Financing the Future of Local Government:
Generating New Revenue Streams
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Implementing a Workplace Parking Levy

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Introduction

Congestion is costing Nottingham £160m per year

For a better future Nottingham needs to:

- Develop high quality public transport
- Provide an attractive alternative to the car
- Tackle congestion
- Protect the city’s commerce and inward investment
- Protect the city’s environment and sustainability

We need to find new ways to finance this future

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Transport success

Nottingham's track record of transport success:

- Public transport use has increased by 8% in 5 years - the highest rate of any Core City
- NET Line One carries over 10m passengers per year - a 20% increase in public transport usage in the Line One corridor
- The Link bus network - WorkLink, SkyLink, MediLink,UniLink and LocalLink - carries over 3 million passengers per year and serves areas not covered by the commercial network

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The Next Phase

- **NET Phase Two** - cost £400m
  - 75% funding secured from government
  - 25% funding must be found locally
  - Nottingham City Council contribution estimated at £82m(NPV), which equates to an annual revenue contribution of £11m throughout the contract period.
  - Currently awaiting outcome of TWAO Public Inquiry
- **Nottingham Station "Hub"** - £67m improvement
  - Partnership project with NCC funding around £10-15m
- Sustaining and extending the **Link Bus network** - annual costs £2+m

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Workplace Parking Levy

- Workplace Parking Levy (WPL) introduced through the Transport Act 2000
- Nottingham City Council agreement in principle for WPL in July 2000
- WPL policy reflected in the previous and current Greater Nottingham Local Transport Plan
- Public consultation/independent examination of proposal October 2007
- Council approval in May 2008 to make the Order; submitted for Secretary of State Consent in July 2008

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What is WPL?

- A charge made for each staff parking space
- A charge on the employer, not the employee
- The employer decides whether or not to pass on the charge
- Employers will be required to apply for an annual licence and pay the Levy for the maximum occupancy of the spaces used by their employees or business visitors

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Why WPL?

- WPL will target commuters - Nottingham's main cause of congestion
- WPL will encourage more businesses to take up travel planning and parking management
- WPL will fund high quality public transport
- A WPL scheme is cheap and quick to implement
- WPL will not require any significant upfront investment or upfront funding requirement
- To ensure Government funding for NET Phase 2, the City Council needs to demonstrate that it has secured the 25% local contribution required.
- Significant delay to NET Phase Two delivery would result in substantial cost increases and risk to the project

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The scheme (1)

1. WPL will bring modest direct benefits but more significant indirect benefits, through better public transport
2. Introduced across the whole city within the city boundaries
3. Around 500 major employers would be affected - Around 85% of employers are unaffected

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The scheme (2)

4. 100% discount for small businesses with 10 or less parking spaces
5. 100% discount for emergency services, NHS frontline services and disabled spaces
6. Customer and residential spaces, fleet and display vehicle spaces, loading/unloading spaces, disabled persons spaces and motorcycle spaces will be exempt from the scheme and not require a licence
7. Public organisations, including Nottingham City Council, will be treated in the same way as private employers

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The scheme (3)

8. Funds ring fenced for investment in public transport - the NET system, upgrading Nottingham railway station and improving the Link bus network

9. From 2010 each workplace space would cost £185 per year

10. The cost would rise to around £364 in 2015

11. By 2015 WPL would be generating in the region of £11m per year

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Alternative funding options

- Core business rate retention
- Supplementary business rates
- Business Improvement Districts
- Local Authority Business Growth Initiative
- Prudential Borrowing
- Increasing council taxes
- Sale of assets
- Lottery funding
- European grants
- Local Developer contributions
- Road User Charging

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Without WPL

- No business incentive to minimise parking provision and encourage more sustainable commuter travel
- Further public transport investment would be unaffordable
- Some current Link bus services would have to cease
- Without the 25% local funding for NET Phase Two we would lose the 75% Government funding
- Alternative funding sources for NET Phase Two would be required. Major sources such as a Supplementary Business Rate would require primary legislation, and other sources such as Council Tax, revenue reserves or capital receipts would not raise sufficient funding

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Key milestones

- May/June 2008 – Order made and advertised
- July 2008 – application for Order confirmation submitted to Secretary of State
- Department for Transport consult on National WPL Regulations – Autumn 2008
- Winter 2008/09 – Order confirmed
- Summer 2008 to Summer 2009 – Detailed development of operating processes in consultation with employers
- Summer/Autumn 2009 – Support to businesses preparing for implementation (including advice on travel planning, parking management, etc)
- April 2010 – WPL scheme starts

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Any questions or comments?

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