

Workplace Parking Levy

NOTTINGHAM



About Nottingham

Nottingham is an ambitious and vibrant city. It is designated as a core city and is ranked as a top ten UK retail centre. The Greater Nottingham economy is worth more than £11bn per annum with more than 300,000 people working in the City and a student population of 60,000 attending the City's two universities.

The city centre has undergone significant development in recent years with major improvements to the public transport network central to this. The introduction of the NET Line One tram system in 2004 has been a key driver of growth.

The City Council is a Unitary Authority with responsibility for planning, transport and economic development within its boundary. The main bus operator, Nottingham City Transport is still in public ownership. The Robin Hood multi operator multi-modal, pay as you go smartcard, with discounted daily capping, has also recently been introduced. More widely, the city is committed to low carbon energy and transport and has recently been confirmed as one of four winning Go Ultra Low Cities with funding to support the uptake of ultra-low emission vehicles including conversion of the Council's own fleet. The City is also working with Defra on the implementation of a Clean Air Zone. Through its own energy company 'Robin Hood Energy', the council is also looking to integrate energy generation and distribution with the local vehicle charge point network.

Background

Nottingham's WPL scheme is the first of its kind in Europe, although there have been similar measures introduced in Australia (in Sydney, Melbourne and in Perth).

The principal of the scheme is to place a modest charge upon the use of commuter parking places, to encourage employers to manage and potentially reduce the amount of free workplace parking places they provide and promote the use of sustainable modes of transport as a means of reducing congestion. It also provides the city with a source of revenue for funding a step change in the provision of public transport infrastructure and service provision.

There are a number of exemptions associated with the scheme (i.e. these places are not charged for) such as parking for customer vehicles, fleet vehicles, disabled blue badge holders, and a number of employers who are 100% discounted from the charge such as Ambulance, Police, Fire and qualifying NHS premises.

From the 1st October 2011, all employers within the city boundary were legally required to license their workplace parking provision and from 1st April 2012 those providing 11 or more liable places had to pay a charge equating to £288 per liable place (this has now risen to £375 per place with future rises linked to inflation). In its first three years of operation the

scheme raised £25.3m; this revenue is ring fenced for the following transport improvements:

- Two further lines of the Nottingham Express Transit tram system (local contribution to £570m scheme)
- The upgrading of passenger facilities at Nottingham Station (local contribution to £60m scheme)
- Ongoing support for our Linkbus network which fills in gaps in the commercial network serving key employment sites, hospitals, and Park and Ride services (now developed into the UK's largest electric bus fleet with 45 electric buses in operation) (approx. £2m per annum)
- Business support to assist employers to better manage commuter travel through travel planning and parking management (£0.250m per annum)

Why WPL?

Nottingham's influence as an employment centre is felt far beyond its administrative boundary with a potential catchment of 3 million people within 1 hour's travel time. Evidence shows local congestion is strongly linked to commuter travel, accounting for around 70% of peak travel and costs around £160 million every year – over half of this cost falls directly to businesses. High levels of congestion threaten business competitiveness and pose a risk to economic efficiency. The City Council has pursued a WPL scheme to remain economically vibrant through investment in a high quality integrated transport system.

Developing the scheme

The Transport Act 2000 gave Local Authorities the power in principle to introduce a WPL. However, as the trailblazer, Nottingham has determined how such schemes can be implemented at the local level. It has been a long journey with scheme development beginning in 1998. Key milestones have been:

2006 – 2008

- ✓ WPL scheme business case drafted in 2007
- ✓ Public consultation undertaken between July and October 2007
- ✓ Public examination held early in October 2007
- ✓ City Council Executive Board approval to proceed with developing the scheme in December 2007
- ✓ WPL scheme business case updated in April 2008
- ✓ Draft Legal Order and business case submitted for approval at Full Council in May 2008
- ✓ Legal Order and business case submitted to Secretary of State for Transport for approval in 2008

2009 – 2012

- ✓ The WPL Legal Order confirmed by the Secretary of State for Transport in July 2009 with condition to include two-year delay before introduction and 6-month period with 100% discount on licence
- ✓ Full Council decision in September 2009 taken to pursue the WPL scheme
- ✓ Scheme operational activities e.g. online registration system, front and back office IT developed during 2010
- ✓ City-wide communications campaign undertaken from May 2011

- ✓ Programme of business support offered to business around travel planning and parking management
- ✓ Three month period allowing workplace parking places registration between July - October 2011
- ✓ Introduction of WPL scheme (no charge) commenced 1st October 2011
- ✓ Compliance and enforcement activities begin to ensure employers are licensed correctly
- ✓ By 1st April 2012 employers were legally required to renew their WPL licences and charging commenced

An employer handbook, small employers' leaflet and online licence registration and management system have been developed in support of the scheme.

A crucial part to its acceptance has been a comprehensive communications campaign:

- Mailouts to over 5,000 employers in the city
- Dedicated hotline and email contact with trained staff to deal with day to day inquiries
- Workshops for employers liable to pay a charge
- 1:1 meetings with individual employers
- Meetings with specific groups of employers, such as those on business parks
- Consultations and presentations to employer organisations including the Chamber of Commerce
- A dedicated website and user-friendly online licence registration system

Successful delivery

The scheme focuses heavily on compliance with officers working with employers to assist them in licensing their parking spaces correctly and encouraging them to take advantage of the business support available. In order to optimise compliance it is necessary to ensure that all employers are informed, understand how the scheme works and are aware of their legal obligation to license their parking spaces. The WPL is in its fourth year of operation and continues to achieve a 100% compliance of all liable employers.

42,000 workplace parking places had been licensed with 25,000 of these chargeable, at 2,900 premises around the city. Feedback from employers shows that two-thirds of employers are able to complete the online registration in less than 15 minutes.

A key advantage of the scheme is the modest operating cost. The WPL operational budget is currently £0.475m per year. This is proportionally much lower than for road user charging schemes.

There are civil and criminal sanctions available in respect of the WPL scheme but to date no employer has received a sanction due to the focus on compliance as opposed to enforcement. A bespoke Automatic Number Plate Recognition vehicle was purchased which allows compliance officers to record the number of vehicles parked on premises in a matter of minutes. This minimises the administrative burden on both the employer and Council in operating the scheme.

Proactive traffic management work has been undertaken to avoid any displaced parking arising from the scheme.

Business Support

Business support has been provided to over 300 companies which has included running workshops, hosting on-site events to share sustainable transport advice and information to staff, providing travel planning support, presentations to staff and personal journey planning. The City Council is working with local service providers Ridewise to offer cycle training and Dr Bike services to staff. Further support is provided to companies relocating within the city and to those moving to it.

In 2012/13 the Council also launched a small grants scheme (grants up to £10,000) to encourage the uptake of sustainable transport and to enable companies to put car park management schemes in place. This has been supported by site specific advice and one to one business engagement, a workplace challenge and other events funded through complimentary Local Sustainable Transport Fund programme measures. Similarly community travel planning activity has been delivered through five Community Smarter Travel Hubs.

Intelligent Energy Europe Project

This project is examining ways to combine “Push” measures which aim to discourage commuting by car with “Pull” measures designed to encourage the take up of more sustainable modes. The consortium comprises local authorities, academic institutions and private partners from across the EU. Nottingham is receiving 0.082m euros. This is funding further intensive area wide travel planning measures, the outcome of which is being monitored to see how this has combined with the “Push” of WPL to achieve desired outcomes.

An additional travel planner has been recruited to work intensively with the companies located on three businesses parks. An extensive package of measures including bespoke personal travel planning, salary sacrifice, public transport information screens and discounted season tickets has been put together to offer to the companies with support through regular promotional events.

Impacts

Direct transport impacts arise where employee travel behaviour is altered directly by the imposition of the WPL charge. These impacts have a positive but modest impact on modal shift due to the fact that the measure is targeted only at larger employers located within the City boundary and it does not impact on through trips. The majority of employers do not pass on the charge to their staff although the numbers are greater with larger employers. . Due to the relatively low charge in relation to total motoring costs many employees just choose to pay and continue to drive. Additional direct positive impacts also arise where companies take up travel plan measures or parking management.

More significant in terms of modal change however are the indirect transport impacts arising from the increased investment in public transport which in Nottingham’s case includes doubling the coverage of the tram network with two new lines and increasing the capacity of it to 20 million passengers a year. NET Phase Two has linked in a further 1,800 city workplaces, to which 55,000 employees commute. The throughput at Nottingham Station is 6.8 million passengers a year. The Linkbus network carries over 6 million passengers a year.

Remaining road users benefit through reduced growth in congestion and improved journey times as a result of travellers shifting to the improved public transport. It is forecast that the WPL package of improvements will take 2.5 million cars off the roads, reduce traffic growth by around 7% thereby helping to reduce pollution and carbon emissions.

By funding a step change in public transport provision, the WPL will assist in maintaining and enhancing sustainable economic activity in Nottingham ensuring that network capacity exists to support growth. However there was concern that for some employers the benefits of improved transport provision would be insufficient to offset the costs of the charge and so could become a deciding factor in influencing some business investment decisions, or potentially persuade them to relocate from the City. However economic evaluation undertaken by consultants in advance of the WPL being introduced concluded that the scheme was unlikely to have a significant adverse effect on local employers' investment decisions.

Monitoring and evaluation

An evaluation framework has been agreed that sets out the range of performance indicators being monitored to assess the impact of the WPL scheme. This is being complemented by part funding from Loughborough University who have agreed to fund a PHD post to broaden the scope of the monitoring programme. In addition, the DfT have expressed an interest in supporting an independent study into the economic impact of the WPL in Nottingham although this has yet to be undertaken.

Initial monitoring results show:

- Over 1 million increase in total public transport patronage since the opening of NET Phase 2
- Station usage up by over 700,000 since passenger facilities were upgraded
- No increase in traffic within the City since the scheme was introduced
- There is some evidence of reduced congestion, although account needs to be taken of the removal of construction works associated with tram network expansion and the completion of major road scheme improvements on two principal routes.
- The major public transport construction projects have provided employment for 1,500 people.
- The council has supported more companies moving into the city since the WPL was introduced than the previous five years, with the new companies creating over 2,000 additional jobs.
- For every £1 raised the Levy helps to lever in at least £3 of external funding.

Lessons for the future

A few key lessons learned and points to consider for others interested in taking their own schemes forward:

- Nottingham has taken the risk of being first and as such has done the heavy lifting in establishing the regulations and forming the process for establishing a workable WPL scheme.
- The WPL is a flexible demand management tool that can be tailored to meet local requirements in terms of coverage, charge levels, exemptions, support package etc.

- Nottingham has the expertise and is willing to support other authorities thinking about taking their own scheme forward with less risk, reduced costs and quicker timescale than we could achieve (3 to 5 years is probably now a realistic timescale).
- There is the opportunity to buy into Nottingham's established backoffice and online management systems for more streamlined delivery.
- We have tied WPL income to a very specific set of measures, most notably expansion of the tram network. This has been a strength in articulating what the introduction of the scheme will achieve but does reduce the ability to react to new opportunities in the future.
- Any change to a WPL Order currently requires Secretary of State approval. There may be scope to change this through the devolution process.
- The Government's Red Tape Review places additional requirements to address business concerns for any future WPL scheme.
- Fears that the WPL would have a significant impact on business location decisions and inward investment do not appear to have materialised although more work is necessary to properly evidence this.

Conclusion

From the outset the scheme has been backed by strong political leadership and perseverance to see the project through. Brave decision making has not been without political risk however the scheme is considered a risk worth taking to achieve a state of the art and integrated transport system that supports Nottingham's economy and will allow the city to prosper in the future.



WPL ANPR Enforcement car



New Nottingham tram



New station concourse



Electric Locallink bus

