sites that will most benefit most from this improvement. In traditional transport modelling terms that is generally taken to mean those that are within c1km of the proposed new Brentford Golden Mile station as shown in figure 1 below.

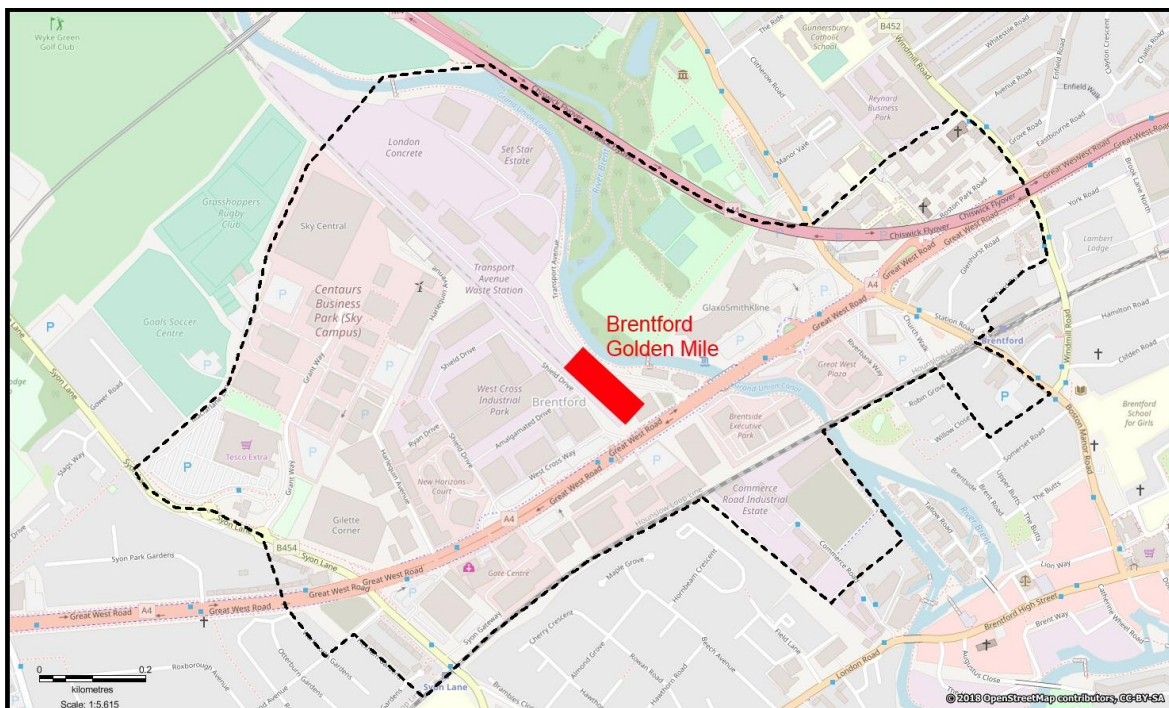


Figure 1: Extent of proposed WPL area

3.13. Following the release of the MTS in 2018, the council carried out the following pieces of work related to the proposed WPL in the west of the GWC:

1. An initial feasibility study, including car parking survey and revenue estimation exercise
2. A public consultation with the aim of understanding levels of support or opposition to the scheme in principle (approved via Single Member Decision [CEX 311 on 17/08/2018](#))
3. Examination of evidence obtained from the transport modelling carried out as part of the GWC Local Plan Area Review

Details of the results of this work are presented below. The council is also in regular contact with TfL regarding the approval procedure for a WPL to ensure that all work carried out contributes to the required evidence base.

Initial feasibility study

3.14. In 2018 a full car parking survey of all businesses within the affected area was commissioned to enable an estimate of the income generated to be performed. It was found that there were approximately 4200 potentially liable parking spaces.

3.15. The results of this survey were then used in an income model based on the costs and operational details of the Nottingham scheme. The model estimated that, depending on the charge level per space, the scheme could generate between £45m and £95m over a 25-year period, as per Table 1 below and could therefore make a significant contribution to the Brentford rail link and other improvements.

| Charge Level (£ per space per annum) | Estimated total Net Income over 25 years* (£ million) | This could 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 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. |

Summary of consultation results

3.16. A public consultation was held between 5th November 2018 and 18th January 2019 to help understand the levels of support or opposition to a WPL.

3.17. To supplement the online consultation hosted on the council's Citizenspace portal, an open breakfast meeting was held at the University of West London on 5th December 2018. This was attended by representatives from 20 different businesses from the GWC and points raised are included in the analysis below.

3.18. Additional follow-up meetings have since been held with several organisations if they were not able to attend the meeting or wished to discuss points in more depth.

3.19. A total of 35 responses were received online via the CitizenSpace portal and a further 8 responses were submitted via email. Of the overall total, 13 (30%) were submitted on behalf of an organisation operating in or close to the proposed area and a further 15 respondents (35%) identified themselves as residents of the Brentford area. A full analysis of the results can be found in Appendix A; however, a summary of key points is presented below.

Overall, what is your level of support for a WPL in the Golden Mile?

| Option | Total | Percent of All Responses |
|------------------|-------|--------------------------|
| Strongly support | 15 | 42.9% |
| Support | 3 | 8.6% |
| Not sure | 2 | 5.7% |
| Oppose | 4 | 11.4% |
| Strongly oppose | 11 | 31.4% |

What level of charge do you think is most appropriate?

| Option | Total | Percent of All |
|------------------------------|-------|----------------|
| £500 per vehicle per year | 3 | 8.6% |
| £750 per vehicle per year | 7 | 20.0% |
| £1000 per vehicle per year | 6 | 17.1% |
| Other (please comment below) | 17 | 48.6% |
| Not Answered | 2 | 5.7% |

Do you agree with the proposed boundary of the WPL?

| Option | Total | Percent of All Responses |
|--|-------|--------------------------|
| The proposed WPL boundary is about right | 14 | 40.0% |
| It should be made smaller | 2 | 5.7% |
| It should be made larger | 10 | 28.6% |
| Detailed comment left / Not answered | 7 | 25.7% |

Which transport improvements you think are the most important for the area?



3.20. The online consultation also included free form questions to allow a full range of opinions to be expressed. Analysis of these responses, email submissions and opinions expressed at the breakfast meeting revealed the following points:

- There was a clear divide between residents (and interest groups) who were broadly in favour of the scheme and GWC employers who were unanimously opposed.
- Employers did not believe that London Borough of Hounslow had presented sufficient information or evidence to justify the scheme in terms of its benefits and impacts. They also requested additional assurances that the transport improvements would be delivered as a result of the scheme.

- Employers requested that LBH provide more detail on which sources of funding were being considered and why they may or may not be used.
- Employers also questioned if the scheme should be extended to cover a wider area, potentially the whole of the GWC Opportunity Area since the benefits of the new transport infrastructure would not be limited to the area proposed.
- Employers were concerned about the impact of the costs on their businesses and their employees if the charge is passed on. It was widely stated that a flat rate charge would affect lower paid employees disproportionately (including teaching staff where the charge would worsen staffing shortages) and could impact staff retention.
- Several employers were opposed to the scheme on the basis that it was another tax that would impact the viability of remaining in the GWC.
- Whilst it was generally accepted that the area was in need of public transport improvements, employers believed there would only be minimal benefit for their staff due to the wide spread of home locations.
- Most residents welcomed the benefits that new transport infrastructure would bring to the area, although opinions were more divided on the design of the scheme.
- Opinions were also divided on the charge level and given that employers rejected any charge at all, if the scheme is to go ahead further details of this will need to be assessed in later consultations.

GWC Transport Study

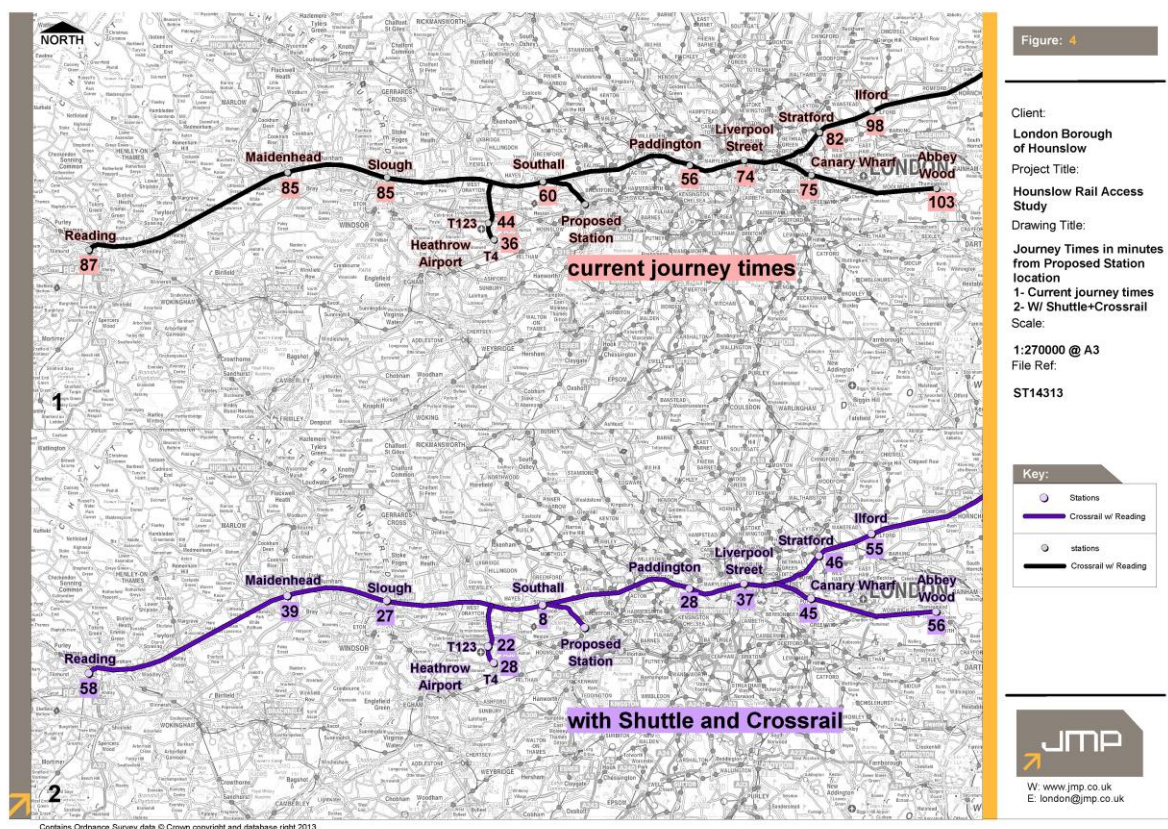
3.21. The GWC Transport Study was a jointly funded project carried out by the council and TfL. Its purpose was to provide the transport evidence base for the GWC Local Plan Area Review by using TfL's suite of transport modelling packages to investigate the impact of proposed development on the highway and public transport networks and assess the effectiveness of a package of transport mitigations. It was published as part of the Local Plan Review consultation in July 2019 however results have been extracted below for the purposes of this report.

3.22. The mitigations assessed included the Brentford to Southall rail link and the WPL. Modelling of the Highway network concluded that a WPL with a charge level of £750 per space, if passed on to the employees, could reduce highway demand arriving at destinations in the WPL area by 25% (over 500 trips) in the AM 3-hour peak with a 17% reduction in highway trips leaving the area in the PM peak. It should be noted that this is a reduction in traffic ending their journey within the WPL area and does not relate to the much larger volume of traffic passing through on the A4 for example. As a result of the high levels of through traffic and general highway demand, the modelled reduction in traffic delay was limited as a result of the introduction of a WPL alone. To mitigate development, it is therefore necessary to ensure that wider public and active transport access improvements to the opportunity area are made.

3.23. The study also showed that the new Brentford to Southall rail link would attract approximately 1,000 trips in the southbound direction and 150 trips in the northbound direction during the AM peak. This would provide an alternative option to the car for those GWC commuters living close to Elizabeth line stations or connecting services. More information on this scheme is provided below. It has been previously noted in the 20 September 2016 cabinet report that the rail link, by providing a direct link to

the new Elizabeth Line from the corridor, increases the proportion of working age adults who can access the corridor by public transport in one hour by around 50%. A schematic and tabular assessment illustrating this is provided below. This increased accessibility could have a significant impact on businesses' access to talent and consequently assist in recruitment. It is noted that in recent years there has been a big reduction in young people who are learning to drive across the country, and particularly in London. Good public transport access will therefore be essential in future if businesses want to attract and retain tomorrow's talent.

Figure 2: Impact of Crossrail and Shuttle on Journey times from GWC



2011 Census – Working age population with Brentford – Southall Link

| 30 Minute Catchment | | 60 Minute Catchment | |
|---------------------------|----------|---------------------------|------------|
| Population within 30 mins | 504,276 | Population within 60 mins | 2,135,485 |
| 30 w/ link | 620,215 | 60 w/ link | 3,265,543 |
| Difference | +115,939 | Difference | +1,130,058 |
| Percent Change | 23% | Percent Change | 53% |

Next steps

3.24. Whilst the results of the feasibility study are positive about the potential for a WPL to generate revenue and enable growth in the GWC, the results of the consultation show that if the scheme is to go ahead, GWC employers require additional evidence on the impacts and benefits of a WPL. The issues raised by business stakeholders have been noted by LBH and TfL and it is agreed that there is

a need to provide further detail and justification for the scheme. In response, the council has been working with TfL to develop an approval process for WPLs in London which includes an evidence base and analysis able to address these and other concerns.

3.25. Draft Guidance released by TfL in May 2019 outlines the recommended steps for boroughs wishing to investigate and potentially introduce a WPL. It includes details of the evidence, consultation and analysis that will be required to successfully gain Mayoral approval for a scheme. The guidance is due to be finalised following consultation with boroughs in the summer of 2019, but a draft process map can be found in Appendix B.

3.26. The work already carried out by LB Hounslow means that the three preliminary steps are already complete. These include scheme definition, the commissioning of a car parking survey and informal engagement with businesses (although this is an on-going process that will persist throughout the project).

3.27. The remaining pre-approval steps are the production of a five-point business case covering the impact and benefits of the scheme and a formal public consultation on a finalised 'scheme order' which will describe the precise nature of the scheme proposed including charge levels, operational details and timing, any dispensations, and a detailed proposed spending plan for any income it raises. The scheme order is the legal means by which a WPL can be implemented in London.

3.28. The guidance advises that the business case should have the following format:

| WPL '5-point' Business Case Format | |
|---|---|
| Strategic Case | <p>Why the WPL is being proposed in the chosen area and its expected benefits. It must also show how the scheme will contribute to the outcomes of the Mayors Transport Strategy.</p> <p>This section will also describe all linked infrastructure schemes and associated measures e.g. support for businesses.</p> |
| Economic Case | <p>An appraisal of the different options considered (e.g. charge level, applicable area) and a full economic impact assessment of the preferred scheme on businesses and the local economy. The choice of charge rates in particular must be justified and the level both reasonable and equitable.</p> <p>An Equalities Impact Assessment and Environmental Impact Assessment will also be required.</p> |
| Commercial Case | Commercial and contractual considerations of operation. |
| Financial Case | 10-year and 4-year revenue plans, with cost estimates of all elements. A full risk assessment is also to be included. This element will need to be approved by the Secretary of State for Transport (SoS). |
| Management Case | Outline of delivery and programme management arrangements for whole scheme including how it will be operated, evaluated and monitored. |

3.29. Achieving a robust, well evidenced business case in this format will require significant resources. Some elements of the business case are most easily produced by LBH officers including the Strategic and Management Cases, since the data and skills required already exist within the council. The others however, require specialist knowledge and therefore consultant support. It is recommended that the production of the economic and financial case should be undertaken by a 3rd party with specific expertise in analysing the economic impacts of transport schemes. This would include consideration of what the final fee level for the levy should be. Using a consultant to appraise the scheme in these key areas will result in a more independent analysis that is more likely to be trusted by stakeholders, particularly if the consultants are instructed to work directly with stakeholders.

3.30. The nature of the commercial case means it is possible to deliver using LBH officers with some advisory support from consultants and other 3rd parties with knowledge of similar schemes.

3.31. Indicative quotes obtained for this work suggest that the cost of the required consultancy services is likely to be in the region of £180,000. A request has been made to TfL for financial support in the form of match funding to deliver the business case and a decision is expected in August 2019. It is estimated that the time needed to produce the full business case is approximately 12 months.

3.32. As part of the management case, details of how the scheme will be run and enforced and which parties will be involved must be provided. Since the GWC scheme is relatively small, one option for the operation of the scheme is to enter into discussions with Nottingham City Council as they already operate a scheme and have expressed an interest in using the systems they have built elsewhere in the country. This will need to be compared to other options such as LBH undertaking enforcement activities internally.

3.33. Proposals for evaluation and monitoring of the scheme must also be set out in the business case. They will identify the data needed in order measure the contribution to expected benefits and how and when it will be collected. Careful consideration will need to be given to the boundaries between the monitoring of the WPL and infrastructure schemes to prevent overlap.

3.34. The Mayor's guidance expects a good standard of consultation for any WPL. The engagement programme with businesses and the community will continue and it is proposed that they play an active role in the development of the business case. As part of the economic case, a business survey will be undertaken to gain more insight into the potential impacts of a WPL in individual cases and ensure that previous data collected on employee parking is accurate. Residents will be invited to future engagement events where they will be given the opportunity to view more detailed proposals.

3.35. The impact on local residents is expected to be positive due to the improvements in transport infrastructure that are planned. Surrounding residential areas are already covered by extensive resident parking controls which will prevent commuters searching for on street parking; however, a review of these controlled parking zones will be undertaken.

3.36. On completion of the business case, a final, formal public consultation is required. This will ask respondents to consider the benefits and impacts of the

scheme as described in the business case and to feedback on a scheme order which will describe the precise nature of the scheme including all terms and conditions of its operation, for example charge level, exemptions and area of operation. The scheme order will be developed using evidence from the first consultation, business case analysis and ongoing discussions with TfL and Nottingham City Council. As with all Hounslow consultation processes, the feedback will be considered and used to refine the terms and conditions of the WPL where feasible. Should significant changes be made, that materially alter the terms of the scheme, a second consultation may be required however it is hoped that this can be avoided by implementing an engagement programme that involves stakeholders during the business case development.

3.37. The results of the consultation along with the business case and revised scheme order will then be presented to Cabinet, likely towards the end of 2020, to consider whether to submit an application to TfL and the GLA for Mayoral approval. The spending plan for the income achieved by the WPL must also be submitted to the Secretary of State for approval. The time period for this stage has not yet been finalised by TfL.

3.38. It should be noted that concurrent to this process, TfL will be progressing the secondary legislation required, which would give LBH the necessary powers to enforce a WPL. This must be passed by parliament and is not expected to be in place until 2020.

3.39. Clearly the two main concerns expressed by local businesses reported above are the tariff that would be payable and whether there would be a gap between the commencement of the charge and the delivery of new transport improvements such as the rail line. These matters will be dealt with in more detail as part of the development of the full business case, however officers would recommend that a graduated approach be taken to the imposition of the agreed tariff which should be linked as far as practicable to the commencement date of transport improvements. This was the approach that was taken in Nottingham and officers believe this would help build trust amongst those liable for the fee that there is a key link between WPL and transport improvements.

3.40. A secondary concern was that the benefits of transport improvements accruing to the area are likely to be felt wider than the area liable for paying the WPL. Officers believe a strong case can be made that businesses closest to the new station will benefit disproportionately from the proposed transport improvements, notably the Brentford to Southall Rail Link. However, there are additional transport improvements required to deliver the desired development quantum along the rest of the GWC opportunity area and hence the recommendation to explore a second WPL in the eastern extent which is now discussed below.

WPL on the GWC - Eastern Extent

3.41. One issue raised during the preliminary consultation process for the WPL was the feasibility of extending the WPL area to cover more of the GWC Opportunity Area. We therefore propose to undertake a similar feasibility study and consultation on the introduction of a WPL in the eastern extent of the GWC as we have done in the western extent.

3.42. The study will include:

- Business audit and workplace car parking survey
- Analysis of income potential including options testing for charging rates and extent of charging zone
- Analysis of existing transport infrastructure – strengths and weaknesses
- Investigation of opportunities to improve the transport network with outline delivery plan (covering estimated timescales and costs)
- Feasibility of options for operation and enforcement of zone

3.43. The proposed extent of this study is indicated below. It should be noted that this does not necessarily indicate the exact boundary for the WPL zone which will be investigated as part of the study.

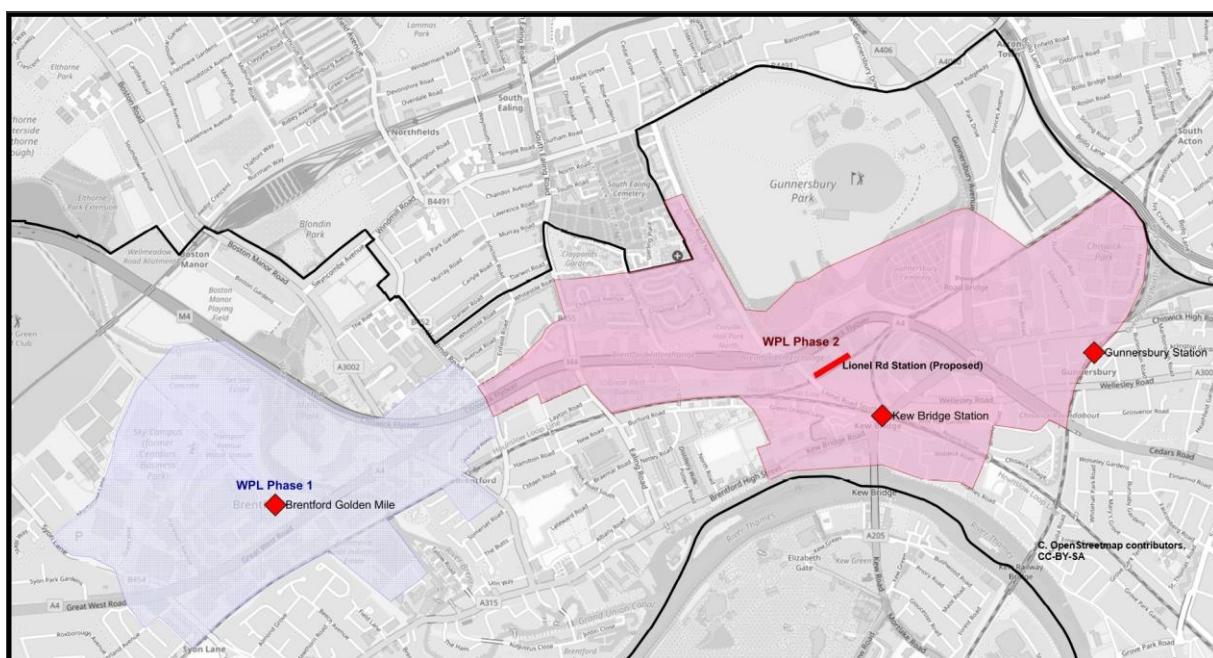


Figure 3: Extent of study area for WPL Phase 2 – eastern extension

3.44. As with the WPL in the western extent of WPL, the boundary of this zone will be heavily influenced by the provision of new rail infrastructure, notably a new station at Lionel Road which would be served by the proposed West London Orbital train service. The study area therefore represents an approximate 1km walking distance boundary from the new station. The scheme could also help support transport improvements at Gunnersbury and Kew Bridge stations, alongside wider bus and cycle/pedestrian improvement schemes.

3.45. As noted in 3.7 above, council officers are of the view that the acceptability of a WPL is closely linked to the delivery of tangible transport improvements that directly benefit those that become liable for the levy. The provision of a new station at Lionel Road served by direct services to the new HS2 hub at Old Oak Common, and associated accessibility and capacity improvements at Kew Bridge and Gunnersbury, would therefore directly benefit those businesses and landowners in the vicinity of these locations and therefore could justify the introduction of a levy around the eastern extent of the GWC.

3.46. It is proposed to undertake a similar consultation in this area to that completed in the west of the corridor once the feasibility study is complete.

Progress on Brentford to Southall Rail Scheme

3.47. As noted above, the WPL in the western extent is being designed in part to specifically support the Brentford to Southall Rail Link. This route is shown in Figure 3 below. Following approval by cabinet on 20 September 2016, this scheme is currently being progressed through two separate processes - Network Rail's Governance in Railway Investment Projects (GRIP) process and the DfT's business case process. An update on each of these is now provided below.

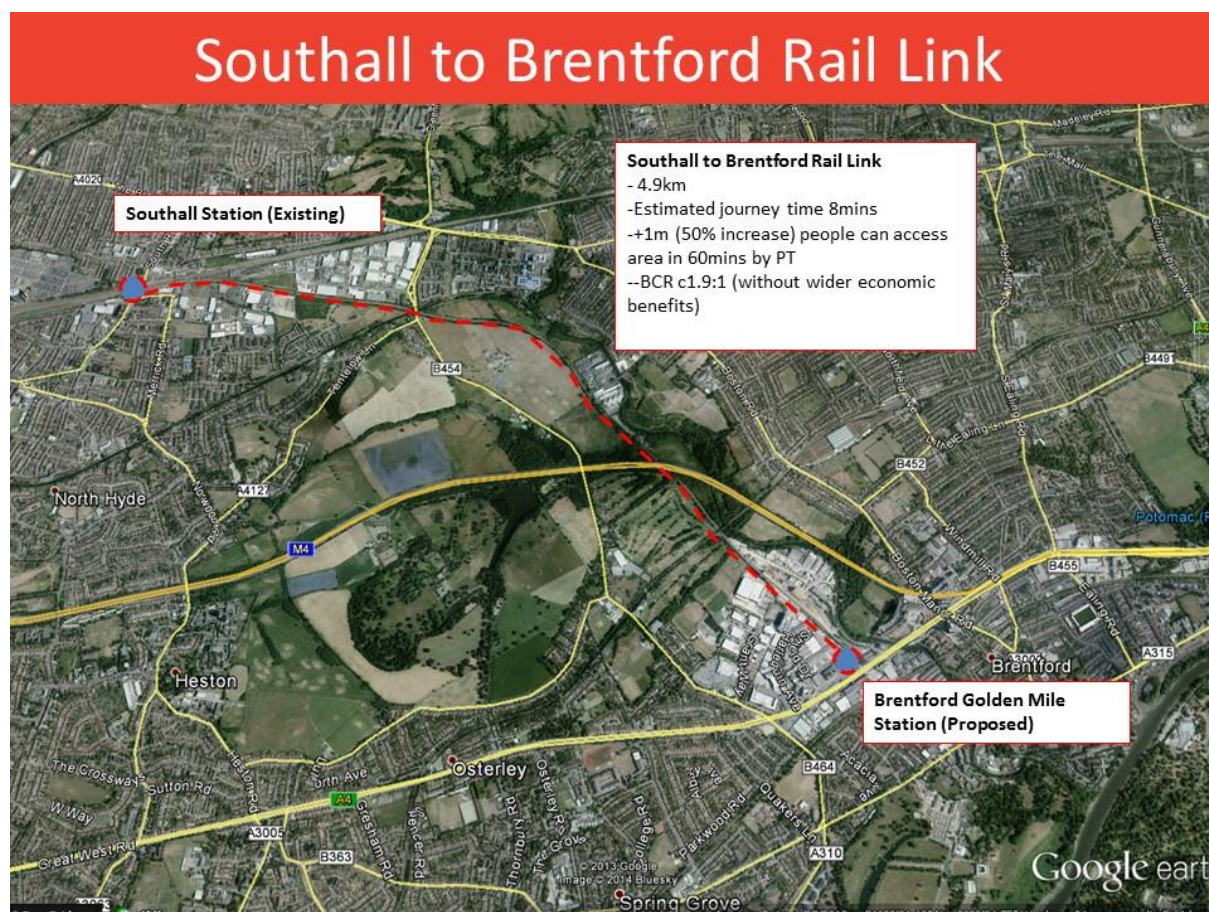


Figure 4 – Southall to Brentford Rail Link – Schematic.

Network Rail's GRIP process

3.48. The GRIP process has 8 stages as detailed below.

1. Output definition.
2. Feasibility.
3. Option selection.
4. Single option development.
5. Detailed design.
6. Construction test and commission.
7. Scheme hand back.
8. Project close out.

3.49. The last report to cabinet in September 2016 was taken shortly before the completion of the Network Rail Governance for Railway Investment Projects or 'GRIP' stage 2 study (feasibility). This report summarised the feasibility work undertaken to date on the scheme and Cabinet resolved to progress the scheme to more option selection and single option development (GRIP 3/4). Network Rail was appointed to do this work.

3.50. The GRIP stage 3 work commenced in 2017 and finished in April 2019. The final report was then subjected to a value engineering exercise which was completed in June 2019 as the total estimated cost of the scheme was estimated as exceeding £100m. This exercise has recommended some potential changes to the scheme design in order to reduce cost and improve deliverability, with an outturn cost of around £80m now considered feasible. The savings have been achieved through some potential changes to the scheme design in order to reduce cost and improve deliverability. These include reconsidering the location and height of the proposed Brentford Golden Mile Station and also reviewing previously proposed closures of level crossings along the route. These changes will reduce cost and reduce third party land dependencies (for example removing the need for compulsory purchase of land for bridge footings to replace the level crossings). Further design is now being undertaken to update the findings from the GRIP 3 study with the recommendations of the value engineering report and this should be completed by Autumn 2019, leading to a final GRIP 3 study. At this point a full GRIP 4 study on the preferred option is the next step.

3.51. The 20 September Cabinet report indicated a cost of around £2m to progress the scheme through GRIP 3 to the end of GRIP 4. This was based on an estimate of the scheme cost by Network Rail at the end of GRIP 2. As a consequence of the need to undertake additional value engineering on the scheme design, and a revision to the overall cost of the scheme as a consequence of further assessment during the GRIP 3 stage, the cost of finishing GRIP 3 is now estimated at £1.8m. Network Rail now believe that the cost of taking the scheme through the GRIP 4 alone will be up to £1.9m, however the final cost is subject to receiving a formal proposal from Network Rail expected in Q3 2019.

3.52. A recent review of s106 contributions received in the area for public transport improvements has revealed a sum of c£1.35m available to progress the GRIP 4 study. There are however competing demands for this sum and it is proposed that other sources of funding are explored in addition to s106 to, as far as practicable, retain some resource to progress other local public transport improvement projects.

3.53. The progression of the GRIP 4 study can be broken into stages, with commencement from one stage to another approved at the point that funding is secured. The first stage of the project is estimated to cost c£720,000 for which funding is available.

3.54. Other sources of funding including from TfL, GLA, DfT may be available however these are not currently secured. It is proposed that officers work proactively with all partners to explore opportunities for securing additional funding to help deliver this scheme to reduce as far as practicable the requirement to use council's own funds.

Department for Transport Business Case Process

3.55. Separately to the technical design of the scheme, it is necessary to achieve Department for Transport sign off on any project which may require government funding to deliver or operate. This follows a process known as the Rail Network Enhancements Pipeline or RNEP.

3.56. To this end, in November 2018, a Strategic Outline Business Case (SOBC), which is the first stage in the business plan process, was submitted to the Department for Transport (DfT). It built on the analysis done in GRIP 2 and included a 60-year economic appraisal and investigations of the commercial and financial cases for the scheme.

3.57. The SOBC outlines the need for the rail link via a set of objectives which it could achieve:

- To accommodate London Plan ambitions for new homes and jobs in the area without increasing local highway congestion or transport related emissions
- To improve the local travel experience through the provision of safe, pleasant and reliable local public transport services
- To provide health benefits through encouraging active travel
- To deliver value for money for public sector funding
- To be affordable without recourse to central government funding

These objectives relate directly to the acute problems of highway congestion, poor air quality and the generally hostile public realm environment in the area. The lack of spare highway capacity in the area demonstrates that without significant new public and active transport infrastructure, the aim of accommodating significant growth in housing and jobs whilst maintaining a healthy environment cannot be met.

3.58. The economic analysis found that if the line was opened in 2027, the value of the likely benefits of the scheme outweighed the costs by a ratio of 1.9:1 (Benefit to Cost Ratio or BCR), representing medium value for money on the DfT scale. As with all transport schemes, the total costs of £81m included the required 40% optimism bias and the economic case could be further strengthened with an earlier opening and cost optimisations.

3.59. The scheme would also deliver wider socio-economic and environmental benefits such as unlocking space for new development, improvements in connectivity for existing residents, a reduction in crowding on other public transport routes and a contribution to the environmental benefits expected from a shift away from the private car to public transport. These benefits would be expected to increase the BCR.

3.60. Ongoing operational and maintenance costs for the line were estimated at approximately £1m per annum with an operating revenue of £0.25m. Small operating deficits are typical for much of the rail network, particularly routes within the travelcard zone, and would need to be covered either by the operating franchise or an alternative income stream. Options for how the route could be operated are being investigated but include integration into the Great Western Franchise, as part of the TfL overground network or as a stand-alone service.

3.61. The Department responded to the SOBC in June 2019. They welcomed the SOBC and agreed to progress it to the route programme board. This board is due to meet in September 2019. This board will determine the government's formal position

on the scheme at this time and will also confirm whether it should progress to the next stage of the RNEP process and the development of an outline business case. An update to the lead member will be made after the outcome of this meeting is known.

3.62. The cost of developing the SOBC into an OBC is currently unknown, however a cost of up to £500,000 is considered prudent to budget for based on other similar projects.

4. Key Implications

4.1 The report recommends the progression of a proposal to place a levy on car parking spaces provided by employers in the western extent of Great West Corridor area, following a consultation undertaken at the end of last year. It also recommends feasibility and consultation be undertaken on a similar levy on across the eastern extent of this corridor. It further recommends the progression of the Brentford Southall Rail link scheme to the 'GRIP 4' level of technical feasibility and development of an Outline Business Case.

4.2 If supported this will assist in improving public transport access to the Great West Corridor and encourage a shift away from the use of private vehicles. This will help support the council's regeneration aspirations for the corridor which is designated as an opportunity area in the proposed new London Plan.

4.3 Should the recommendations not be supported, provision of new public transport capacity in this area is unlikely to come forward in the near future. This may limit opportunity for growth and could result in the council's targets and pledges for housing growth and delivery of new employment opportunities not being achieved.

4.4 It should be noted that a full impact assessment of the WPL will be included in the final business case, to be considered by cabinet in 2020/21.

5. Financial Details

Financial Impact on The Budget

5.1 This report deals with a proposal to introduce a levy on off street car parking spaces used by employees of businesses that are based within the western extent of the 'Great West Corridor' area. It also covers the undertaken of a feasibility study and consultation on a possible similar levy along the eastern extent of the GWC. It further recommends the associated progression of a new rail link between Brentford and Southall, which will be served by the new Elizabeth line service.

5.2 The intent is to use the income achieved from a Workplace Parking levy to facilitate borrowing to fund capital investment in new or improved public transport infrastructure, such as the Southall Rail link. This funding is yet to be determined but could include loans from the Public Works Loan Board (PWLb) (or successor agency) or private finance such as from a pension fund.

5.3 A range of different levy fees per eligible space were proposed, ranging from £500-£1000/yr. As a consequence, the potential income from such a proposal varies greatly. The initial feasibility study undertaken by Project Centre Limited, summarised in section 3, suggests income of between £1m and £2m/year depending largely on the cost per space but also other assumptions relating to economic growth. The greater the levy the more borrowing power it provides and so the greater the range of possible transport schemes that could be funded as a result and the lower the risk to the council of taking on such debt. However, a higher levy could also potentially have impacts on business activity in the area and so reduce council income from business rates.

5.4 While the introduction of the WPL could generate significant income, the use of this is restricted by the revenue plan which has to be agreed by the Mayor and Secretary of State prior to implementation. It is noted that further authorisations from cabinet on the levy amount and the spending plan will be required prior to any WPL scheme going live.

5.5 The recommendation to develop a formal five-point business case for WPL in the western extent of the GWC is estimated to cost around £180,000.

5.6 The recommendation to undertake feasibility for the provision of a WPL in the eastern extent of the GWC, and an associated consultation, is estimated at around £50,000.

5.7 The report further recommends that additional technical feasibility work and development of the outline business case is undertaken on the proposed Brentford to Southall Rail Link by Network Rail. The cost of this work, over and above that recommend in the 20 September 2016 Cabinet report, is still to be determined in detail but is estimated at around £2.3m.

5.8 It should be noted that this funding is wholly to progress the scheme to the end of technical feasibility. At this point further funding will be required to progress detailed design and construction. This funding is not yet secured, though it is noted the WPL proposal will assist significantly in this regard. It is also necessary to ensure the operational cost of running any future train service is secured and it has yet to be confirmed who will bear this cost. It should be noted therefore that the progression of a technical feasibility study is therefore work undertaken at a risk that the scheme will not progress to implementation.

Comments of the Director – Finance and Corporate Services

5.9 This report requests that the proposal to introduce a WPL is put to public consultation. The cost of running this consultation is to be met from existing budgets within the Transport & Environmental Strategy Service.

5.10 The cost of developing the five-point business case for the WPL in the western extent of the GWC is estimated at £180,000. TfL have confirmed they will fund this cost, partly through a reallocation to the existing funding they provide the council as part of the Local Implementation Plan (LIP) process and partly through a direct grant.

5.11 Any further financial impacts associated with the introduction of a WPL will be considered at the point that the cabinet reviews the final scheme proposal and

determines whether to submit the final business case to the Mayor and Secretary of State.

5.12 The cost of progressing a feasibility and associated consultation of an additional WPL in the eastern extent of the GWC is estimated at around £50,000. This cost is also to be met by grant funding provided by TfL.

5.13 In respect to the Brentford to Southall Rail Link, the estimated cost of implementing the GRIP 4 study is around £1.8m, with a further £500,000 required to develop the outline business case. These numbers are subject to further procurement activity and are considered to be at the upper end of the required budget.

5.14 Around £1.3m of s106 funding has been identified to support this work, however there are competing demands for this sum and it is recommended that the Director Customer Relations, Environment and Culture explores other sources of funding to support the GRIP 4 if practicable. This could include grant funding from TfL, GLA or DfT for example.

5.15 In the event that these discussions are unsuccessful the council will need to provide the funding necessary to deliver the recommendations of this report. Whilst it is not possible at this time to confirm this amount, given discussions with potential external funders are ongoing, the current funding gap is approximately £1m.

6. Legal (to be completed in conjunction with the Legal Department)

6.1 The Head of Governance has been consulted and any comments made have been incorporated into the body of the report.

7. Value For Money

7.1 WPL represents an opportunity to fund much needed new infrastructure which not only benefits existing residents and employees but also unlocks growth potential in the GWC. The new public transport infrastructure, particularly the new rail link, is expected to widen the employee pool available to employers. Value for money will be a key metric included in the business cases for both WPL and the Brentford to Southall rail link.

7.2 In respect to the Brentford to Southall Rail Link, the scheme largely is being progressed through Network Rail who, as a public sector agency themselves, are bound to ensure best value is achieved for any public sector investment in developing the UK rail network.

8. Sustainability Impact Appraisal

8.1 By encouraging and enabling a shift to more sustainable forms of transport, these proposals should contribute to a reduction in transport emissions (e.g. CO₂/NO₂) and achieve a corresponding improvement in air quality. By also improving active travel infrastructure, it should increase average activity levels of residents and employees bringing health and well-being benefits.

“Active and sustainable modes of transport support good health and wellbeing by reducing inactivity, improving air quality and reducing road danger.”

8.2 WPLs can help deliver mode shift in three ways:

- 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.

8.3 A full environmental impact assessment of the Brentford – Southall Rail line will form part of the GRIP 4 study.

9. Risk Management

9.1 The council has completed the preliminary stages of considering the workplace levy and as such no full risk assessment has yet been undertaken. A full risk assessment would be included in the business case if the scheme progresses to the next stage.

9.2 Clearly the biggest risk associated with the proposal would be that it would act to constrain or dampen economic growth in the area. This may reduce opportunities for retention and growth in local employment opportunities and also constrain business rate payments from such developments now and in future. There is however little evidence from Nottingham that such outcomes have occurred and there is also a risk that business will be constrained if the council does not act to provide the improved public transport connectivity that WPL will facilitate.

9.3 A full risk assessment for the Brentford to Southall Rail Link forms part of both the GRIP and DfT business case processes.

10. Links to Council Priorities

10.1 The council has clear priorities to combat climate change (particularly the recent declaration of a climate emergency), improve health and wellbeing, reduce air pollution and deliver new housing and economic growth. All of these outcomes will be delivered through the provision of WPL and the improvements the new income stream will help facilitate, notably improved rail infrastructure such as the Brentford to Southall Rail link.

11. Equalities, Human Rights and Community Cohesion

11.1 A full Equalities Impact Assessment (EQIA) would be carried out as part of the business case for both the WPL and the Brentford to Southall Rail Link. However, it is important to note that:

- The levy would not be applicable to formal disabled bays
- The impact on lower paid workers will be assessed as part of the business case impact assessment

- The new station will be fully accessible at both ends.

12. Staffing/Workforce and Accommodation implications:

None noted.

13. Property and Assets

13.1 No council property is impacted by either the western WPL or the proposed Brentford to Southall Rail Link. Any impact of the proposed WPL in the eastern extent of the GWC on council operations and assets will be picked up as part of the feasibility study.

14. Any Other Implications

None noted.

15. Consultation

15.1 Feedback from the consultation on the WPL (western extent) undertaken between November 2018 and January 2019 is provided in Section 3 of this report.

15.2 This report requests authorisation to proceed with a second and final public consultation on the preferred WPL scheme (western extent) which is proposed to be undertaken in Winter 2020/21. A consultation plan will be prepared with guidance from the consultation advisory panel and undertaken using the council's engagement platform 'citizen space'. This will be supplemented by the ongoing engagement with individual businesses and at least one open access meeting. Feedback from all consultation processes will be analysed and where feasible, the proposals will be refined in response to issues raised and suggestions for improvements.

15.3 An initial consultation on the proposal for a second WPL (eastern extent) is indicated during the 2020/21 financial year and will be reported to cabinet alongside the wider feasibility study into this scheme.

15.4 Consultation and engagement on the proposed Brentford to Southall Rail link has been undertaken as part of the Local Plan and GRIP processes to date. These have been open to the general public (Local Plan) and key stakeholders such as businesses and local landowners (GRIP process).

15.5 A consultation on the specifics of the Brentford to Southall Rail Link is proposed at the end of GRIP 4. A planning application for the new station at the Brentford end will also likely be required.

16. Timetable for Implementation

Workplace Parking Levy - western extent

| Task / Milestone | Estimated Timetable |
|------------------------------|---|
| Business Case Development | September 2019 – September 2020 (Procurement to be complete by January 2020) |
| Formal consultation | November 2020 – January 2021 |
| Secondary Legislation Passed | December 2020 |

| | |
|-------------------------------------|------|
| Scheme implementation (if approved) | 2021 |
|-------------------------------------|------|

Workplace Parking Levy - eastern extent

| Task / Milestone | Estimated Timetable |
|-------------------------------------|---------------------|
| Feasibility study | 2020 |
| Initial consultation | 2020/21 |
| Cabinet consideration | 2021 |
| Business case development | 2021/22 |
| Scheme implementation (if approved) | 2023 |

Brentford to Southall Rail Link

| Task / Milestone | Estimated Timetable |
|--|---------------------------------|
| Outline Business Case Development | September 2019 – September 2020 |
| GRIP 4 | Autumn 2019 - Spring 2021 (TBC) |
| Formal consultation | Spring 2021 |
| Full Business Case and progression to GRIP 5-7 | 2021 |
| Service commencement | Post 2024 |

17. Appendices

Appendix A – GWC WPL consultation analysis report 2019

Appendix B – TfL Steps in Developing a WPL Package (Draft)

18. Background Information

Information from the following documents has been used in the preparation of this report:

- **Brentford to Southall Rail Link** - Network Rail GRIP 2, GRIP 3 and value engineering reports. Strategic Outline Business Case prepared by consultants WSP.
- **Workplace Parking Levy** - Nottingham WPL Handbook¹, WPL Consultation documents², WPL Western area parking survey and income model prepared by consultants Project Centre.

REPORT ENDS

¹ https://secure.nottinghamcity.gov.uk/wpl/common/Employer_handbook.pdf

² <https://haveyoursay.hounslow.gov.uk/traffic-and-transport/workplace-parking-levy/>