



## Parking Policy and the implementation of the core funding mechanism in Nottingham, UK

Country:	United Kingdom
City:	Nottingham
Number of inhabitants:	309.000
Area:	74,61 km <sup>2</sup>
Population density:	4138/km <sup>2</sup>

The core funding mechanism for Nottingham is a Workplace Parking Levy (WPL). Introduced in April 2012, it uses the provisions of the UK Transport Act 2000 to levy a

charge on occupied private non-domestic off street parking places which are termed Workplace Parking Places (WPP). These are defined as places occupied by

vehicles used by employees, regular business visitors or students/pupils. It is the first charge of its type in the UK.

## Legal circumstances/constraints and how the City resolved these

**a.) In your country, does a city have the power to decide on the rates of paid parking by itself (without national or regional interference)?**

The level of charge for each liable Workplace Parking Place was specified in the

local enabling legislation; The City of Nottingham Workplace Parking Levy Order 2008. The City council drafted this order and in doing so outlined its preferred charge levels. However in order to change this, the above order would need to

be amended and would be subject to appropriate public consultation and approval by the UK Secretary of State for Transport.

The following table appears in this order

The licensing year commencing 1 April 2011	£0
The licensing year commencing 1 April 2012	£253
The licensing year commencing 1 April 2013	£285
The licensing year commencing 1 April 2014	£301
The licensing year commencing 1 April 2015 and any subsequent licensing year	£306

The charges specified in this table are at 2007 prices and thus the actual charge for any given year is that shown in the table multiplied by inflation based on the UK retail price index from 2007 to that year.

Thus from now on the charge will increase at the rate of inflation (UK retail prices index). This phasing of the charge was recognition

that it would be better not to charge the full amount until all the public transport improvements which the WPL part funds were in place.

**b.) the opportunity to earmark revenues from paid parking to finance sustainable mobility solutions and who decides upon the mobility fund?**

The Transport Act 2000 (England and Wales) states that it is a legal requirement that all revenues raised from a WPL must be spent on funding the delivery of Local Transport Plan (SUMP) policies and objectives. As above Nottingham City Council laid out how these were to be spent in the above local enabling legislation which states:

"In the opening ten year period the net proceeds of the Scheme will be applied, in such proportions to be decided by the Council, towards[—]

**(a)** the local funding element of the Nottingham Express Transit ("NET") Phase Two light rail routes to Chilwell/Beeston and Clifton, which will further expand the success of NET Line One to develop a network of routes serving residents and employers; and

**(b)** a range of transport measures including:

**(i)** continued support to, and expansion of 'Link' bus services and routes serving major out-of-centre employment sites, education, health and retail facilities and improvements to bus passenger information, ticketing and safety;

**(ii)** contributions to integrated major schemes, initially the enhancement of Nottingham Station to improve passenger facilities, enhance local interchange and help drive regeneration in the surrounding Southside development area; and

**(iii)** enhanced assistance to businesses in developing 'smarter travel choices', company travel plans and on and off-street parking management schemes"

Paragraph (b) (iii) above relates to the P&P pull action. Any money left over or revenue generated after the initial 10 year period has elapsed can be spent on any further transport initiatives to aid the Local Transport Plan (SUMP) policies and objectives.

**c.) the legal situation regarding enforcement**

**It is a legal requirement** for employers to license and pay for the Workplace Parking they provide within the Nottingham

City Council Area. Nottingham City Council has a team of WPL Officers who have legal powers to enter a parking area and assess the level of Workplace Parking. Ultimately, although the Council's policy is to engage constructively with employers, fines can be levied if Employers fail to license and pay for their Workplace Parking.

There are three types of civil contraventions relating to the WPL:

**1.) Failure to have a licence at all**

It is the responsibility of each employer to get a licence for any workplace parking places that they provide. All workplace parking places must be registered. Licences are valid from 1st April to 31st March each year, and must be renewed annually to ensure that employers remain compliant. Licences do not automatically renew.



## **2.) Failure to have a licence for all workplace parking places being provided**

It is the responsibility of each employer to license the correct number of workplace parking places that they provide.

## **3.) Breach of licence conditions**

Employers must comply with the conditions of the WPL licence.

It is important to note that levels of compliance are close to 100% and to date it has not been necessary to prosecute any employer for non-compliance.

## **d.) where there were legal constraints, have you been able to change these?**

As outlined above the legal basis for the WPL is set out in 3 key sets of enabling legislation:

### **1.) Transport Act 2000, (c.38 Part III Chapter II). London: HMSO. Retrieved from**

<http://www.legislation.gov.uk/ukpga/2000/38/part/III/chapter/II> [Accessed 04/02/2014]

### **2.) The City of Nottingham Workplace Parking Levy Order 2008. London: Bircham Dyson Bell LLP. Retrieved from**

<http://www.nottingham-city.gov.uk/CHttpHandler.ashx?id=1830&p=0> [Accessed 05/02/2014]

### **3.) Workplace Parking Levy (England) Regulations 2009, SI 2009/2085. London: HMSO. Retrieved from** <http://www.legislation.gov.uk/uksi/2009/2085/contents/made> [Accessed 04/02/14]

The Transport Act 2000 granted powers to Local Authorities in England and Wales to implement a WPL. It provides definitions such as stating what constitutes a workplace parking place and legally ring fences the revenues for the delivery of Local Transport Plan (SUMP) policies and objectives.

The Nottingham Order provides specific details for the Nottingham scheme such as the level of fines, local exemptions and discounts and details as to what the revenue will be spent on.

The 2009 WPL regulations are national regulations which were based on the scheme development work in Nottingham; they strengthened existing legislation for the issuing of penalty charges for non-compliance and for managing this process.

The Transport Act to all intents and purposes can't be changed for local reasons and nor can

the regulations. However the Nottingham Order could be amended but the changes would require public consultation and approval from the UK Secretary of State for Transport and is thus a political issue and not to be undertaken lightly.

The level of the fines are set in the afore mentioned local enabling legislation. If it was decided that this needed changing then the legal order would need amending as above.





## **Was there any difficulty in implementation of the core funding mechanism? Did you need to change the law or alter financial structures in order to do so? If yes, what did you do this and how did you convince decision makers? Which arguments worked in your city?**

An extensive period of public consultation was undertaken including an "Examination in Public" with an independent chairman. Representations were invited from interested parties including the business community as part of this process and were considered by the examiner. The City Council presented a Business Case to this examination and subsequently responded to the examiners recommendations by amending the business case accordingly. This was a necessary step in obtaining final approval for the scheme from the UK Secretary of State for Transport.

During the consultation the scheme was criticised on three main grounds and addressing these was key to public acceptance;

**1.)** That the cost of the WPL would act as a disincentive to invest in Nottingham – this was largely dismissed on the grounds that the WPL charge was such a small % of a business's turnover that it was unlikely to have a significant impact on location decisions and that business support packages such as workplace travel planning and parking management support could be used to offset the cost. Over all it was concluded that the aggregate transport economic benefits from the WPL will outweigh the cost of WPL to companies or those employees commuting by car who are charged by their employer for access

to workplace parking. These benefits will arise from improved travel conditions both on the public transport network part funded by the WPL and on the highway network through increased modal shift and congestion relief.

**2.)** That the WPL would not have a significant effect in reducing congestion – The WPL Business Case acknowledged that there would be a positive but only modest direct impact on modal shift. Mainly because:

- the charging area for WPL is restricted to workplaces in the City of Nottingham administrative area, whereas travel within Greater Nottingham includes journeys to destinations in the County and through journeys unaffected by WPL charges;
- not all organisations will pass the WPL onto their staff
- where the charge is passed on, the number of affected employees who decide to transfer to public transport rather than use their car is likely to be relatively small, as the charge is relatively low on a daily basis compared to the overall cost of motoring

However the Business Case goes on to explain that indirect transport impacts will arise as a result of changes in travel behaviour due to the introduction of public

transport infrastructure and services funded wholly or in part by WPL income. These infrastructure and service improvements include NET Phase Two, the Nottingham Hub proposals for major improvements at Nottingham station, sustaining and extending 'Link' bus provision serving out-of-centre business areas and workplace travel plan and parking management support.

Thus when this package of measures is considered it can be concluded that:

The infrastructure and service support provided as a result of the availability of WPL revenues will create a modern transport environment that will have a key role in supporting and further developing the economic vitality of Nottingham and will have a positive impact on modal shift and tackling the growth in congestion.

**3.)** That this was a further "tax" on car drivers who already pay road tax and fuel duty – The WPL is not a tax on car commuters as it falls on the employer to pay the charge for the workplace parking places they provide. Even where the employer chooses to pass this charge on to its employees, using a car to commute into an urban area should be seen as a choice rather than a necessity in most cases given the good public transport options that the WPL funding enables and thus it should not be seen as a tax.

Importantly one of the examiners recommendations was that the City Council use WPL revenues to provide support to Employers to offset the cost of the WPL and this specifically included Workplace Travel Planning along with advice on parking management and other traffic management measures.

As the Nottingham WPL is the first scheme of its type in the UK, the implementing legislation does not benefit from experience gained elsewhere. Thus it is not surprising that the legislation does not fully address all definitions, all the desired

discounts and some aspects of compliance and enforcement.

One option to narrow this "gap" between the legislation and the working scheme would be for Nottingham City Council, as the implementing body, to apply to the Secretary of State for Transport to amend the City of Nottingham Workplace Parking Levy Order 2008 to include some of these key policies. While this would strengthen the scheme legally, it reduces the flexibility to amend policy as circumstances dictate or the scheme evolves. It is therefore necessary to allow the scheme to bed in to check that the

policies operate as intended before any amendments to the existing Order are requested from the UK Secretary of State for Transport.

Therefore it is necessary to formulate 'policy' to address these issues and close the gap between the legislation and a workable scheme. The table below summarises a selection of issues that have required a policy statement to expand on the legislation, mitigate for any potential for legal challenge and ensure a consistent and equitable approach.

Issue	What the legislation says	Policy approach
Definition of a Workplace Parking Place (WPP)	The Transport Act 2000( Transport Act 2000, (c.38 Part III Chapter II)) and City of Nottingham Workplace Parking Levy Order 2008 (paragraph 3) definition includes any location used to park for the purpose of attending a place of employment; this therefore includes on street parking and paid for public parking.	The policy approach is to exclude on-street parking and individually arranged parking in public car parks, so it is purely WPP provided by the employer. This is because enforcement of individually arranged parking would be very difficult to prove and administer.
Definition of a Regular/ Occasional Business Visitor	The term "Business Visitor" is defined in the Transport Act 2000 (Transport Act 2000, (c.38 Part III Chapter II)):  "Business Visitor, in relation to the relevant person (e.g. an employer), means an individual who –  (i) In the course of his employment, or (ii) (II) In the course of carrying on a business or for the purposes of a business carried on by him,	The criteria to differentiate between regular and occasional business visitors is not included in any legislation and is thus a matter of policy and is as follows: Occasional business visitor: A person parked on premises for work purposes, but who is not at their regular place of work; for example, a salesperson, delivery driver, sales rep and so forth. Regular business visitor: a consultant, contractor, supplier, agency staff or other Business visitor attending a regular place of work (A premises that a regular business visitor parks at and attends on three or more days over a 14 day period).



	<p>is visiting the relevant person or any premises occupied by the relevant person.”</p> <p>Acting on the recommendations of the Public Examiner, the Council has chosen to distinguish between occasional and regular business visitors so as not impede the day to day running of employers and to target commuter parking places. Thus the Nottingham WPL Order 2008 provides that only Workplace Parking Places occupied by business visitors attending their regular place of work will be chargeable. Places occupied by Occasional business visitors are exempt from the scheme and do not need to be licensed.</p>	
Discount v Exemption	<p>The Transport Act 2000 ( Transport Act 2000, (c.38 Part III Chapter II)) legislation allows for certain exemptions; places used for customers or for loading as examples. The City of Nottingham Workplace Parking Levy Order 2008 (paragraph 4) also allows for some categories to enjoy a 100% discount, e.g. places occupied by disabled blue badge holders.</p>	<p>As the scheme was implemented it became apparent that it was desirable not to charge other categories not specified in the legislation, for example unpaid charity workers. It was not possible to exempt these as they are covered by the definition of WPP contained within the legislation so they are given a 100% discount. However in order to be aligned with other such discounts contained within the legislation these places would still need to be licensed. This was considered to be an unreasonable administrative burden and, as a matter of policy, such places are simply not required to be licensed or pay the charge provided satisfactory evidence is provided as to the nature of the business being carried out at the premises.</p>
National Health Service (NHS) discount	<p>The City of Nottingham Workplace Parking Levy Order 2008 (paragraph 4 (4)) provides for 100% discount for Qualifying NHS premises and defines these as follows:</p> <ul style="list-style-type: none"> <li>(a) a health service hospital within the meaning of the National Health Service Act 2006(a);</li> <li>(b) premises that are used by a National Health Service trust for the purpose of providing ambulance services; or</li> <li>(c) premises that are primarily used for the provision of primary medical services under arrangements made by a Primary Care Trust under section 83 of the National Health Service Act 2006.</li> </ul>	<p>The definition for (c) became obsolete as the NHS commissioning regulations evolved, thus requiring further policy clarification. The Council’s policy now makes provision for the 100% discount to be available to premises occupied by private employers that are commissioned by the NHS to provide primary medical services, regardless of the commissioning route, subject to meeting the following test:</p> <p>A premises occupied by a private employer commissioned by the NHS under one or more contract will be eligible for the 100% discount from the WPL, provided that:</p>

		<p>The primary purpose of the premises must be the delivery of primary medical services.</p> <p>i) The monetary value of the services delivered to the NHS under the contract(s) from that premises must be more than 80% of the total financial turnover for that premises.</p> <p>ii) More than 80% of patients treated at that premises must be under the NHS contract(s).</p> <p>iii) The provider must provide evidence to support the abovementioned requirements to the satisfaction of the Council - this must include evidence from the current accounting period which covers the licensing period in respect of which the discount is being sought.</p>
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**Source:** Dale, S. J., Frost M.W., Gooding J., Ison S. G. and Warren, P., 2014, A Case Study Of The Introduction Of A Workplace Parking Levy In Nottingham, In: Ison, S. G. and Mulley, C., ed Transport and Sustainability; Parking; vol 5; Ashgate, ISBN: 978-1-78350-919-5; - Chapter 15

## Where, how much and how many paid for parking

The current annual charge per place = £379. This does not vary according to vehicle type.

Business Park	Total Employees	Licenced Workplace Parking Places liable for WPL charge
Nottingham Business Park	791	482
Nottingham Science Park	636	385
NG2	1530	803
Nottingham City Unitary Authority Area	208500	25275

## The objectives of the mobility policy and how parking supports these?

The Nottingham Local Transport Plan 2011 to 2026 (Nottingham's SUMP). has identified the following policy priorities:

**1.) Constrain Congestion:** The City Council estimates that peak period congestion costs the city economy £160 million a year and is particularly acute on key radial routes.

**2.) Facilitate Connectivity:** The City Council believes that strong connectivity to other urban centres and national and international gateways is essential if Nottingham is to remain competitive as a location to do business.

**3.) Cater for Significant Growth:** Using data from the Office for National Statistics, the City Council forecasts indicate that population is set to rise by 9% over a 15 year period from 2011 from increased job opportunities driven by a growth in science and technology, knowledge intensive and creative industries

The WPL will therefore contribute to the above in two ways:

1.) To act as a transport demand management measure;

2.) As a core funding mechanism for transport Improvements, specifically:

- Two additional tram lines
- The Refurbishment of Nottingham Railway Station
- Enhancements to bus services
- Support for employers to introduce parking management schemes and Workplace Travel Plans (This is the Pull action enhanced by the Push and Pull Project Funding)

The WPL, and the transport improvements which it funds are termed the WPL Package and are intended to complement each other and work as an integrated set of measures to contribute to constraining congestion, catering for growth and facilitate connectivity. The following are the objectives for the WPL Scheme:

- Objective 1: Constrain congestion in the AM and PM peak periods.
- Objective 2: Increase uptake of workplace travel plans and responsible parking management strategies.
- Objective 3: Contribute to the implementation of major transport schemes and the Local Transport Plan.

- Objective 4: Encourage sustainable travel and mode choice.
- Objective 5: Enhance the attractiveness of Nottingham as a location for business investment.
- Objective 6: No significant displaced parking problems.

## What projects / measures did you finance since the implementation of the core funding mechanism and which ones are you going to finance in the next 1-2 years?

It is important to emphasise that the ongoing nature of the WPL revenue stream means that NCC can borrow against this to provide the following schemes.

**Nottingham Express Transit ("NET") Phase Two** — a local contribution to the financial package to develop and build network extensions to Chilwell/Beeston and Clifton as authorised by The Nottingham Express Transit System Order 2009, including interchanges and joint ticketing, and development costs for further lines;

**'Link' buses** — to pump-prime, enhance and provide continued support to the network of 'Link' bus services and routes serving major out-of-town employment sites, education sites, health and retail facilities and network of local neighbourhood services to enhance local accessibility through connecting areas into the main bus network;

**Integrated major schemes** — contribution to enhancements to Nottingham Station to provide a 21st century facility worthy of a major European city, including

enhancing local interchange, improving passenger facilities and driving regeneration in the surrounding Southside development area; and

**Smarter choices and travel plans** — to provide enhanced assistance in developing 'smarter travel choices', company travel plans and on and off-street parking management schemes.



Scheme	Total Cost (£millions)	WPL Contribution (£millions)
Nottingham Express Transit Phase 2	570	170
Provision of Link Buses (Capital only)	8.8	3.78
Refurbishment of Station	60	11.7
enhanced assistance to businesses in developing 'smarter travel choices', workplace travel plans and on and off-street parking management schemes" –	NA	Approximately 1.1 to date

The major schemes, Tram, Station and the Link Bus improvements have first call on WPL revenue, anything left over can be channeled to other Transport purposes including Employer support packages including workplace travel planning. The table above shows the approximate anticipated expenditure on these schemes.

It is important to understand that the revenue the WPL package leverages additional funding from non-local sources to the extent that for every £1 of WPL revenue used a further £3 of non local funding has been secured. Thus even before the operational impact of the schemes which the levy funds are taken into the account, more than three

times the amount raised by the levy - some £54 million – is being invested back into Nottingham firms through contracts generated by the tram and station construction contracts alone, and some 1,500 people have been directly employed on these projects.

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