

Bircham Dyson Bell

# Charging Strategies Case Study: **Nottingham Workplace Parking Levy**

Presented by  
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# Introduction

- Background to workplace parking levies (“WPL”)
- Case study – the Nottingham WPL scheme
- What next for WPL schemes?





# Background – legal framework

- Transport Act 2000 (Greater London Authority Act 1999 in London)
  - Powers available to “local traffic authorities”
  - Scheme made by local order
  - Must facilitate achievement of local transport policies
  - Net revenues ring fenced for same purposes
  - Powers to consult and/or hold inquiry
  - Secretary of State confirmation required



# Background – what is a WPL?

- Charge on the provision of a parking place to staff and visitors attending “on business”
- Flexibility in respect of days, times, areas, classes of vehicle, types of premises
- Licensing scheme – licence to cover maximum provision at any one time
- “Occupier of the premises” liable for charge – i.e. employer
- Charge can be passed on to staff or absorbed – employer’s decision

# Background – policy rationale

- Free (or relatively cheap) workplace parking encourages car-based commuting – the main cause of congestion in most towns and cities
- WPL discourages car-based commuting and promotes use of alternative modes
- Logical extension of LA parking policy
- Increased efficiency in asset use
- Cheaper, quicker, easier than RUC



# Case study - Nottingham

- One of the Government's eight core cities, as well as one of six science cities
- Greater Nottingham economy is worth more than £10.7 billion per annum
- 300,000+ people work in the City
- 5th in Experian's 2007 Retail Ranking, ahead of Liverpool and Leeds, with annual spend of nearly £1.3 billion
- 45% of households in Nottingham do not have access to a car (compared with the England average of 27%)



# Transport success so far...

- 8% increase in public transport use in 5 years
- 10m passengers a year use the tram
- 3m passengers use the Link bus network which serves the hospitals, industrial estates and the airport



## ...but congestion still a problem

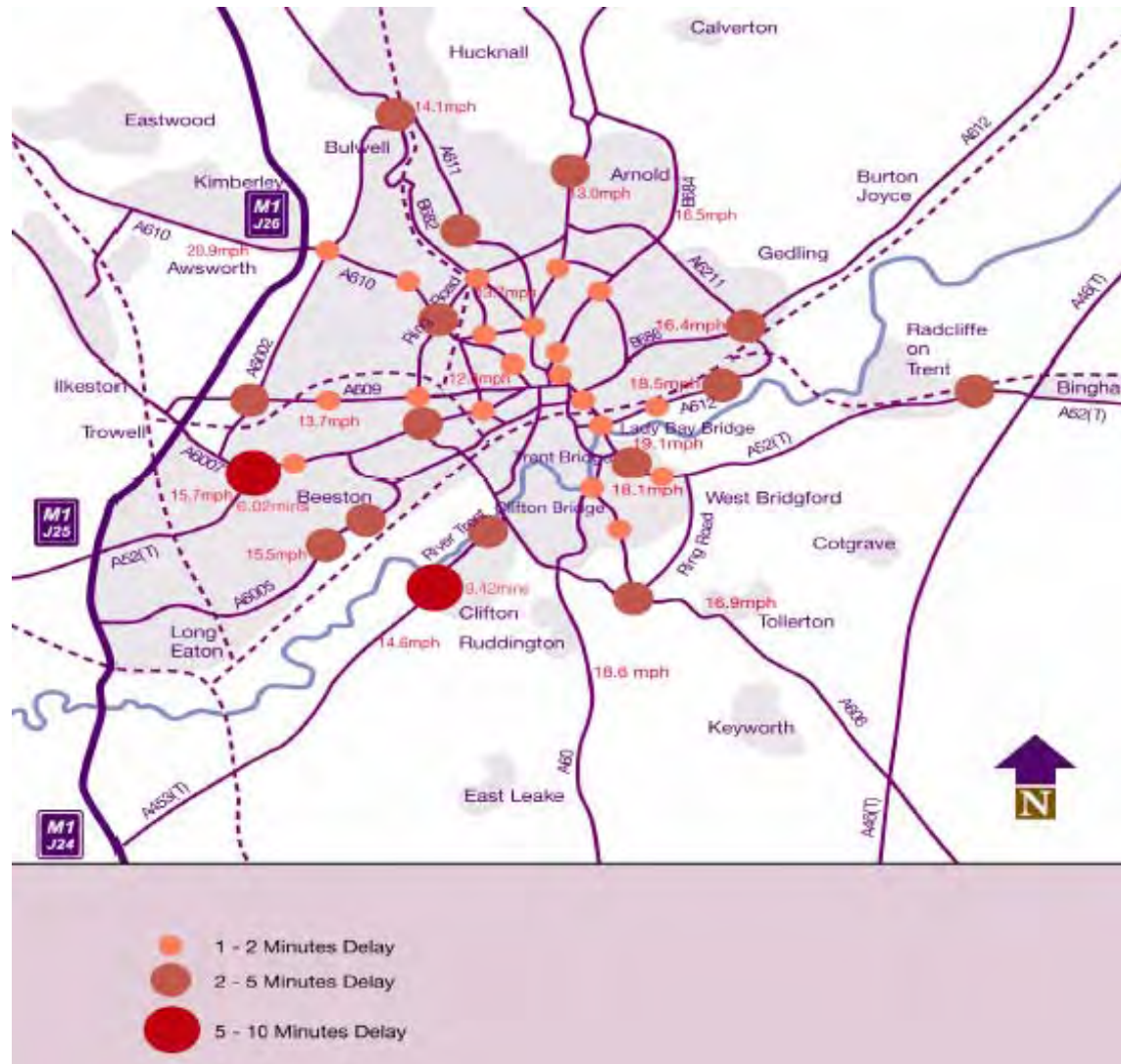
- Costing the East Midlands region an estimated £930m each year
- £160m of this borne by Nottingham
- Half of this cost falls on businesses
- Peak period “spreading”
- 70% of congestion is accounted for by car-based commuters





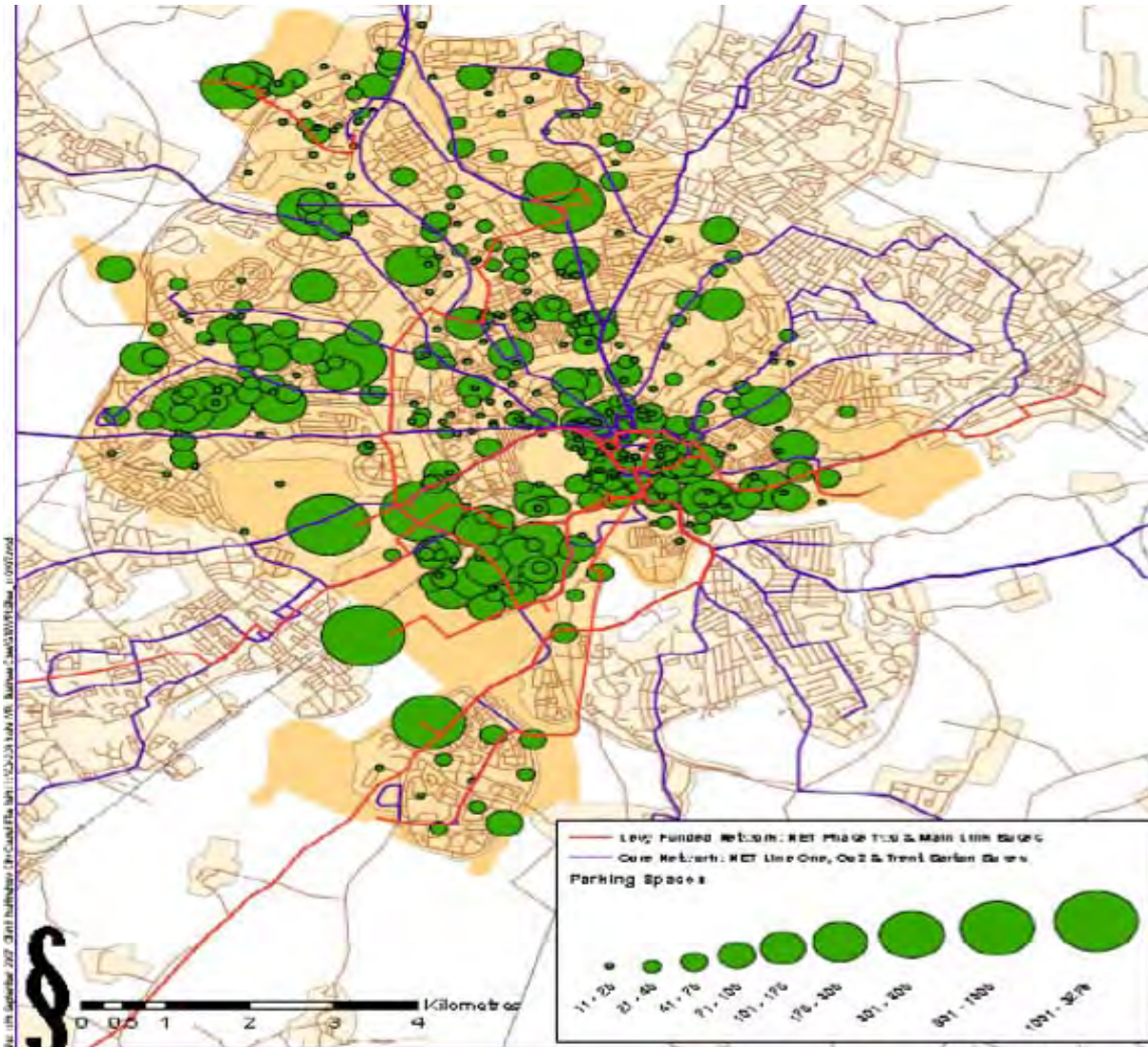


# Congestion map





# Key employment sites





# Ongoing transport policy objectives

- Tackle congestion...
  - Continue to develop high quality public transport to provide attractive alternatives to the car
  - Promote/encourage use of those alternatives
- ...and also
  - Protect the city's commerce and inward investment
  - Improve the city's environment and sustainability
  - Improve accessibility to address social exclusion



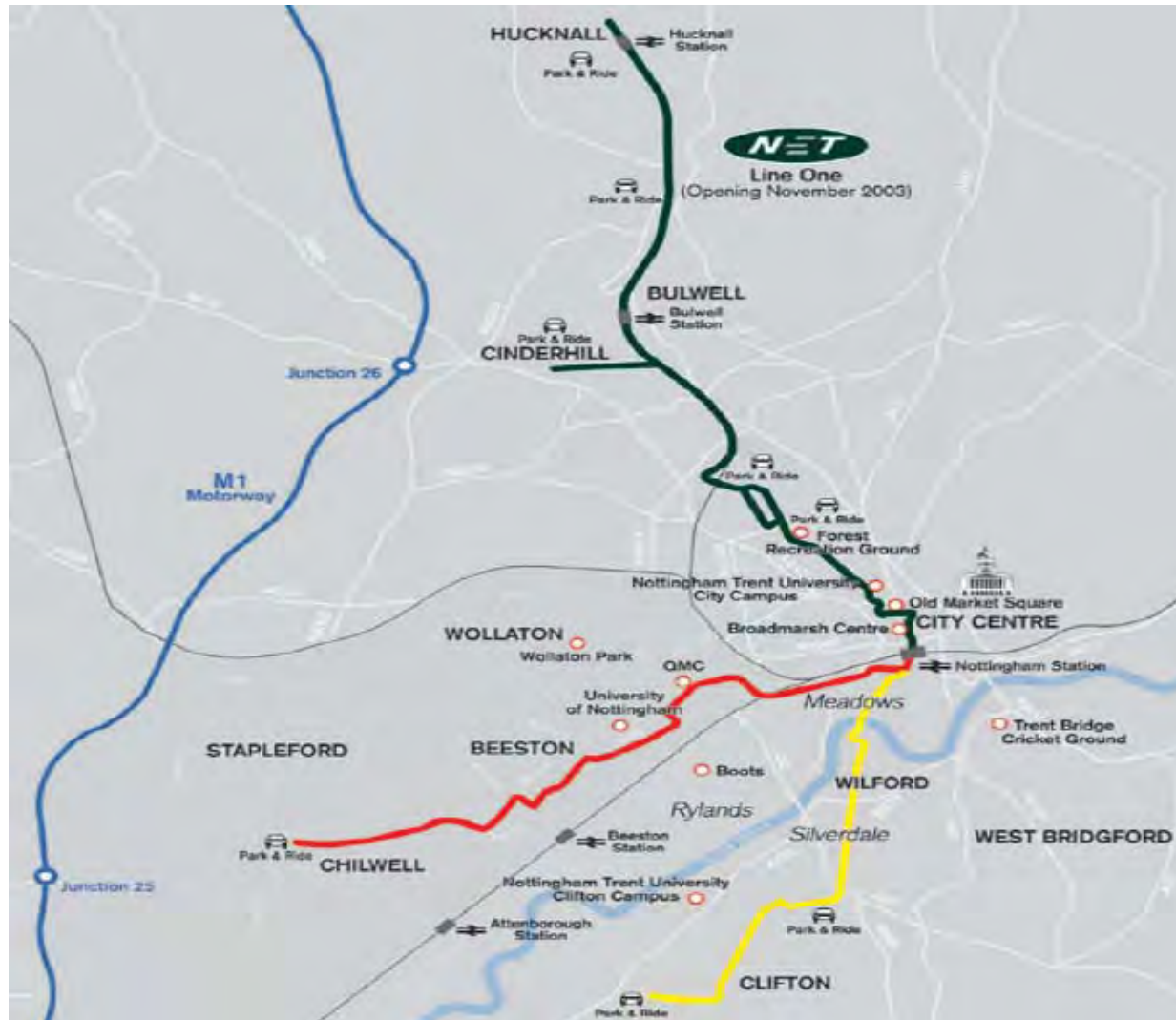
# The next phase

- The “WPL package”:
  - WPL scheme
  - Extend the existing tram network (“NET Phase Two”) – with new park and ride sites
  - Redevelop Nottingham Railway Station
  - Improve the city’s Link bus service





# Net Phase Two



# How the WPL scheme will work

- The WPL will apply to businesses across the whole of the Nottingham City Council area
- Employers to obtain an annual licence covering liable spaces (scheme applies 24/7/365)
- Charge per space £185 in 2010, rising to £350 in 2014 and thereafter in line with inflation



# Exemptions and discounts

- Exemptions for loading/unloading, motorcycles, “business customers” and some “business visitors”
- 100% discount for:
  - businesses with 10 or less parking spaces (“small business discount”)
  - emergency services, NHS hospitals, GP surgeries, disabled spaces





# Scheme impacts

- The scheme is estimated to raise £90m in total, starting at £6m in 2010 rising to £11m from 2015 onwards – all ring-fenced for investment in public transport
- The scheme will financially affect approximately 500 of the 3500 employers in the city
- Estimated that:
  - half of employers will pass on the charge
  - there will be a 10% reduction in spaces provided
  - levy charge would amount to less than 1% of turnover for 95% of liable employers





# Scheme impacts

- The WPL scheme alone provides a modest direct impact on congestion
- However when considering the WPL package:
  - 2.5m car journeys will be taken off the roads by 2015
  - Traffic growth will be reduced from 15% to only 8%
  - Public transport journeys will increase by 20%
  - The demand for park and ride will increase by 45%

**£1 (WPL) + £3 (Government) = £10 (Economic benefit)**



# Key phases of the project

- Jul–Oct 2007 – Public consultation (inc. public examination)
- Dec 2007 – Decision to proceed in principle
- May 2008 – WPL Order made
- July 2008 – Application for confirmation
- Dec-Mar 2009 – Consultation on WPL regulations
- *2009 – WPL Order confirmed and regulations made*
- *2010 – scheme commencement*



# Success factors / lessons learnt

- Clear business case aligned with LTP policy objectives
- Communications strategy and stakeholder management
- Widespread public consultation
- Political buy-in from Council Members
- Robust project governance
- Multi-skilled and multi-disciplinary project team
- Liaison with DfT



# Conclusions

- Local funding increasingly needed for public transport schemes (e.g. park and ride)
- Uncertainty over RUC – WPL may offer an alternative:
  - an extension to LA parking management tools that can directly and indirectly tackle congestion
  - particularly effective when linked up with public transport improvements – small “stick” that can generate a “big carrot”
- Nottingham currently the only LA taking WPL forward – but if successful, will provide a model that other towns and cities can follow

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