



Workplace Parking Levy
Business Case April 2008

INDEX

1	EXECUTIVE SUMMARY	4
2	INTRODUCTION	8
	2.1 Key principles of the WPL scheme	10
3	BUSINESS NEED AND STRATEGIC CONTEXT	11
	3.1 Business need	11
	3.2 Strategic context	15
	3.3 Legislation	26
	3.4 Success criteria	27
	3.5 Development of the WPL Scheme	28
4	PUBLIC AND BUSINESS CONSULTATION	30
5	THE WPL SCHEME	33
	5.1 Guiding Principles	33
	5.2 Compliance with the law	33
	5.3 Proposed Scheme Details	35
	5.4 How will the scheme be enforced?	39
6	WPL FINANCIAL MODEL	41
	6.1 Methodology	41
	6.2 Contribution Requirement for NET Phase Two and Total Funding Requirement	41
	6.3 Financial Assumptions	42
	6.4 Financial Sensitivity Analysis	44
	6.5 Scheme Length	45
7	WPL PACKAGE AND SCHEME OPERATIONS	46
	7.1 Initial Scheme Development	46
	7.2 Scheme Operations	47
	7.3 WPL package	51
8	IMPACTS	60
	8.1 Impacts on the people of Nottingham	60
	8.2 Impact on the organisations of Nottingham	61
	8.3 Wider Social Impacts	63
	8.4 New Approach to Appraisal (NATA): Performance of the WPL Package	65
	8.5 Business impacts	67
	8.6 Equality Impact Assessment (EqIA)	72
9	PERFORMANCE INDICATORS AND MONITORS	74
10	OPTIONS ANALYSIS	76
	10.1 Alternative Forms of Congestion Charging	76
	10.2 Alternative Funding Sources	78
11	PROJECT TIMETABLE	86

11.1	Stage plan	86
11.2	Project plan	87
12	REFERENCES	90

1 Executive Summary

This business case sets out the proposal for a Workplace Parking Levy (WPL) for Nottingham. The proposal has undergone widespread consultation with the public and business community and has a supporting resolution from the Council's Executive Board (December 2007) to develop the details of the scheme and, subject to Council resolution in May 2008, it is proposed that a WPL Order be made by the Council and submitted to the Department for Transport for confirmation by the Secretary of State for Transport. It is proposed that the commencement date for the scheme will be April 2010.

This business case sets out the rationale behind the proposed WPL scheme, the proposed operational and legal framework, scheme impact and project affordability and provides an overview of the governance and controls which will be used to facilitate successful delivery.

The WPL scheme is part of an overall package to tackle congestion. It is founded on local and regional transport policy aimed at delivering high quality sustainable public transport in the form of Nottingham Express Transit (NET) Phase Two, enhanced bus services and improvements to Nottingham station that offers a realistic alternative to the use of private cars and provides additional capacity for the transport network to support the economic vitality of Greater Nottingham.

WPL is considered an appropriate tool to progress at this stage because:

- § WPL is a demand management tool which focuses on commuter parking, a main determinant of congestion, particularly at peak periods;
- § WPL will further encourage the uptake of workplace travel plans and responsible parking management policies;
- § WPL also applies as a land use planning tool in encouraging employers to give stronger consideration of the development potential/costs of land used as parking in the City; and
- § WPL represents a financially efficient, high value for money proposal, with relatively low development costs and shorter implementation timescales than alternative charging mechanisms. This is particularly important in terms of securing NET Phase Two implementation in the most cost effective manner, in line with the proposed delivery programme and associated budgetary projections. Significant delay to NET Phase Two delivery would result in substantial cost increases and risk to successful project delivery, as well as a delay in delivery of benefits.

- § The 'WPL package', namely a levy on commuter parking combined with funding for improvements in public transport, will have a direct and an indirect impact in encouraging more sustainable travel behaviour and mode choice.

Nottingham City Council has a clear and long standing commitment to considering WPL and, in the light of the need to make early and financially efficient progress in capturing and delivering the decongestion benefits and delivery of NET Phase Two, a decision is now required by the Council and the Department for Transport to proceed in a timely and robust manner. A consultation exercise, including a public examination of key issues, was conducted during the summer and autumn of 2007. All representations together with the report and recommendations of the independent chair of the public examination have been carefully considered, leading to refinements being made to the proposals.

A number of potential options of an alternative form of congestion charge and alternative sources of funding, including Road User Charging (RUC), Supplementary Business Rates, land or other asset sales, Council Tax and others, have been appraised against a set of defined 'success criteria' and a WPL scheme was found to be the most suitable option for Nottingham City. Should an RUC scheme emerge through the Transport Innovation Fund (TIF) Sub- Regional Partnership it would be a matter for the Council at that stage to consider options for amending, reducing or removing the WPL scheme at that point in time.

The WPL would be a charge made for each parking space provided by an employer and used by its employees and regular business visitors. It would be a charge on the employer, and it would be up to the employer whether or not to pass the charge on. Employers would be required to apply for an annual licence for the maximum number of spaces regularly used by their employees or regular business visitors, and pay a charge for the licence to cover the levy for the agreed number of spaces.

It is proposed that the WPL order is made on the basis of the following scheme:

- § There is a City wide charge applicable within the Nottingham City Council administrative area (but not in those areas of urban/Greater Nottingham administered by the County Council);
- § All employers within the City boundary who would provide liable workplace parking places would be required to obtain a licence;
- § Parking places used by customers, fleet vehicles not used for the journey to work, vehicles loading/unloading, motor cycles and business visitors not attending their

regular place of work would be exempt from the scheme and would not need to be licensed;

- § Parking spaces at emergency services and NHS frontline services would need to be licensed but would receive a 100% discount; and
- § Organisations providing 10 or less liable workplace parking places in the City would need to be licensed but would receive a 100% discount; and
- § Disabled parking places would need to be licensed but would receive a 100% discount.

It is proposed that the WPL scheme would commence in April 2010, although (assuming the scheme is confirmed by the Secretary of State) precisely when the scheme would commence would be decided at a later date by resolution of the Council. To meet the proposed public transport investment programme, a charge of a little over £300 (at 2008 prices, which, allowing for predicted inflation, equates for example to a cash value of £364 in 2015) per workplace parking space per annum is appropriate. However, to reflect the incremental introduction of these improvements, it is proposed that an initial charge of £185 be made in 2010, increasing by increments plus inflation to 2015, after which, in further years, increases would be restricted to annual inflation only. The amounts would be increased in line with inflation if the commencement date is delayed. The proposed annual increases during the early years would reflect the phased introduction of improved public transport provision facilitated by the WPL – initially Nottingham Station improvements and consolidation of the Link bus network and then further expansion of Link buses, better integrated bus services, ticketing and information, and development of NET Phase Two.

Analysis, by PricewaterhouseCoopers, indicates that the establishment of a WPL will not have a significant impact on business investment decisions but overall will bring positive economic benefits from improved travel conditions. There are clear benefits to users of public transport who will experience a step change in public transport provision.

Assuming that the WPL Order is made by the Council and confirmed by the Secretary of State for Transport, the expected timescales for implementation of the WPL scheme are as follows:

- § May 2008 – Council approval for Order
- § Late May/June 2008 – Order made and advertised
- § July 2008 – application for Order confirmation submitted to Department for Transport

- § Late Autumn 2008 – 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

2 Introduction

Nottingham is an ambitious and vibrant city, which is developing on the successes of its businesses and people.

Nottingham is one of eight core cities recognised by the Government as the most important drivers of the national economy outside of London. In addition, the city has been ranked a top five UK shopping centre for four successive years, and attracts an annual spend of nearly £1.3 billion. In March 2005 Nottingham became one of only six cities to be awarded Science City status by the Government. Overall, the Greater Nottingham economy is worth more than £10.7 billion per annum and more than 300,000 people work in the City.

The City Centre has undergone significant development in recent years, with major improvements to the public transport network forming a central element to supporting its transformation and growth. In the last five years public transport use has increased by 8% - the highest rate of any of the UK's Core Cities. Greater Nottingham's record on transport issues is one of the best in the UK. In addition to being named "Transport Authority of the year" in 2002 - 2003, the City has been awarded 'Centres of Excellence' status for Integrated Transport (2001) and Local Transport Delivery (2005). A number of schemes, including Nottingham Express Transit (NET) and Turning Point, continue to win national awards and Nottingham has international recognition for being one of the top authorities for transport innovation.

NET Line One has been a huge success and is carrying over 10m passengers per annum. There has been a 20% increase in peak public transport usage in the northwest corridor into the City centre. NET has provided improved accessibility to a number of key employment, education, retail and leisure sites and has increased mobility for many users, especially those with some form of mobility impairment.

In addition the 'Link' bus network has been introduced by the City Council and a wider range of partners to serve areas not covered by the commercial network and in particular to improve accessibility to out-of-town employment sites, key education facilities and isolated residential areas. WorkLink, SkyLink, MediLink, UniLink and LocalLink services have been highly successful, now carrying over 3m passengers a year. However, the Link bus services depend on fragile funding and a greater certainty for long term funding support is required.

Nottingham station has been the subject of an intensive study involving a partnership of rail industry, business and local authority stakeholders to transform the existing station into a 21st century facility to provide a 'front door' to the city with enhanced passenger

facilities. The station will become a transport 'Hub' improving connectivity between rail, tram, bus, taxi, car parking and pedestrians. The project will also be a catalyst for the wider regeneration of the surrounding Southside Regeneration area providing improved public realm, increased retail outlets and generating new jobs.

WPL has been a Local Transport Plan (LTP) proposal since 2000, when the City Council announced its intentions to pursue the introduction of a WPL scheme. A detailed programme was then provided within the LTP 2001/02-05/06 (LTP1) (Ref 1:- Local Transport Plan for Greater Nottingham 2000/01 to 2005/06) and advanced funding was successfully secured from the Department for Transport to assist with the delivery of the scheme (see section 7.1).

This funding enabled the Council to undertake essential scheme development work, much of which was incorporated within the current scheme proposals. The advanced funding also allowed for the introduction of a range of public transport improvements, which, as per the Government's Response (2000) to the 'Breaking the Logjam' consultation (1999), is a pre-requisite to the introduction of any charging scheme. These improvements were also demanded by businesses prior to the introduction of any charging schemes, when WPL was first proposed in 2000.

In the second LTP 2006/07-2010/11 (LTP2) (Ref 2:- Local Transport Plan for Greater Nottingham 2006/07 to 2010/11), the City Council set out how the WPL remains an important potential component of the Greater Nottingham transport strategy and identified a further programme of work to maintain the progress on developing a scheme that is suitable for the City of Nottingham.

In 2007, the proposed WPL scheme underwent a formal public consultation process. In December 2007, the findings were put before the Council's Executive Board who resolved "that, in the light of the public consultation, agreement in principle be given to a WPL scheme, to come into force in April 2010, with its proceeds being used for NET Phase Two, Link Buses and improvements to Nottingham Station". The Board authorised necessary further preparatory work before the WPL Order is submitted to the Full Council for approval prior to application to the Department for Transport (DfT) for confirmation. It is proposed that approval to make the Order be sought from the City Council in May 2008 and an application be made to DfT in July, seeking confirmation of the Order from the Secretary of State for Transport. This will ensure that, when she is considering the Transport & Works Act Order for NET Phase Two (for which the Public Inquiry Inspector's report is expected in July 2008), the Secretary of State will be fully informed of the Council's intentions regarding the local contribution towards the cost of NET Phase Two.

This WPL business case is an updated version of its July 2007 predecessor and is designed to inform and support the WPL Order that is intended to be submitted to the DfT.

2.1 Key principles of the WPL scheme

The following list outlines the key principles which define the WPL scheme and which will determine the way it is operated:

- § The WPL scheme and associated package of public transport investment is designed to directly or indirectly facilitate the achievement of policies in the charging authority's local transport plan;
- § The WPL scheme will contribute to a package of measures aimed at managing congestion particularly at peak times, will be flexible in the treatment of different circumstances, financially efficient and will meet NET Phase Two timescales;
- § The WPL scheme will be designed to be simple, easily understood, enforceable, non bureaucratic and create a minimal amount of administrative burden;
- § The Council will monitor its WPL scheme on an ongoing basis to ensure that it remains compliant with both the provisions of the Transport Act 2000 and with the requirements imposed by domestic and European law generally;
- § Direct support and assistance will be provided to employers to minimise the burden of complying with the WPL scheme and the charge itself;
- § Actions will be taken to address any displaced parking problems caused by the WPL scheme; and
- § The effects of the WPL scheme will be measured and monitored, with feedback on the development and implementation of the scheme disseminated locally and to central and local government.

3 Business need and strategic context

3.1 Business need

The City of Nottingham forms the core of a conurbation, which, with a population of 630,000, is the largest and most populous urban area in the East Midlands. The City is an important commercial and retail centre as well as the host to cultural, entertainment and sporting performances and events.

Nottingham's influence is felt far beyond the immediate built up area, drawing in commuters, shoppers and visitors from a catchment area in excess of 3 million people (within a one hour travel time) as well as an increasing number of tourists from further afield. Nottingham is an important centre for employment particularly for banking, professional services, education and retail. Science has also emerged as a growth sector, and a number of national and regional public and private sector headquarters are located within the conurbation.

Nottingham is one of eight Core Cities, along with Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle and Sheffield recognised by the Government as the most important drivers of the national economy outside London. The Nottingham economy is performing strongly and in recent years economic output has grown at a faster rate than average levels for the East Midlands region and England as a whole.

The prosperity of the city is fuelling greater investment in local businesses and housing, all of which have the potential to lead to increased demand for travel and, if unchecked, increased traffic volumes. A significant threat to continued strong economic growth and performance is the adverse impact of traffic congestion and insufficient public transport services to meet medium and long-term need. Despite the growth in traffic having been contained to less than 1% in the period 2000-2005 (source: Greater Nottingham Local Transport Plan Delivery report), high levels of traffic congestion are experienced on many main routes within the conurbation during peak times.

High levels of congestion threaten business competitiveness in terms of inhibiting access to markets, restricting the supply of labour and interrupting logistics and supply chains. If nothing is done to address congestion there is a significant risk that economic efficiency will be compromised, future investment may be deterred and the environment unacceptably degraded.

Over the next twenty years a substantial increase in the number of homes within the Nottingham conurbation will be needed. The delivery of this requirement has been given further impetus by the designation of the Nottingham area as a "New Growth Point" by

the Government. This expansion in housing provision will inevitably further increase demand for travel and increase pressures on local transport networks.

Consistent with sustainable development principles much of the development is to take place within the existing urban area, on brownfield sites and within identified Regeneration Zones. This includes significant expansion of the City's two main shopping centres, increasing the supply of office accommodation as well as the construction of a number of sizeable mixed use developments around the fringes of the central core area. More than £1 billion of public and private funds are being invested in three designated regeneration zones around the city centre - 1.4 million sq ft office space known as the Island, the 247 acre Waterside and the nine regeneration sites of the Southside Regeneration area, immediately adjacent to Nottingham Station and served by NET Phase Two.

These developments and the need to maintain and improve accessibility to existing areas of employment and business activity, together with increasing realisation of the adverse environmental impacts resulting from over reliance on the car particularly in terms of carbon dioxide emissions and the threat of climate change, combined with social aspects including supporting neighbourhood regeneration, encouraging more active and healthy lifestyles and the need to reduce social exclusion, means there is an overwhelming need to increase the capacity of the public transport system.

Nottingham has a relatively good track record in sustaining low levels of increasing traffic flows during this period of growth through the implementation of its successful Local Transport Plan strategy (in particular the implementation of NET Line One). However this growth in Nottingham has been accommodated by a spreading of the peak traffic periods as road users adjust their time of travel to avoid the worst of the congestion, but in doing so creating longer periods of congestion (Ref 3: the Council's 'Topic Paper 1' at the public consultation). With continued peak spreading the opportunities for sustaining growth in economic activity by car is diminished, threatening economic prosperity unless new and significant capacity can be provided.

The recent EMDA report (Ref 4: Economic Costs of Congestion in the East Midlands, Atkins for East Midlands Development Agency, June 2007) identifies that congestion costs the regional economy £930m per annum.

The EMDA commissioned study confirmed that in common with most other successful cities Nottingham suffers from severe traffic congestion, particularly at peak periods on main routes into the city and along the ring road. The local road infrastructure is now almost at capacity with minor incidents leading to significant delays.

The EMDA report did however acknowledge there has been success in controlling the growth of congestion in the Nottingham conurbation. Nottingham has an exemplary record of developing and implementing public transport initiatives that have been seen to tackle the issue of congestion which threatens to stifle the economic prosperity of the city. Evidence to support this assertion can be found in the Greater Nottingham LTP delivery report 2001-2005 and the Local Transport Plan for Greater Nottingham 2006/07-2010/11. Since the inception of local transport plans, Nottingham has used this process to elaborate its plans to continually improve public transport provision in anticipation of a WPL scheme which would help to fund a continuing package of measures to underpin further growth in the city.

To maintain and further enhance the economic vitality of the City, Nottingham needs to increase the capacity of its transport networks. Because of Nottingham's geography and historical constraints the opportunities to further develop new roads or alter existing ones are limited and the wider centrally driven transport objectives approved in LTP1 and LTP2 of promoting better and safer provision for pedestrians, cyclists and public transport restrict these choices further. Recent investments and wide ranging improvements to the existing road infrastructure highlighted in LTP 2 such as the planned Ring Road major scheme and the Eastside Transport Strategy demonstrate a commitment to maximising the efficiency of the road network, but resource constraints further limit the scope for continuing enhancement of capacity through major scheme investment. In light of ever increasing travel demand, with forecasts predicting future significant growth, tackling congestion and providing alternative options to the car are crucial for continued economic prosperity.

Whilst progress has been made using above average LTP funding settlements, it is only through major scheme and other specific funding initiatives that the recent step-changes in transport provision and delivery have been possible.

Through provision of an award winning bus services and establishing NET Line One, public transport usage has been increased by 8% during the first LTP (2000-2005) and NET Line One has been an unqualified success increasing public transport usage in the North West part of the conurbation. The Council has also actively supported bus operators through a Greater Nottingham Bus Strategy and is developing a 10 year vision for commuting in Nottingham by bus. There are good bus feeder services for NET Line One and effective public transport integration. Other bus initiatives include the Link bus network providing access to key out of centre employment, education and health facilities.

The development of NET and continued improvements to bus services, including the Link bus networks, have largely relied on external, principally central government, funding sources such as Urban Bus Challenge or support from EMDA (Skylink) or the

Greater Nottingham Partnership. In the medium to longer term these sources will not be available to fully fund extensions to NET nor for on-going support to the Link bus network.

In order to maintain and enhance the capacity of the transport network in a sustainable way, the City and County Council have developed a longer term vision for the Greater Nottingham conurbation for the LTP2 period. This vision combines both transport and development elements reflecting the recognition of the importance of a joined-up approach to investment and the need to build a coordinated transport system that fulfils both the short and long term needs of the City.

Fundamental to the development of the plan is delivery of enhanced and integrated public transport infrastructure, services and interchange provision, supported by a need to reduce car dependency through enhanced travel plans, promotion of high quality alternative options, parking management and 'smarter travel choices'. To deliver the key components of this plan additional funding will be required, over and above the likely LTP2 settlements for the period to 2011. Although Central Government will fund the majority of the cost of the NET Phase Two extensions, local funding is required. Similarly, following periods of support for the Link bus network, on-going long-term revenue funding is required to secure the provision of these services and allow travellers to commit to behavioural change possible only when a degree of service permanence is evident. WPL could offer sustainable funding for this network and also to extend it. The potential to extend this network in a way which supports the new NET lines will need to be explored when the procurement and operational issues of NET Phase Two have been confirmed. In addition, it is proposed to enhance rail travel through a major regeneration scheme to improve Nottingham Station (the 'Hub'). A funding package is being formed in partnership with rail industry stakeholders and other agencies, with a City Council contribution supported from WPL.

Even with these proposed public transport improvements, traffic congestion is still likely to stretch the capacity of the local road infrastructure and increasing the frustration of road users. People who drive to work and enjoy free workplace parking account for a significant proportion of road users, contributing, especially in the peak periods, to congestion that affects both individuals and companies in lengthening travel and delivery times, increasing unreliability. The City Council considers that the decision to drive to work is influenced by the availability of free or relatively cheap workplace parking. Therefore the Council seeks to implement a scheme that, through charging for the use of workplace parking, encourages employers to manage their workplace parking spaces and influence employee behaviour through the adoption of company travel plans.

The aim of a WPL is to place a modest charge upon the use of parking spaces, to encourage employer consideration of managing and potentially reducing the amount of

free workplace parking spaces, and promoting the use of alternative modes of transport, particularly should the charge be passed on to the employee. It also provides local authorities with a source of revenue for funding a step change in the provision of public transport infrastructure and service provision.

3.2 Strategic context

The Workplace Parking Levy and the associated package of public transport investments accord with policies set out at European, National, Regional and Local levels. These focus on the need to promote sustainable activity through close integration of economic, regeneration, development and transport planning.

3.2.1 European Context

The White Paper 'European Transport Policy for 2010: time to decide' set out an intention to promote an exchange of good practice in developing alternative options to the car in urban areas. Section IV of Part III of the White Paper states that:

'The big problem that these authorities will have to resolve, sooner than might be thought, is traffic management and in particular the role of the private car in large urban centres. However one looks at the problem (pollution, congestion, lack of infrastructure), society is taking the line that it has to be curbed. The alternative is to promote clean vehicles and develop good public transport.'

The White Paper also notes that 'the lack of an integrated policy approach to town planning and transport is allowing the private car an almost total monopoly' and places emphasis on alternative options to the car.

3.2.2 National Context

Government strategy to deliver sustainable development, as outlined in the 2000 publication 'Transport Ten Year Plan', the 2004 White Paper 'The Future of Transport: A Network for 2030' and elsewhere, recognises the need to build a transport system that underpins long-term economic growth and productivity. There is recognition that as economic prosperity grows people want and have the means to travel more and that we must manage the growing demand for transport.

In the 2006 Local Government White Paper the Government reiterated the importance of cities, as both key to economic growth and ensuring all have an opportunity to benefit. The Government acknowledges that cities will continue to underpin economic growth in the regions and recognises the need to build a transport system that underpins long-term economic growth and productivity. This is a point made very strongly in the Eddington Transport Study 2006.

National planning policies seek to ensure sustainable development in accessible locations which can help reduce reliance on the private car. Integration of transport with land use and regeneration are key policy themes. The WPL 'package', particularly NET Phase Two, is expected to stimulate regeneration and offers greater connectivity between modes to serve not only the city, but also the wider region through Park & Ride, improved railway station interchange and through connecting bus services.

Transport policy also focuses on the need to meet environmental obligations, giving people real choices about the journeys they make, giving them more options for sustainable travel that reduce carbon emissions and encouraging sustainable travel decisions. It, therefore, promotes the need to make sure that parking management policies and all elements of the public transport system, rail, light rail, buses, park and ride, work together for the benefit of local people and business alike.

The WPL package will also help address three key challenges set out in the Planning for a Sustainable Future, White Paper May 2007, namely:

- § Economic Development – by increasing public transport capacity and helping to bring forward sustainable growth in employment and economic activity;
- § Improved local (and national) infrastructure – by providing high quality and reliable means of travel; and
- § Climate Change – by encouraging sustainable travel choices and supporting integrated public transport.

The Transport Act 2000 (TA2000) set out two demand management options for local authorities to tackle congestion: RUC and WPL. As set out in the introduction, Nottingham recommends proceeding with WPL now as:

- § WPL focuses on commuter travel, a main determinant of congestion, particularly at peak periods;
- § WPL will directly further encourage the uptake of workplace travel plans and responsible parking management policies by employers;
- § WPL also applies as a direct land use planning tool in encouraging employers to give stronger consideration of the development potential/costs of land used as parking in the City; and
- § WPL represents a financially efficient, high value for money proposal, with relatively low development costs and shorter implementation timescales than alternative charging mechanisms. This is particularly important in terms of

securing NET Phase Two implementation in the most cost effective manner, in line with the proposed delivery programme and associated budgetary projections. Significant delay to NET Phase Two delivery would result in substantial cost increases, increased uncertainty for affected property owners and risk to successful project delivery.

It is a requirement of the TA2000 that a WPL scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of policies in the licensing authority's local transport plan. How the WPL meets this requirement is explained in the Local Context section below.

3.2.3 Regional Context

Regional policy documents on planning and transport also underpin the WPL package, for example Sustainable Communities in the East Midlands (Department for Communities and Local Government 2003) aims to create liveable communities with good public transport and sets the challenge to relieve congestion in urban areas by reducing car use and increasing both the capacity and use of public transit.

The Regional Spatial Strategy (RSS) for the East Midlands looks to the planning process to support the continued regeneration of the city, and maintain and strengthen its economic, commercial and cultural roles. It includes objectives to improve economic prosperity, employment opportunities and regional competitiveness through the improvement of access to labour and markets and to improve accessibility to jobs, homes and services, specifically highlighting the promotion of the use of high quality public transport. The WPL package will also contribute towards the RSS Three Cities Sub-area transport objective of developing the transport infrastructure and services needed to improve access to jobs and services from deprived inner urban areas and outer estates, and also to identified Regeneration Zones.

The implementation of a WPL will therefore facilitate delivery of key policy objectives including:

- § Supporting current Regional Transport Strategy proposals to address traffic growth through behavioural change and demand management by inducing direct positive impacts on employee travel behaviour and indirectly through the introduction of enhanced public transport provision; and
- § Supporting the current Regional Transport Investment Priority of light rail extensions by facilitating the revenue stream to provide the local contribution required by Government.

3.2.4 Local Context

As noted above, it is a requirement of the TA2000 that a WPL scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of policies in the licensing authority's local transport plan.

Key Principle of the WPL scheme - The WPL scheme and associated package of public transport investment is designed to directly or indirectly facilitate the achievement of policies in the charging authority's local transport plan.

The objectives of the Greater Nottingham Local Transport Plan are formed around the Government's 'Shared Priority for Transport' which is based upon the themes of improving access to jobs and services, improving public transport, tackling congestion, reducing air pollution and improving road safety. In addition, three locally important objectives are included relating to supporting regeneration, improving quality of life and the need for efficient maintenance.

The WPL scheme will contribute directly or indirectly to facilitating the achievement of six of the seven objectives contained within the LTP (Local Transport Plan for Greater Nottingham 2006/07 to 2010/11, pg iv). The Plan Objectives are as follows:

Plan Objectives

Objective	Interpretation
A: Better manage and where possible reduce the problems of congestion	This means maximising the efficiency of existing transport networks, reducing traffic growth and encouraging the use of alternatives to the car particularly for journeys to work, school and higher education. Also helping to maintain a strong economy by improving business competitiveness.
B: Improve accessibility and social inclusion	This means achieving sustainable access to work, learning, healthcare, food shops and other essential services with the greatest focus being given to those most in need. Improving access to leisure and tourism is also of growing local economic importance. It also means planning the location and delivery of services to make best use of existing transport provision.
C: Improve road safety	This means improving road safety, particularly for children, other vulnerable road users and those living in areas of disadvantage.
D: Better air quality and protection of the environment	Central to this objective is improving air quality through reducing vehicle emissions and addressing air pollution hotspots but also reducing global warming and conserving the environment.
E: Support regeneration and neighbourhood renewal	This means supporting development in identified Regeneration Zones, improving the public realm and rejuvenating run-down neighbourhoods.
F: Enhance people's quality of life	This includes relieving communities of the adverse effects of transport such as noise, severance and visual intrusion. It also includes addressing community safety and reducing the threat of crime.

The scheme will also contribute towards delivering a range of the measures that have been identified in the LTP to meet its policies, as shown in the following tables (adapted from pages v to x of the Local Transport Plan for Greater Nottingham 2006/07 to 2010/11).

	Policy Issues	Measures	WPL contribution
Congestion	<p>The Government has determined that levels of congestion should be measured in terms of 'person' delay not just 'vehicle' delay. Accordingly this requires that attention is given to both the reliability and speed of public transport services as well as reducing delays to traffic.</p> <p>The strategy also considers:</p> <ul style="list-style-type: none"> • Improving transport choices, • Making better use of the existing network, • Parking controls, • Land use planning, and • Promoting public transport growth through demand management and integration. 	<ul style="list-style-type: none"> • NET Phase 2, • Partnership to deliver high quality bus services with a particular focus on reducing bus journey times, • Integration of services, ticketing and information with consideration of intervention mechanisms, • Smarter travel choices measures including work and school travel plans and building on the 'Big Wheel' marketing campaign, • Comprehensive parking strategy including possible Workplace Parking Levy within the City boundary, • Working with regional partners to deliver key strategic projects, particularly A453 and rail links. 	<p>The net proceeds of the WPL scheme in the opening ten year period will be applied, in such proportions to be decided, towards:</p> <p>(a) the local funding element of the 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 particularly benefiting the most congested route corridors in the conurbation, the A453 and the A52;</p> <p>(b) a range of transport measures including:</p> <p>(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;</p> <p>(ii) contributions to integrated major schemes, initially the enhancement of Nottingham Hub to improve passenger facilities, enhance local interchange and help drive regeneration in the surrounding Southside development area, and</p> <p>(iii) enhanced assistance to businesses in developing 'smarter travel choices', company travel plans and on and off street parking management schemes.</p> <p>The WPL is seen as a logical extension to the existing on-street and off-street parking policies which already form part of the Councils comprehensive parking strategy to discourage all day commuter parking.</p>

	Policy Issues	Measures	WPL contribution
Accessibility	<p>Accessibility Planning is a new analytical technique. All local transport authorities have been required to use it and produce an Accessibility Strategy and Local Accessibility Action Plans. It combines the study of existing transport links between geographical areas, or groups of people and essential services (jobs, training, education, health, food and leisure) based on existing information on transport services. It involves close partnership working with service providers to identify and prioritise particular access needs. In many cases this may be through non-transport solutions such as the location of services and use of electronic access to services and information. The results could have a major impact on how the Councils plan the delivery of their own services.</p> <p>Priorities for action identified include:</p> <ul style="list-style-type: none"> • Improving the coverage of transport provision across the Plan area, • Tackling physical accessibility, • Increasing the affordability of transport, • Improving access to information, and • Addressing safety and perceived safety issues which may impede an individual's access to services. 	<ul style="list-style-type: none"> • Working with service providers to improve the provision of services in accessible locations, • Integrated transport and land use planning utilising accessibility mapping and planning agreements to secure transport improvements, • Development of a fully low floor public transport network (bus and tram), • Continued support for socially necessary bus services (within available budgets) and development of more demand responsive services, • Further development of the 'Link' bus network including a high frequency Ring Road service serving the two main hospitals, with university services and local feeders, • Community transport and taxis, 	<p>The transport schemes to which the WPL proceeds will be applied (as listed under 'congestion') will be delivered via integrated transport and land use planning to improve accessibility throughout the City of Nottingham and surrounding areas, particularly for those without access to a car.</p>

	Policy Issues	Measures	WPL contribution
Safety	<p>The most recent trends in road accidents and casualties in some parts of the Plan area imply that there may need to be greater emphasis on speed management and the need to address the higher incidence of accidents within areas of high deprivation within the urban area if the ambitious targets set are to be met.</p> <p>Other key areas include:</p> <ul style="list-style-type: none"> • Meeting child casualty reduction targets, • Improving the safety of road users in rural areas, • Tackling work related accidents, • Reversing the trend in motorcycle related accidents, and • Addressing the safety of vulnerable road users on school journeys. 	<ul style="list-style-type: none"> • Safety education and awareness, 	<p>The City Council is a stakeholder in the Respect for Transport' initiative to jointly develop and promote safe and sociable behaviour on public transport.</p> <p>The WPL funding will be used to contribute towards the delivery of the objectives contained within this initiative by improving bus infrastructure, information and services to contribute towards reducing the fear of crime when using public transport.</p>

	Policy Issues	Measures	WPL contribution
Air Quality and Environment	<p>There are two existing declared traffic related Air Quality Management Areas within the City boundary in the City Centre and in the vicinity of the QMC where pollution levels are anticipated to exceed national standards. Rushcliffe Borough Council have declared Air Quality Management Areas in the West Bridgford area on the southern approaches to Trent Bridge and between the A60 junction and the City boundary on the Ring Road. Broxtowe Borough Council have also recently identified an area close to the M1 motorway.</p> <p>Through seeking to reduce the rate of growth in traffic, this will also help to reduce the growth in carbon dioxide levels generated in the Plan area helping to address climate change impacts.</p>	<ul style="list-style-type: none"> • Reducing the need to travel through coordinated land use and transport planning, • Promotion of cleaner alternatives to the car i.e. walking, cycling and public transport, • Promoting 'Smarter Travel Choices', • Education and awareness raising measures including 'Big Wheel', • Local authority enforcement of Clear Zone and other traffic restricted areas. 	<p>The imposition of a charge on commuter parking together with the transport schemes to which the proceeds of the charge will be applied (as listed under 'congestion') will encourage modal shift by commuters towards more sustainable modes that have a less adverse impact on air quality and the environment.</p> <p>The WPL is seen as a logical extension to the existing on-street and off-street parking policies which already form part of the Councils comprehensive parking strategy to discourage all day commuter parking.</p>

	Policy Issues	Measures	WPL contribution
Regeneration	<p>The role of transport provision in the physical regeneration process is multi-faceted but can be summarised as contributing towards opening up areas for development, creating an environment for investment, and neighbourhood renewal.</p> <p>Areas subject to regeneration proposals over the Plan period include the Regeneration Zones adjacent to the City Centre, the Trent River Park corridor, isolated rural areas and in former coal mining communities.</p> <p>The County has also set up a five year capital programme to provide funding for its 'Building Better Communities' initiative which concentrates on physical improvements, with a particular focus on areas of deprivation, to create desirable, attractive places to live - many of them are to be linked to transport improvements.</p>	<ul style="list-style-type: none"> • Eastside transport proposals including reconfiguration of the north-south City Centre traffic route and extension of bus loop, • Waterside transport proposals including straightening Cattle Market Road, Lady Bay Bridge and approaches upgrading of pedestrian and cycle routes, and upgrading of riverside and canal links, • Southside transport measures centred around the Station Masterplan and associated 'Linking up the Meadows' transport proposals, • Neighbourhood improvement schemes targeted at most deprived areas. 	<p>By providing the necessary funding to improve and expand the existing transport network (NET Phase 2, Nottingham station and Bus services and infrastructure) will improve accessibility opportunities to employment, health, education, retail and recreation throughout the city including some of the most deprived areas and wards. Integrated and improved transport links are a crucial part of ensuring the sustainability and success of the planned regeneration schemes.</p>

	Policy Issues	Measures	WPL contribution
Quality of Life	<p>Quality of life is influenced in many ways but lack of transport options and over dependency on motorised transport can be a contributory factor. Some key quality of life problems identified of particular relevance to the Plan area are:</p> <ul style="list-style-type: none"> • Poor streetscape quality and the quality of public spaces are not up to the public's expectations, and do not engender pride, often leading to anti-social behaviour, • Illness and insufficient levels of physical activity are resulting in poor levels of public health, and • Transport can be a source of severance and generates unwelcome noise which can have severe adverse impacts on communities. 	<ul style="list-style-type: none"> • Integration of planning and transport to reduce the need to travel, • Marketing and promotion of more active lifestyles through the Big Wheel and other campaigns, • Respect for Transport initiative to reduce fear of crime on public transport, • Implementation of mitigation measures that minimise the adverse effects of transport. 	<p>The strong integration of the NET Phase Two proposals with current and future land use planning will help reduce the need to travel and the combined direct and indirect effects of the WPL scheme will encourage use of modes that minimise the adverse effects of transports.</p> <p>The City Council is a stakeholder in the 'Respect for Transport' initiative to jointly develop and promote safe and sociable behaviour on public transport.</p> <p>The WPL funding will be used to contribute towards the delivery of the objectives contained within this initiative by improving bus infrastructure, information and services to contribute towards reducing the fear of crime when using public transport.</p>

Although the implementation of a WPL is not programmed to take place until the end of the LTP2 Plan period it supports the achievement of, and potential to stretch, the following targets:

- § Mandatory target BVPI 102: - Local public transport / bus patronage by enhancing provision of public transport and encouraging a shift from use of the car;
- § Mandatory target LTP2: - Change in area-wide road traffic mileage by encouraging a shift away from use of the car;
- § Mandatory target LTP6: - Changes in peak period traffic flows to the urban centre by encouraging a shift away from use of the car;

- § Mandatory target LTP7: - Congestion: Average journey time per person per mile, related to person throughput by enhancing provision of public transport and encouraging a shift from use of the car;
- § Local target L1: - Single occupant car journeys to work for employers with travel plans;
- § Local Target L3: - Employees covered by a travel plan; and
- § Local target L6: - Number of bus services with a reduction in journey time.

The LTP2 Delivery Report published in 2006 demonstrated excellent performance in terms of containing traffic growth and increasing the use of public transport within Greater Nottingham. Consistent with the DfT's guidance there is an increased emphasis within LTP2 related to tackling congestion and hence the addition of a specific urban congestion target. In the light of current DfT Guidance it is considered that targeting congestion will be a key requirement of LTP3 and NET Phase Two/WPL will be a key component for the delivery of LTP3.

3.3 Legislation

The TA2000 contains powers for local traffic authorities, such as Nottingham City Council, to introduce a WPL scheme covering the whole or any part of their areas. The Act provides that the Council may only make a WPL scheme if it appears desirable for the purposes of directly or indirectly facilitating the achievement of the Council's transport policies.

To introduce a WPL scheme, the Council must make a WPL Order which is the legal instrument which allows the City Council to introduce a WPL scheme. The WPL Order includes such matters as:

- § The extent of the charging area;
- § The type of car parking places that are liable;
- § Who is liable for obtaining a licence for providing workplace parking;
- § The charges for a WPL licence;
- § Parking places eligible for discounts and exemptions; and
- § How a licence can be applied for.

The Council has the discretion to undertake public consultation prior to making a WPL Order. The WPL scheme cannot come into force until the WPL Order has been confirmed by the Secretary of State, on application by the Council.

The Act specifies the matters which must be addressed in a WPL scheme. This includes a requirement for schemes to include general and detailed statements for the application of any net proceeds generated. The Act provides that the net proceeds may only be used for the purpose of directly or indirectly facilitating the achievement of the Council's local transport policies. Presently this applies only in the opening ten years of a scheme but the Local Transport Bill is set to extend hypothecation on these terms for the lifetime of a WPL scheme. The Local Transport Bill was published in draft form in the 2006-07 session of Parliament and completed all its Lords stages on 30 January 2008. A Public Bill Committee will consider the Bill in the House of Commons in May but it is not known how long the further stages will take. This is unlikely to be a threat to the timescales for the Nottingham scheme. However, if provision is not ultimately made to extend the period of hypothecation, the Council will need to make its own arrangements to ensure that, beyond the first ten years of WPL operation, future receipts are directed to meet the transport commitments, particularly any contractual payments for NET Phase Two.

To complete the legislative framework for WPL schemes, WPL regulations will need to be issued by the Department for Transport. It is expected that these will be issued in autumn 2008. The particular legislative gaps to be filled by the WPL Regulations include establishing liability for premises with multiple occupiers, and specifying how and when penalty charges will be levied and enforced.

The absence of WPL regulations does not prevent the Council making its WPL Order and applying for confirmation of the Order by the Secretary of State.

3.4 Success criteria

The following success criteria have been identified for a WPL scheme in Nottingham City:

- § Contribution to a package of measures aimed at managing congestion particularly at peak times;
- § Flexibility in the treatment of different circumstances;
- § Minimise technological risks;
- § Minimise road building and large scale traffic management measures;

- § Financially efficient;
- § Meets NET Phase Two timescales;
- § Fits with other corporate priorities; and
- § General acceptability.

These success criteria have been, and will continue to be, used throughout the lifetime of the project to guide decision making

Key Principle of the WPL scheme - The WPL scheme will contribute to a package of measures aimed at managing congestion particularly at peak times, will be flexible in the treatment of different circumstances, financially efficient and will meet NET Phase Two timescales.

3.5 Development of the WPL Scheme

Nottingham City Council has been investigating the feasibility of implementing a WPL scheme since 2000 (when the TA2000 came into force). Indeed, it has appeared in the Council's LTP1 and LTP2.

The scheme development was borne out of feasibility work and studies, as well as discussions with the Greater Nottingham Transport Partnership (GNTP). Similar overseas projects (Vancouver (Canada), Perth and Sydney (Australia)) were investigated so that lessons could be learnt; the proposed Nottingham City scheme being potentially the first of its kind in UK. A survey to understand how a WPL scheme could be received by the businesses of Nottingham was also conducted.

Based on this research and an appraisal of alternative options (see section 10), the proposed WPL scheme and its supporting draft WPL Business Case (July 2007) underwent a public consultation process including a public examination during the summer and autumn of 2007 (see Section 4).

In December 2007, Nottingham City Council's Executive Board, having considered the findings of the public consultation, agreed in principle with developing the details of the scheme in order to make a WPL Order and submit an application to the Department for Transport for confirmation of the WPL Order by the Secretary of State.

This Business Case contains the developed scheme details and will support the application to the Secretary of State for Order confirmation.

Additionally, it is worth noting that there remains significant interest outside of Nottingham in employing WPL as one of the potential demand management tools

available to local authorities. Furthermore there is a possibility that other authorities will consider their options in the light of the Nottingham WPL proposals and may propose WPL for their areas.

4 Public and Business consultation

Approval was given in July 2007 (Portfolio Holder Decision 386) to undertake formal public consultation on the WPL scheme proposals.

A public consultation on the WPL scheme ran for just over 12 weeks from 16th July to 12th October 2007. The consultation activities carried out during this period were specifically designed so that the appropriate stakeholder groups were suitably informed for them to participate in the consultation process and to comply with local and national guidance on public consultation.

A total of 2,485 representations were received during the WPL public consultation period; of these 959 (38.6%) were received from city residents, 1,237 (49.8%) from non-city residents, 101 (4.1%) from businesses. 57 (2.3%) from various organisational bodies and 131 (5.2%) from unknown sources.

Of the representations received from within the City Council area 68% put forward a statement of support for the WPL Scheme and 30% a statement of objection; across all representations (i.e. including from outside the City Council area), 43% supported the WPL scheme and 55% objected to it.

Each representation was reviewed and all the relevant issues raised were identified and recorded within the WPL consultation database. A number of issues were identified through the public consultation process including the additional costs to businesses, the impact on commuters travelling outside of peak times and the equity of the scheme. However there was also a widespread view that public transport is important and that there is a need for further improvements.

Whilst not legally required, a WPL public examination was also held by the Council to encourage and enhance public and business participation in the consultation exercise and to allow for debate and independent scrutiny of the proposals. It was intended to be a structured debate rather than being an adversarial hearing and was conducted in a relatively informal manner designed to create the right atmosphere for discussion. The event was chaired by an independent "examiner" who was supplied by the Planning Inspectorate. Prior to the event, the independent examiner was provided with all public consultation representations received at that stage so that he could consider the issues for debate and investigation at the public examination.

Following the public examination, the independent examiner then produced a report on the scheme proposals that assessed whether the scheme has the potential to meet its

objectives identified specific weaknesses, risks and alternative options to the scheme and made 20 recommendations.

After the public consultation was closed, all the responses were analysed and responses were prepared by City Council officers.

The findings and responses, along with the Examiner's report and its 20 recommendations, were then put before the City Council's Executive Board for their consideration (see "Workplace Parking Levy", Report and Appendices to Executive Board, 18 December 2007). Recommendations were made by Council Officers to the Executive Board. In accordance with a number of those recommendations, the Executive Board:

- § Noted the rationale behind, and the effects and benefits of the WPL scheme, and the proposals published for public consultation;
- § Recognised the wide and substantial participation in the public consultation process and noted the officers' considered responses to the consequent representations;
- § Accepted seventeen of the Independent Examiner's twenty recommendations;
- § Did not accept three recommendations;
- § Agreed that, in light of the public consultation, agreement in principle be given to a WPL scheme, to come into force in April 2010, with its proceeds being used for NET Phase Two, Link Buses and improvements to Nottingham Station; and
- § Granted the Portfolio Holder for Transport, Economic Development and Skills with the delegated authority to make any adjustments to the scheme, or scheme order, prior to the WPL Order being submitted to full Council for approval.

The Executive Board rejected three of the recommendations, which were:

Recommendation 9.1: that at fire, police and health premises with more than 10 liable spaces the Council should discount only parking places for emergency service vehicles and disabled persons' vehicles;

Recommendation 9.3: that a 100% discount should be given for the first 10 spaces in every case; and

Recommendation 8.4: that [the Council] should hold talks with Government and seek answers to the questions posed above [why the opening date for NET Phase Two of

2013 was critical; whether the starting date could be deferred; what would be the consequences of any delay].

The reasons given by the Executive board for each of the recommendations were:

- § Recommendation 9.1 not be accepted because the Council supports the rationale which lies behind the guidance received from the Department for Transport that emergency services premises should receive a 100% discount from the scheme;
- § Recommendation 9.3 not be accepted because:-
 - it was considered reasonable to exempt smaller businesses from the charge, as it was believed that the administrative cost of licensing and regulating workplace parking provision would be proportionately higher for small businesses than for larger businesses;
 - by pursuing this recommendation it would remove liable parking places resulting in an increase in the charge for liable spaces in order to meet the targeted amount of revenue required, and;
 - very few consultees identified this change as being desirable;
- § Recommendation 8.4 not be accepted as the development programmed for NET Phase Two had a target operational commencement date, agreed with the Government, of 2013. Significant slippage would result in the real risk of Government funds for NET Phase Two being allocated elsewhere, with no guarantee of the schemes reinstatement in the programme at a later date. Any delays to the date would impact on the projects affordability and delivery of benefits that the tram extensions would bring and would further result in uncertainty about proposed tramline extensions, causing uncertainty for those communities who would be affected by the extension;

The result of the Executive Board meeting was that the scheme fundamentally remained unchanged to the one published for consultation and that the scheme Order could now be finalised in order to then be considered for approval by full council.

Further details of the consultation, and the public examination, are provided in depth in the report to the Executive Board on 18 December (see The 'Project Documentation' section on www.nottinghamwpl.com).

5 The WPL scheme

5.1 Guiding Principles

The scheme operations and enforcement processes and procedures have / will be designed to be:

- § as simple as possible with:
 - § The same charge for all different types of vehicles (except motorcycles);
 - § One boundary – the Nottingham City boundary;
 - § One zone – all businesses in the city are treated equally;
 - § One annual licence for each premises providing liable workplace parking; and
 - § The scheme operating 24 hours a day, 365 days a year.
- § easily understood;
- § not bureaucratic;
- § the smallest administrative burden on organisations as possible;
- § flexible (in terms of varying the licence) when there is a clear long term business need;
- § enforceable;
- § able to provide funding for transport related initiatives, with only the minimum administrative overhead; and
- § able to be incorporated into existing NCC organisational structures, with the minimum amount of staff re-training.

Key Principle of the WPL scheme - The WPL scheme will be designed to be simple, easily understood, enforceable, non bureaucratic and create a minimal amount of administrative burden.

5.2 Compliance with the law

As outlined in section 3.3 above, the TA 2000 sets out the legal framework for WPL schemes, including the procedure for introducing a scheme, and the matters which must

be addressed within a scheme. The Council has developed and taken forward its WPL scheme with due regard to the provisions of the Act.

In addition the Council recognises that in developing, introducing and operating its WPL scheme it must comply generally with relevant domestic and European law. The following areas of law appear to be of particular relevance:

Consultation – as set out in section 4, the Council conducted a wide-ranging consultation exercise to ensure that all relevant parties had the opportunity to consider the detailed proposals and comment upon them. This was supplemented with a one-week independent “public examination” of the proposals. The consultation exercise was designed in accordance with both Cabinet Office guidelines and the body of case law developed by the courts on the requirements for a lawful consultation.

Anti-discrimination – in the Council’s opinion the WPL scheme does not offend against any of the principles of anti-discrimination law. It makes no distinctions on the basis of race, gender, age or sexual orientation. In the case of disability, the scheme explicitly exempts disabled car parking spaces from the licence charge. This accords with the provisions of the Disability Discrimination Acts as it ensures that those who, as a result of disability, have difficulty using public transport or have no reasonable alternative but to drive, are not penalised as a result.

Data protection – to implement and enforce the WPL scheme Nottingham City Council may need to collect information relating to vehicles and persons falling within the scope of the scheme. The Council recognises that the provisions of the Data Protection Act 1998 will then apply. The Council will ensure that the requirements of the Act are complied with in the same way it does already in relation to the personal data it currently holds and processes for a number of other purposes.

Human rights – the WPL scheme must comply with the Human Rights Act 1998, which implements in the UK the European Convention on Human Rights. The key articles of the Convention which are likely to be engaged by the implementation of the WPL scheme are article 6 (right to a fair trial) and article 8 (right to privacy). Enforcement of the scheme will engage article 6, as licensees will need to be afforded a right to appeal the imposition of penalty charges. This is a matter for the forthcoming WPL regulations. Article 8 rights may also be engaged by the operation of the WPL scheme, such as where personal data is used. However a certain amount of interference with privacy can be justified if it is in accordance with the law and is in the public interest. The utilisation of personal data for the purposes of a WPL scheme is, in the Council’s view, a justifiable level of interference with privacy, provided it is carried out in accordance with the Data Protection Act 1998 as outlined above.

The Council is satisfied that its WPL scheme is fully compliant with both the provisions of the TA 2000 and with the requirements imposed by domestic and European law generally.

Key Principle of the WPL scheme – the Council will monitor its WPL scheme on an ongoing basis to ensure that it remains compliant with both the provisions of the TA 2000 and with the requirements imposed by domestic and European law generally.

5.3 Proposed Scheme Details

5.3.1 Who will this apply to?

WPL is a charge imposed by the Council for each workplace parking place that an organisation provides in the area covered by the scheme. Those organisations are required to obtain a licence covering the maximum number of workplace parking places provided. The charges are paid on that licence. It is a charge on the organisation, not the employee, and it is up to the organisation whether or not (and, if so, how) it chooses to pass the charge on. The Nottingham WPL scheme will apply to workplace parking places provided across the entire Nottingham City area – as defined by the City boundary – as the scheme seeks primarily to address the whole City’s congestion.

“Workplace parking” is defined widely by the TA 2000. In essence it includes any parking provided by an organisation for its employees, persons visiting the organisation for business reasons, and (where relevant) the organisation’s pupils and students. Workplace parking does not include parking by individuals not attending work or on business – e.g. shoppers, residential parking, and those using leisure facilities.

The Act allows the Council to modify the local application of the definition of workplace parking by creating:

- **exemptions** from the requirement for certain types of workplace parking to be licensed – meaning that no charge is payable in respect of that parking; and
- **discounts** on certain types of workplace parking – meaning that a licence will still need to be obtained for those spaces, although a reduced charge will apply.

The table below sets out those categories of parking that will not need to be licensed in the Nottingham scheme – either the parking place is not “workplace parking”, or a local exemption applies – and as a result of which no WPL charge will be payable:

No requirement to be licensed (therefore no WPL charge payable)

- Parking places used by customers attending retail and leisure facilities
- Parking places used by suppliers, agents and other business visitors who are not attending their regular place of work
- Parking places used for residential purposes
- Parking places that are organised and paid for by an individual separately from their employer (such as in a public car park)
- Parking places for motorcycles and bicycles
- Display vehicle parking place (a parking place to park a motor vehicle that forms part of the stock of a registered dealer in motor vehicles and is not used for the journey to work)
- Fleet vehicle parking place (a motor vehicle that remains parked overnight and which is not used by persons for commuting to and from the premises where the parking place is situated)
- Parking places used primarily for the purpose of delivering or collecting goods
- Vehicles parked for servicing and/or repair at a garage

The following parking places will need to be licensed but will receive a 100% discount:

Required to be licensed, but no charge payable (100% discount)

- Parking places at fire services premises
- Parking places at police services premises
- Parking at qualifying NHS premises – NHS hospitals, ambulance service premises, and GP practices
- Parking places occupied by disabled persons' vehicles
- Parking places provided by an employer that provides in total ten or fewer liable spaces in the area covered by the scheme
- Parking places that are organised and paid for by an employer (such as in a public car park) where that employer provides ten or fewer liable spaces in the area covering by the scheme

These following parking places must be licensed and will be subject to the full WPL charge:

Required to be licensed, with full charge payable

- Parking places for employees including parking places that are organised and paid for by an employer (such as in a public car park)
- Parking places for suppliers, agents and other business visitors who are attending their regular place of work
- Pupils and students

In short, if someone is provided with parking at their regular place of work or study, including places contracted or otherwise provided in the vicinity of the workplace, then a charge will be levied.

5.3.2 How are applications made?

As outlined above the WPL scheme will operate as a licensing scheme, whereby any organisation providing workplace parking places that are not exempted from the scheme must obtain a licence for providing those parking places. Charges will be imposed by way of this licence.

Licences will run for a full year, starting on 1 April. An application form will need to be completed by each organisation that provides liable workplace parking, declaring the maximum total number of parking spaces being provided at any one time and the number of those spaces that qualify for a 100% discount. The business will be required to multiply the number of liable spaces by the annual charge and submit payment of their licence fee at the same time as submitting their application form, unless the Council allows for payments to be made by instalments. The licence will be issued once a valid application form is received.

In the run-up to commencement of the WPL scheme, the Council intends to provide support and guidance to businesses to assist them with applying for a licence and implementing robust parking management schemes.

Applications may be made to vary the licence on the grounds of either a reduction or increase in the amount of liable workplace parking places that an organisation wishes to provide (i.e. there may be a change in use of some spaces, resulting from an organisation growing or by more spaces attracting a 100% discount). Where the

number of licensed parking places is increased, payment must accompany the variation application or any instalments increased. Where the number of licensed parking places is reduced, any refund due will be paid by the Council or future instalments adjusted accordingly. The licence charge will be recalculated pro rata for the remaining full months the licence is valid for. In either case an administration charge will be incurred.

The Council wishes to limit the number of short variations to licences. Therefore:

- variations must apply for a minimum period of one month; and
- if an application is made to increase the number of spaces within three months of a previous application to reduce the number of spaces then the previous application will be deemed null and void, and the amount payable recalculated accordingly.

An application may be made at any time to surrender a licence. Any refund will be paid pro rata for the remaining number of full months on the licence, less an administration charge.

5.3.3 What will it cost?

The following table shows the proposed charges applicable for liable spaces:

Description	Charging
Initial annual charge	£185 per annum per liable workplace parking place provided (assuming the scheme starts in 2010).
Levy escalation	Increased incrementally and by inflation on an annual basis until 2015. The levy will thereafter increase by inflation only.
Penalty charge*	To be decided once national WPL regulations issued – expected to be 50% of annual charge, per parking place in breach of the legislation, chargeable for each day on which an infringement occurs, subject to a 28 day period before which a repeat penalty charge can be issued.
Liable spaces, changed for remainder of year (i.e. licence changed)	Pro-rata per full calendar month remaining.
Discounts (other than 100% discount for certain categories)	Not applicable

Description	Charging
Penalty for not having a licence or a licence covering all liable spaces	To be decided once national WPL regulations issued - expected to be penalty charge payable for each day covering each unlicensed occupied workplace parking place.
Penalty for non payment of WPL licence fee	Any licence is deemed to be void, and penalty charges will apply
Penalty for infringement of licence conditions	To be decided once national WPL regulations issued – expected to be the annual charge for one workplace parking place
Administration charge for amending licence (reduce or increase number of liable spaces)	Expected to be around £100 initially, to be reviewed periodically in line with levy escalation
Licence application made part way through the year	If organisation was operating at 1 April, then full annual charge. For all new organisations, pro-rata for remaining period rounding up the nearest months.

* It is expected that penalty charges will operate in a similar way to those used already by decriminalised parking enforcement.

5.4 How will the scheme be enforced?

WPL will use a mix of automated Management Information Systems (MIS), back office administration and on street enforcement officers, for monitoring the usage of workplaces within the Nottingham City boundary. The Council also has access to Geographical Information Systems (GIS), for mapping the car park layouts, and on-street parking surveys.

Enforcement by visual inspection will be carried out by on-street enforcement officers. These officers will have access to the WPL licence database in order to check the list of premises that have a licence and the conditions associated with that licence.

If an organisation fails to obtain a licence or breaches any conditions of a licence then a penalty charge will be payable. The detailed matters concerning scheme penalty charges and their enforcement are in the process of being legislated for in national WPL regulations. It is expected that the Council will have the power to issue a Penalty Charge Notice (PCN).

Where necessary cases of enforcement will be progressed in either the Magistrates' court, for a criminal offence (e.g. intentionally giving false evidence on an application for or refusing to grant access to an authorised enforcement officer), or in the adjudication body responsible for a de-criminalised offences (e.g. failing to obtain a licence where one is needed or breaching the conditions of a licence).

Under the decriminalised system it is expected that the PCN appeals process will resemble the current Parking Offence Appeals process. Organisations who believe that the Council has made an error will be able to make a written appeal to the Council. Thereafter, due to the expected larger penalties associated with PCNs issued under the WPL Scheme, it is likely that cases that progress to an independent hearing will be heard in a County Court rather than by the Traffic Penalty Tribunal (formerly the National Parking Adjudication Service). For Further details about the current parking appeals process visit the Traffic Penalty Tribunal website.

6 WPL Financial Model

6.1 Methodology

The aim throughout the development of the WPL financial assumptions has been to generate a specified level of funding but not to create a surplus. The funding required relates to the procurement of NET Phase Two and other beneficial public transport projects and is detailed below. Nottingham City Council has worked closely with its advisors to identify prudent and robust assumptions on which to model the base case WPL revenues and costs. Although WPL is expected to commence in line with the NET Phase Two concession it is accepted that the benefits of NET Phase Two will not be seen until the construction programme is completed. For this reason the WPL charge in the early years has been set at a lower level than that later in the project. As the development and operation of WPL, NET Phase Two and the other public transport projects progresses it may be considered appropriate to re-assess the assumptions made. In particular the Council is keen to ensure that WPL does not generate too much or too little surplus for the funding requirements at the time. However, it should be noted that any changes to the levy (with the exception of a general indexation provision) would require a variation Order to be made by the Council and confirmed by the Secretary of State for Transport.

6.2 Contribution Requirement for NET Phase Two and Total Funding Requirement

On approving NET Phase Two for programme entry the Department for Transport (DfT) committed to providing a contribution of up to a maximum of £437 million of PFI Credits. The maximum support level assumes DfT funding for 75% of the base costs plus 50% of optimism bias.

Based on the latest assumptions for NET Phase Two at the maximum level of DfT support the local contribution requirement for NET Phase Two is £133.9m in Net Present Value (NPV) terms (all NPVs are calculated using a November 2004 base date (referred to in the DfT approval letter and for consistency throughout this document as a 2005 base date) and a 6.0875% nominal discount rate in line with Treasury guidance unless otherwise stated). Upfront local contributions for such spend as procurement and advanced design costs equate to £28.3m (NPV) leaving £105.6m (NPV) to be funded by Nottingham City Council and Nottinghamshire County Council. It is currently assumed that Nottinghamshire County Council will provide 20% of this ongoing local funding (between April 2010 and October 2030), or £21.1m (NPV), with the remaining £84.5m (NPV) being provided by Nottingham City Council.

Although Nottingham City Council are seeking to identify sources of funding for 20% of the £84.5m (NPV), they are aiming to generate £67.6m (NPV) from WPL towards NET Phase Two and have also stated that they would like to consider the potential to find throughout the period an average of £2.8m per annum to fund other beneficial public transport projects. The overall effect of the contribution to other projects and initiatives over the period of the assumed NET Phase Two concession is £25.2m in NPV terms. The current forecasts suggest the WPL will generate a net income of £91.7m over the period in 2005 NPV terms which can be used for supporting public transport development in the region. However it is worth noting that the flat nature of the funding required by the NET Phase Two concession and the indexed nature of the WPL income mean that there is a mismatch of funding annually on a cash basis between the two schemes. This leads to an under funding of NET Phase Two in the early years and an over funding in the later years.

6.3 Financial Assumptions

6.3.1 WPL Spaces

- § The number of spaces subject to the WPL is assumed to be 36,899 including 3,651 spaces at schools within the City of Nottingham area. The numbers of parking spaces are taken from the comprehensive Off Street Parking survey carried out by the City Council in 2004/5. This involved personal surveys of representatives at all the premises likely to be liable for the levy. Parking and employment data was then recorded on a GIS-compliant database
- § Liable parking spaces are reduced by 10% on the implementation of the levy to allow for the impact of parking spaces being taken out of operation when the levy is introduced. 10% is an estimate but is informed by what actually happened when the levy scheme in Perth, Australia was introduced
- § The relationship between parking growth and employment growth is complex, depending on the City Council's parking standards for new development, the distribution of the parking across the City, the likelihood of parking being reduced over time due to the levy itself and organisations' propensity to rent or lease commercially provided spaces. For simplicity, the rate of increase of parking is estimated to be the same as the rate of increase of employment
- § The Draft Final Report for the East Midlands Assembly and East Midlands Development Agency 'Three Cities Scoping Study: Building a Complementary Development Framework', September 2003, by Ove Arup & Partners Ltd states that the Nottingham area is well placed to benefit from the projected rapid growth in the service sector. If Nottingham grows at the average projected in the UK over the next ten years, it would experience 11,000 extra jobs (4.1%) by 2012. Therefore

the predicted rate of growth of parking for the Base Case is 4% over ten years. Assuming the increases in parking are attributed equally over the ten-year period this gives an annual eligible space growth rate of 0.39% per annum

- § It has been assumed that the City Council will be unable to collect the levy from 10% of those liable to pay it

6.3.2 WPL Charge

- § The base WPL charge is assumed to be £176 per annum in April 2008 prices
- § The levy is increased incrementally on an annual basis from scheme commencement until it reaches £306 per annum in April 2008 prices in 2015
- § The real figure is indexed in line with Retail Price Indexation (RPI) to produce an actual charge. A forecast RPI figure of 2.5% per annum has been assumed from 2008 onwards. Nottingham City Council have indicated that the actual WPL charge in 2010 will be £185 irrespective of the change in inflation from the forecast rate of 2.5% per annum
- § The Levy applies evenly to all areas within the city boundary – there is no reduction in the rate charged as you get further from the city centre
- § A summary of the current WPL charge assumptions throughout the scheme in April 2008 and actual terms is shown in the table below. The 'actual' figures are calculated assuming the indexation assumptions highlighted above, and that the scheme commences in 2010. Any difference between actual indexation rates and those assumed, or any change in the scheme start date, will impact on the figures in the table below

(£)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
WPL in April 2008 prices	176	222	253	285	301	306	306	306	306	306	306
Actual WPL based on indexation assumptions	185	240	280	323	350	364	373	383	392	402	412
(£)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
WPL in April 2008 prices	306	306	306	306	306	306	306	306	306	178	
Actual WPL based on indexation assumptions	422	433	444	455	466	478	490	502	514	307	

6.3.3 Operating Costs

- § Operational costs for the WPL scheme are estimated to be on average £600,000 per annum.
- § An additional £100,000 has been allocated for each of the first 3 operating years to help support the implementation of the scheme. The operations will be funded by the revenue generated by the WPL scheme itself.

6.3.4 Key Dates

§ The WPL scheme is assumed to run from 1 April 2010 (in line with the assumed start of construction on NET Phase Two) and end on 31 October 2030 (in line with the assumed expiry of the NET Phase Two concession), although it should be noted that the WPL Order states that the WPL scheme will run indefinitely, as no decision has been taken as yet on the length of the scheme (see 6.5 below).

6.3.5 Target Net Income Surplus

§ Current forecasts suggest the WPL will generate a net income of £91.7m over the period in 2005 NPV terms which can be used for supporting public transport development in the region including NET Phase Two

6.3.6 Passing on the Charge

In early work on the WPL it was assumed that 50% of employers would pass the cost onto employees and 50% would meet the costs themselves. The 50/50 figure was largely confirmed by the PWC business survey reported in May 2005. The survey responses for liable organisations were 36% yes, 38% no and 33% don't know, with 63% of the largest organisations saying they would pass on the charge

6.4 Financial Sensitivity Analysis

The second column of the table below identifies the impact a number of sensitivity scenarios are expected to have on the surplus generated by a WPL scheme. Although this list is not exhaustive it is intended to provide an understanding of the quantum effect a change in specific key variables has on the project and its financial benefits to Nottingham City Council.

Sensitivity	Financial Impact on net income surplus generated by proposed WPL scheme
	2005 NPV (£m)
Base Assumptions	91.7
RPI on Levy - Increases by 0.5%	97.5
RPI on Levy - Decreases by 0.5%	86.2
Inflation on Opex - Increases by 0.5%	91.2
Inflation on Opex - Decreases by 0.5%	92.2

Sensitivity	Financial Impact on net income surplus generated by proposed WPL scheme
Uncollected levy 5% of total eligible spaces	97.5
Uncollected levy 15% of total eligible spaces	85.9
WPL Spaces – WPL introduction reduces by 5%	97.5
WPL Spaces – WPL introduction reduces by 15%	85.9
WPL Spaces – Increases by 0% pa	86.3
WPL Spaces – Increases by 0.77% pa	97.2
One year delay in WPL scheme start	84.8

6.5 Scheme Length

A WPL scheme is cheap to implement and quick to start getting a return on; it does not require any significant upfront investment and thus any structured upfront funding requirement. Therefore the concession length will not have to be influenced by the repayment of borrowing. The flexibility means that Nottingham City Council can consider the appropriate length of the scheme subject to ensuring sufficient funding is generated to meet commitments to local transport improvements (taking into consideration the 10 year hypothecation of revenue). Although the scheme is assumed to run from 1 April 2010 until 31 October 2030 it may be considered appropriate to end the scheme early and replace it with an alternative scheme in the future, or it may be decided to extend the end date beyond the current assumption for the expiry of the NET Phase Two concession.

7 WPL Package and Scheme Operations

This section outlines the initial scheme development activities, budgets and costs. It then provides further details, and associated costs, of the scheme operations and the WPL package.

7.1 Initial Scheme Development

7.1.1 Advanced funding - 2000/01 to 2005/06

The original proposal to pursue the introduction of a WPL was taken in 2000 and was included as a firm proposal in LTP1. Between the period 2000/01 to 2005/06 the City Council was successful in receiving £8.15 million of advanced funding from the Department for Transport (DfT) towards the development of a pilot Workplace Parking Levy (WPL) scheme and the prior introduction of public transport improvements. This funding came from the DfT in the form of supported borrowing approvals within Local Transport Plan settlements over the period.

This advanced funding was used to meet two distinct elements of work; firstly it was used to initiate the necessary preparatory works to develop a detailed scheme for Nottingham and secondly to contribute towards delivering improved public transport initiatives within the LTP area. This is in line with the Department for Transport Guidance, which requires that there must be improvements in public transport before a WPL scheme can be introduced. Details on the initiatives the advanced funding contributed towards are listed within the LTP1 delivery report, 2006.

The costs for 2000/01 to 2005/06 were:

§ Scheme development	£1.8m
§ Public transport initiatives	£6.35m

7.1.2 Scheme Development costs - 2006/07 to 2007/08

The development of the scheme continued throughout 2006/07 and 2007/08. Activity focused on the production of the Draft Business Case (July 2007) and Order, the extensive public consultation exercise undertaken between July and October 2007, which included the public examination chaired by an independent examiner. This culminated in attaining the Executive Boards agreement to proceed in principle with the WPL scheme.

The costs for 2006/07 to 2007/08 were:

	2006/07	2007/08
Detailed scheme development	£0.014m	£0.277m
Project management and support	£0.013m	£0.270m
Legal support	£0.047m	£0.260m
Public consultation		£0.204m
Total	£0.074m	£1.011m

The funding for the continued development of the scheme was provided from the yearly LTP settlements, supported with a revenue reserve for the public consultation exercise.

7.2 Scheme Operations

7.2.1 Areas of focus

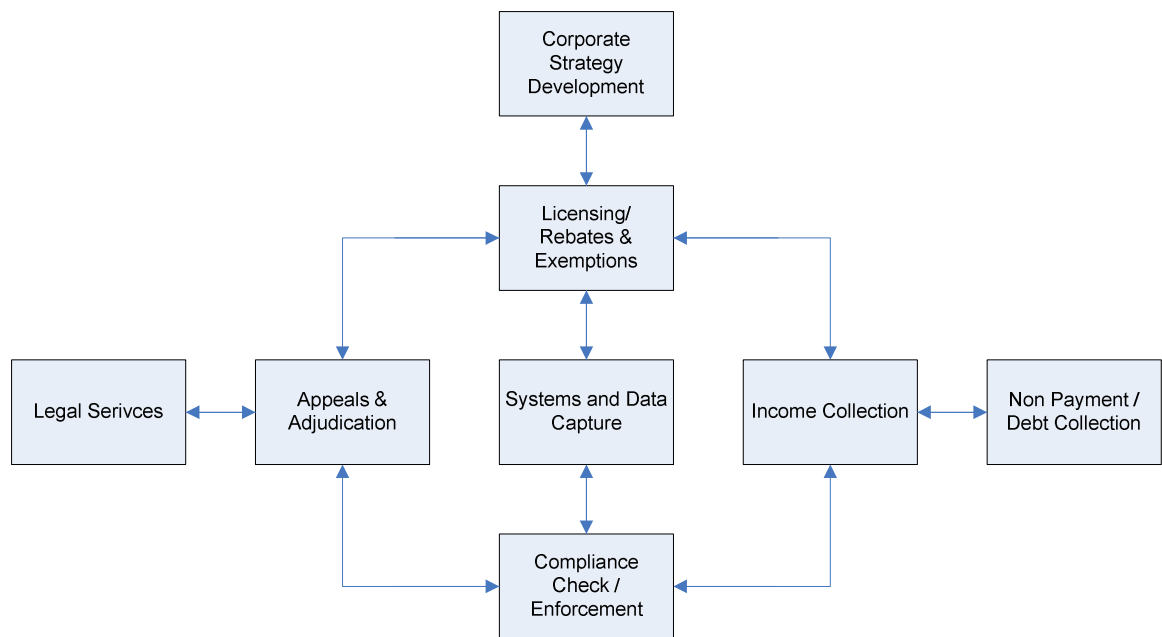
The scheme operations focus on three main areas:

- § Detailed development of the scheme operations and enforcement processes;
- § Monitoring and evaluation of the scheme; and
- § Stakeholder and communications management.

7.2.1.1 Scheme Operations and Enforcement detailed development

The operation of WPL schemes in the UK is new and there are only limited international precedents from which to draw comparative experience or benchmark data. However, similarities can be drawn from the operational processes within current licensing, parking and enforcement departments. The Council handles these functions internally and it will use best practice from these services to carry out internal WPL operations.

In order to cost the internal delivery under-pinning the operation of the WPL scheme, a detailed appreciation of the different key processes needs to be identified. A diagram overview of the planned strategic business process of the WPL scheme is shown below:



The business processes provide a framework that can be used to identify the set-up and operating costs of the WPL service.

A working group made up of all officers from within these workstreams has been set-up. Their main objectives will be to:

- § pool experience, knowledge and internal best practice to develop an detailed operational & enforcement model;
- § test outline operations and enforcement costs; and
- § progress the scheme to the next phase of implementation.

7.2.1.2 Monitoring and Evaluation

Monitoring and evaluation are an important part of the scheme delivery and implementation. As the first application of WPL in the UK, interest in the Nottingham scheme from key stakeholders, including the Department for Transport and other authorities, is likely to be high. Therefore, it is necessary that a comprehensive framework for measuring and monitoring the effects of the WPL scheme is developed and implemented. The proposals for monitoring and evaluation are outlined in further detail in section 9.

Whilst the general LTP monitoring framework provides a wide and rich data set that will provide the bulk of monitoring information for the impacts of WPL, supplementary data

will be necessary to address WPL specific targets and cover other key process and impact evaluation areas, including, for example, employer and employee attitudes to workplace parking. An outline Evaluation Resources Matrix has been developed that suggests external support may be required to address some issues that go beyond the promoter's need to address local accountability and demonstrate the performance of the WPL.

7.2.1.3 Stakeholder and communications management

Stakeholder communications is a critical part of managing the WPL Project. The two leading causes of project failure are insufficient involvement of stakeholders and infrequent communication with key stakeholders.

A Communications Management Strategy and a Stakeholder Engagement Strategy have been developed in parallel to support the implementation of the Workplace Parking Levy. Both strategies seek to ensure a good understanding of the WPL proposals amongst stakeholders in order to assist with scheme implementation and maximise compliance. To realise this objective, effective communications planning, together with robust stakeholder engagement, will be implemented.

The Strategies will seek:

- § To ensure that the appropriate stakeholders are kept informed regarding the status of the WPL Project, throughout the project's development;
- § To proactively manage the relationship of the WPL Project with all its stakeholders throughout the project lifecycle, including in further development of the scheme, and during implementation; and
- § To ensure that all enquiries and concerns raised by the stakeholders are recorded, reviewed and responded to in a timely and effective manner.

7.2.2 Implementation costs - 2008/09 to 2009/10

It is the intention of the Council to implement a fully operational scheme by the proposed start date of April 2010. These development and setup costs will be met from a City Council reserve created and earmarked for the purpose of funding the implementation of the WPL Scheme.

The indicative costs for continued development and setup costs for achieving this timeline are set out in the table below.

	2008/09	2009/10
Continued detailed scheme development	£0.470m	£0.430m
Operating resources and infrastructure	£0.030m	£0.125m
Project management and communications	£0.105m	£0.135m
Monitoring and evaluation	£0	£0.020m
Total	£0.605m	£0.710m

Continued detailed scheme development - Detailed operational and enforcement aspects of the scheme need to be finalized and processes developed, the establishment of agreed targets and monitoring requirements confirmed and preliminarily monitoring undertaken.

Operating resources and infrastructure - The necessary staffing resources to operate and enforce the scheme need to be identified, recruited and trained prior to the start date of April 2010. The supporting infrastructure including IT, accommodation and enforcement equipment need to be acquired.

Project management and communications - Project management resources are required to deliver the scheme by April 2010 and there will be a need for continued communications with key stakeholders, employers and the public to engage them in the development of the scheme and keep them informed of progress.

Monitoring and Evaluation - A comprehensive framework will need to be developed. In order to gather benchmark data, against which meaningful analysis of the scheme's impact can be drawn, it is anticipated that the framework will need to be in place approximately a year in advance of the proposed start date.

The required funding would deliver the necessary resources, infrastructure and supporting measures required for the scheme to be fully operational by April 2010. It is proposed that a report will be taken to the Council's Executive Board meeting in June 2008 to seek approval to allocate the necessary funding from the reserve created for the WPL scheme.

7.2.3 Annual Operations and Costs

Operational costs for the WPL scheme are estimated to be on average £0.6m per annum. An additional £0.1m has been allocated for each of the first 3 operating years to

help support the implementation of the scheme. The operations will be funded by the revenue generated by the WPL scheme itself.

The indicative costs for scheme operations and enforcement over the first three years are set out in the table below. It is proposed that there be a comprehensive review of the operations and associated costs after the first 3 years of the scheme's start date.

	2010/11	2011/12	2012/13
Operating and enforcement resources and infrastructure	£0.490m	£0.585m	£0.550m
Monitoring of the scheme	£0.040m	£0.040m	£0.040m
Stakeholder and communications Management	£0.025m	£0.025m	£0.025m
Total	£0.555m	£0.650m	£0.615m

Operation and enforcement – This will incorporate necessary staffing resources to operate and enforce the scheme, the supporting infrastructure including IT, accommodation and enforcement equipment required and legal support; it is envisaged that there will be a greater requirement for the legal support in years 2 and 3.

Monitoring of the scheme - The indicative evaluation budget is around £250,000 over the evaluation period of approximately 7 years. This is equivalent to approximately £40,000 per annum, although resource requirements may be more intense in the early years. The budget covers management of the evaluation, small annual allowances of £20,000 per annum for regular monitoring to supplement the existing LTP processes and an allowance of £100,000 in total for bespoke research over the evaluation period.

Stakeholder and Communications management – Ongoing communications with key stakeholders, employers and the public to keep them informed of the scheme.

7.3 WPL package

7.3.1 Four areas of the WPL package

The TA2000, which contains powers for local traffic authorities to introduce a WPL scheme, provides that a WPL scheme may only be made if it appears desirable for the purposes of directly or indirectly facilitating the achievement of the authority's transport policies.

As set out in Annex 2 of the proposed WPL Order, there are four priorities of the City Council's current LTP2 programme (and expected LTP3 programme) that have been identified as the 'WPL package' to receive funding assistance from the revenue generated by the WPL scheme. The WPL contribution will help secure and be an essential part of broadly sourced funding arrangements required to realise these priority projects. The four priorities of the WPL package are:

- § NET Phase Two;
- § 'Link' buses;
- § The 'Hub' Nottingham train station re-development; and
- § Employer assistance services.

While details of the first three priorities are provided earlier in section 3, further details of the Employer assistance services are provided below.

7.3.2 Employer assistance services

As part of the public consultation on the WPL the independent examiner recommended that the Council should take steps to alleviate the potential impact of the WPL scheme on employers and employees (see recommendations 6.1, 7.1, 7.2, 7.6, 9.2 in Ref 5: Examiner's Report). The Council readily accepts the examiner's recommendations as it has always been an integral part of the scheme's proposals that support and assistance will be made available to employers as they face the task of implementing and complying with the WPL scheme.

The support and assistance will cover all aspects of the scheme including licensing, payments, enforcement and appeals as well as providing advice and assistance on a range of complementary measures that are available to reduce employers' liability to the WPL by either reducing the number of liable spaces or by passing the charge onto their employees.

The following key areas set out how the Council will develop the necessary support and assistance to employers as part of the implementation of the scheme.

7.3.2.1 Business administration (in line with recommendation 9.2)

As illustrated in section 5.1, the WPL has been designed to minimise the administrative burden for employers to implement and comply with the scheme as well as to keep it simple, easily understood and not bureaucratic.

As part of the implementation and prior to the start of the scheme, support information will be made available to employers to inform them of their responsibilities and guide them step by step through the licensing process.

It is proposed that a forum representing business from the area will be created to allow them the opportunity to comment and input into the development of the scheme's operational and enforcement processes and procedures to ensure that the key principles are upheld. The forum will also be asked to review and comment on the support information and proposed use of the income from the scheme on the transport related initiatives.

7.3.2.2 Travel plans (in line with recommendation 6.1, 7.1, 7.2)

Travel plans are a package of measures designed to promote sustainable travel habits and reduce the number of single occupancy vehicle trips on the road. Workplace travel plans are often developed in response to organisational objectives to reduce car park management costs, improve the social and environmental corporate image of the organisation, whilst also improving the health and wellbeing of their staff and visitors.

Quality travel plans, and the services to develop them, would provide employers a better understanding of the travel needs of their employees that would inform better commuting solutions for all irrespective of car ownership. This also, in turn, reduces the requirement for on-site car parking and therefore associated WPL costs.

As part of the implementation and prior to the start of the scheme, advice and guidance will be made available to employers to help them develop company travel plans and parking policies which benefit employees. By working with Nottingham City Council and its partners, these organisations will be able to develop and implement a successful travel plan that will provide a number of economic, social and environmental benefits.

This support will be provided by increasing the resources of the Council's existing travel plan team prior to the introduction of the WPL to cater for an anticipated increase in demand for travel plan advice and assistance due to the introduction of the scheme. This will be further supported by an extension to the TransAct capital grant scheme which is available to assist companies to develop and implement travel plan schemes. It is hoped that this will be supplemented by employers sharing their understanding and experiences with others.

This would be integrated with a range of additional complementary measures and services that are currently available to employers to help them reduce their employees' dependencies on the car for commuting, including the following.

The Big Wheel Business Club - This website has been designed to offer practical advice, support and useful contacts for all organisations interested in developing their own travel plan. Information is available about how to reduce car park overheads and maintenance costs, improve their corporate image, reduce their carbon footprint or just make life easier and more attractive for employees and visitors. The Club also provides information on developing personalized journey planning, GIS mapping and public transport ticketing options and cycle training. There is also information on traffic and travel information, events and interactive mapping to support anyone contemplating changing their travel behaviour.

TransACT grant scheme - Coordinated by the City and County Council, TransACT is a fund available for organisations to assist in the development and implementation of a travel plan. Up to £30,000 is available for organisations to develop their own travel plan with support from an approved consultant and to fund measures identified in the travel plan.

Travel information - Nottingham City and Nottinghamshire County Councils offer a range of services and information for individuals to support their sustainable travel need, including personalised journey planning on the Trip Times website, cycling and walking maps for the conurbation and Park & Ride sites. There is also a great deal of information about public transport ticketing options that promote reliable and affordable travel to a range of popular destinations.

Transport Operators / Interest Groups - Nottingham City Transport, Trent Barton and NET Tram services all have helpful websites that detail the latest service improvements, ticketing options and journey planning services. In addition local cycling and walking users groups such as Pedals provide useful services by way of maps, user groups and feedback and discussion rooms where everyone from novice rider to experienced cyclist can discuss the best routes and latest improvements.

It is worth noting that there are currently over 35 approved travel plans covering over 50,000 Nottingham employees. It is clear from work undertaken in Nottingham and across the UK that travel plans have the potential to reduce a large number of private vehicles on the road, and therefore the requirement for them to be parked at work and the liability for any associated WPL charge.

7.3.2.3 Parking management (in line with recommendation 6.1)

One of the aims of the WPL is to encourage employers to effectively manage their car parks by introducing parking management policies, including introducing more equitable allocation of workplace parking spaces. This has the potential of reducing the number of car journeys to their site and therefore their liability to pay a WPL charge. It would also enable employers to consider the development potential and costs of the land used for parking.

Many employers within Nottingham already employ parking management policies on their sites which consider the demands of their business, employees and the wider social, economic and environmental aspects of the effects of congestion and the demand for travel to and from their sites.

Parking management solutions cover a wide range of options and the Council will develop relevant, user friendly advice and guidance documents on the processes and options that are available to assist employers in anticipation of WPL implementation. This information will need to be relevant to the different types and sizes of employers within Nottingham as well as offering information on the varied range of parking management solutions that are available.

It is anticipated that support information would be available on the following topics within the area of parking management:

- § User guide to parking management
- § Options analysis
- § Cost and benefits
- § Implementation
- § Financial and operational information
- § Parking space allocation criteria
- § Staff consultation
- § Management and enforcement
- § Case studies and FAQ's
- § Pilot studies

The support information will also include existing approaches to parking management which are already currently available from a wide range of sources but supplement this with specific issues faced by business in terms of the WPL, their likely reactions to the scheme and the outcomes which could be expected. Feedback will also be provided

from a number of early pilot studies with employers in setting up parking management strategies in advance of the implementation of WPL.

It is proposed that these documents will be reviewed with employers as part of their development, either at workshops or one-to-one meetings, to allow opportunities for employers to comment on their contents and work towards ensuring that they are relevant and beneficial to employers.

7.3.2.4 Salary sacrifice

The proposal to use a salary sacrifice scheme as a means for employers to reduce the cost of the WPL for both their employees and themselves was raised during public consultation.

Employers are increasingly turning to the use of salary sacrifice to enhance the benefits available to their employees whilst making savings of National Insurance (NIC) for themselves. Under salary sacrifice the employee sacrifices an agreed level of cash remuneration in return for a tax and/or NIC efficient benefit. Successful salary sacrifice schemes are already in place within Nottingham for schemes such as childcare vouchers, cycle purchase and bus season tickets.

Car parking provided by an employer is a tax-free and NIC-free benefit if parking is provided at or near the place of work. If a salary sacrifice arrangement were feasible, the employer would provide car parking to the employee, who in turn sacrifices an amount from their gross salary in exchange for the benefit. This would generate tax and NIC savings for the employee, and Class 1 NIC savings for the employer, which could be used to reduce the impact of the proposed levy charge.

A salary sacrifice arrangement is also expected to mean that the Levy charge would be free of VAT for the employee. Advice has been sought on the application of VAT on the Levy and it is understood that the Council's charge to employers will not be subject to VAT, however VAT will be applicable if employers pass the Levy onto employees, unless a salary sacrifice arrangement is applied. However, the VAT position, if employers pass the WPL charge Levy on to employees, is still subject to confirmation by HM Revenue & Customs.

Individual employers would need to discuss with the tax authority (HMRC) how a salary sacrifice arrangement might be tailored to suit their individual needs, with the potential for a variety of savings based on the specific decisions made by each employer.

Key Principle of the WPL scheme – Direct support and assistance will be provided to employers to minimise the burden of complying with the WPL scheme and the charge itself.

7.3.3 Displaced Parking

Examiner’s recommendation 6.2 stated that the Council should not proceed with a WPL scheme unless, and until the most likely locations for displaced parking have been identified, contingency plans are in place, and that an assured level of resources for implementing any necessary parking control measures were allocated.

It has always been the intention that if a decision to proceed with the WPL scheme were taken then the issue of displaced parking caused by the WPL scheme would be proactively addressed.

Initial mapping of workplace parking locations, on a ward by ward basis, has been undertaken. This analysis will be enhanced to identify potential areas where the WPL scheme could cause disruption in residential areas from displaced parking if the charge is passed on by employers and some employees then choose to park on the public highway adjacent to residential properties. Area based solutions will then be drawn up that take into account existing issues and enforcement and detail the course of action should the displacement occur once the scheme is implemented.

The City Council Parking policy would also be reviewed and updated in order to provide a clear strategy for dealing with any WPL impacts across the City and also make available a range of solutions to ensure that the most appropriate control measure for each affected site is available.

This activity will be carried out prior to the introduction of a WPL scheme by an increase in resources to the Council’s existing Traffic Management team so that the Council is fully prepared to monitor and respond to any issues arising once the scheme is implemented.

Key Principle of the WPL scheme – Actions will be taken to address any displaced parking problems caused by the WPL scheme.

7.3.4 Implementation costs - 2008/09 to 2009/10

Budget allocations for the development of the main transport infrastructure projects within the ‘WPL package’ are already available but the Employer assistance services will required implementation funding. This will be met from a City Council reserve created and earmarked for the purpose of funding the implementation of the WPL Scheme.

	2008/09	2009/10
Employer assistance services	£0.070m	£0.443m

Employer assistance and supporting initiatives – these resources are required to provide advice and assistance for employers to minimize the potential administrative burden of implementing and complying with the scheme and supporting initiatives such as travel planning and parking management, are needed to enable employers to consider reducing their liability to the charge by reducing the number of liable parking spaces. Additional traffic management resources are required to prepare for the introduction of the WPL by establishing a detailed list of potential problem sites and identifying, in consultation with the local community, suitable measures to deal with displaced parking in these areas should it arise through the implementation of the WPL.

The funding requirement will also form part of the report, mentioned in section 7.2.2, which will be taken to the Council’s Executive Board meeting in June 2008 to seek approval to allocate the necessary funding from the reserve created for the WPL scheme.

7.3.5 Expenditure on WPL package

The estimated expenditure requirements for the WPL revenue are provided below. These figures are the indicative amounts that have been identified at present and are subject to change, further detail is provided below the table.

Expected WPL expenditure:

Project:	Total estimated cost:	Expected WPL contribution:	Other funding sources:	Project Delivery date:
NET Phase Two	£400m	£67m	£300m Government funding £33m Local Contribution	2013
The Hub	£65m	£10m	£55m	2012
Link Buses (Current Network and further development)	£2.7m pa	Up to £2.7m pa	Other potential funding sources to be identified	2010 and onwards
Business assistance and displaced parking	£0.6m pa	£0.6m pa	N/A	2010 - reviewed after 3 years

NET Phase Two - The WPL financial contribution to NET Phase Two will be paid over the PFI contract period.

The City Council is looking at funding the local contribution primarily through the WPL, with other sources including:

- § Use of reserves and assets;

- § Contributions from local developers;
- § Local authority business growth incentive funds;
- § Prudential borrowing; and
- § Potential future changes to the business rates system.

The County Council will consider a similar mix of funding together with revenue from its revenue support grant and council tax.

The Hub (Nottingham Station) - The Workplace Parking Levy financial contribution to The Hub will be funded by borrowing from expected future revenue.

The additional potential funding sources for The Hub, include:

- § Network Rail
- § East Midlands trains
- § EMDA
- § Railway heritage trust, and
- § City and County councils' contributions

Link Buses (Current Network and further development)- To secure the existing Link Bus Network, it is estimated that £1.8m per annum will be required to replace the existing fragile and time-limited funding sources. It is estimated that a further £0.9m per annum will be needed to further develop the Link Bus Network which will be particularly aimed at improving access to industrial areas. The WPL will contribute towards maintaining and developing of the Link Bus Network together with other funding sources that are yet to be confirmed, but which are expected to include Local Transport Plan (LTP) funding and other stakeholder contributions.

Business assistance and displaced parking - The funding from WPL will be used to deliver a range of services to assist businesses to implement and comply with the scheme, and to negate any adverse impacts of the scheme; these include:

- § Travel planning and Parking management advice and assistance; and
- § The necessary measures to address any displaced parking issues caused by the WPL scheme that may arise.

8 Impacts

8.1 Impacts on the people of Nottingham

The following table shows how WPL will affect the people of Nottingham:

Description	Impact
Nottingham City and Greater Nottingham residents – using public transport to get to work or for other purposes.	<ul style="list-style-type: none"> • No paperwork required, no charge; • Improved public transport infrastructure, services and travel choices; • Integrated travel options; and • Reduced growth in congestion resulting in more reliable public transport services.
Nottingham City and Greater Nottingham residents – Walking or cycling to work or for other purposes.	<ul style="list-style-type: none"> • No paperwork required, no charge; and • Reduced growth in congestion, resulting in less pollution, quieter roads; and • Population becomes healthier, take fewer sick days and reduce burden on health services.
Nottingham City and Greater Nottingham residents – using their own car to drive to a car park at work in the Nottingham City administrative area.	<ul style="list-style-type: none"> • No paperwork required; • Improved public transport infrastructure, services and travel choices; • Organisation may pass on a charge for using their car park; and • Reduced growth in congestion resulting in more reliable journeys.

Description	Impact
<p>Nottingham City and Greater Nottingham residents – using their own car to drive to a car park at work not in the Nottingham City administrative area.</p>	<ul style="list-style-type: none"> • No paperwork required; • Improved public transport infrastructure and travel choices; • Reduced growth in congestion resulting in more reliable journeys; and • No other change.
<p>Nottingham City and Greater Nottingham residents – using their own car to drive to a public car park or on-street space in the City for work or other purposes.</p>	<ul style="list-style-type: none"> • No paperwork required; • Improved public transport infrastructure and travel choices; • Reduced growth in congestion resulting in more reliable journeys; and • No other change.

8.2 Impact on the organisations of Nottingham

The following table shows how WPL will affect the organisations of Nottingham:

Description	Impact
<p>Organisations located within the Nottingham City administrative area with 10 or less liable parking spaces</p>	<ul style="list-style-type: none"> • Licence application form to be completed annually; • Improved public transport, making it easier for employees to travel to work; • Enhanced support to develop workplace travel plans and parking management strategies, including the potential for grant funding; • Permit enforcement officers access to parking areas to carry out inspections; and • Reduced growth in congestion resulting in more reliable journeys for employees and deliveries.

Description	Impact
Organisations located within the Nottingham City administrative area with more than 10 liable parking spaces	<ul style="list-style-type: none"> • Licence application form to be completed annually; • Payment to NCC of the correct licence fee; • Permit enforcement officers access to carry out inspections; • Decide whether to pass the whole or part of the levy on to employees (if the decision is to pass the levy on, then there is likely to be a small administrative overhead, for example with payroll management); • Improved public transport, making it easier for employees to travel to work and providing access to a larger pool of employees; • Enhanced support to develop workplace travel plans and parking management strategies, including the potential for grant funding; and • Reduced growth in congestion resulting in more reliable journeys for employees and deliveries.
Organisations located outside the Nottingham City administrative area but within Greater Nottingham	<ul style="list-style-type: none"> • Improved public transport, making it easier for employees to travel to work; • Enhanced support to develop workplace travel plans and parking management strategies, including the potential for grant funding; and • Reduced growth in congestion resulting in more reliable journeys for employees and deliveries.

Introduction of a specific discount for commuter plan activities is not put forward as NCC's preferred option due to:

- § a desire to keep the scheme simple;
- § to maximise the direct impacts of the WPL; and
- § to minimise complex administrative assessment and verification procedures which might be capable of challenge.

The additional public transport provision and congestion relief brought about by the WPL package will also provide practical benefits to employers, including improving travel conditions and options for employees on company business and for service and delivery vehicles. Improved accessibility will also benefit organisations through access to a larger potential workforce and in retail and leisure businesses to a larger potential market. In economic terms the package of transport measures introduced by the WPL will deliver benefits to business that outweigh the cost of the WPL charges themselves (see below).

8.3 Wider Social Impacts

The performance of the WPL in economic and wider terms has been considered using the DfT's *New Approach To Appraisal* (NATA) framework and with reference to the key Shared Priorities of central and local government of reducing congestion and improving air quality, accessibility and road safety.

National legislation requires the proceeds from any Workplace Parking Levy scheme to be spent on measures supporting local transport planning objectives. Therefore, the appraisal of the charging for workplace parking has been considered within the wider package of WPL funded schemes and initiatives.

In addition to the national objectives, the WPL, via direct and indirect or secondary impacts delivered by the wider package, supports local and regional objectives, including enhancing sustainable accessibility to Nottingham City Centre and the district centres and promoting travel behaviour change throughout Greater Nottingham through better management and prioritisation of commuter parking and further development of workplace travel plans.

Direct transport impacts will arise where employee travel behaviour is altered directly by the imposition of the WPL charge. It has been concluded that there would be a positive but only modest impact on modal shift. This is 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 (business surveys indicate that this is likely to initially be in the region of 50%); and
- § 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 motoring

costs if one perceives fuel costs, other consumables and overheads at the time of travel.

However, additional direct positive impacts on travel behaviour and modal shift will arise from the parallel introduction of complementary measures by companies, including positively managing staff parking provision and actively promoting alternative options to the car through workplace travel plans and similar 'smarter choices' initiatives. These measures will be supported by the City Council, including provision of additional staff resources and financial assistance companies.

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, including 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. 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; and
- § the aggregate transport economic benefits of improved travel conditions both on the public transport network, arising from NET Phase Two and additional bus services, and on the highway network through increased modal shift and congestion relief, 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.

The WPL and package of supporting measures will enhance transport provision within Greater Nottingham. Specific impacts include the following:

- § Benefits to public transport and park and ride users will arise from improved public transport, with enhanced services providing Nottingham with a significant increase in the capacity of the transport network to sustain and enhance economic growth. The WPL package will contribute to a growth in public transport journeys into the city centre of 20% over the period from 2006 to 2021. The provision of enhanced park and ride facilities will expand usage by 45%, building on the significant growth already achieved by the extensive P&R facilities provided by NET Line One. By 2021 around 5.5 million park and ride journeys are expected to be made via the network of park and ride sites serving the City, including sites located on most of the key radial routes into Nottingham, including all three strategic accesses from the M1.

§ Benefits to road users will occur through reduced growth in congestion and improvements to road journey times as a result of travellers shifting to the enhanced public transport facilities. Increased use of public transport, transfers to park and ride and other travel behaviour changes resulting from the WPL package will remove 2.5 million vehicles travelling to or from locations within the City of Nottingham administrative boundary in 2015, increasing to 2.8m by 2021. The impact of the WPL will also constrain growth in both the demand for car travel and traffic flows elsewhere in the conurbation, but particularly on routes into the city centre and in the approaches to the city from the south west. For example, the WPL package is expected to broadly halve the forecast increase in car journeys to city centre destinations from 15% between 2006 and 2021 to 8%. Growth in traffic flows on key radial routes outside the Ring Road in the south west sector of the city (measured using vehicle kilometres) is expected to be constrained to only 1% over this 15 year period. These routes are key to maintaining the connectivity of Nottingham to its key national and regional markets via the M1 motorway and were specifically identified as suffering from recurrent delays in the recent EMDA report on the Economic Costs of Congestion in the East Midlands.

8.4 New Approach to Appraisal (NATA): Performance of the WPL Package

The principal impacts of WPL package, including NET Phase Two, continued 'Link' bus support and expansion, the Nottingham Hub proposals improving the quality of Nottingham Station and workplace travel plan and parking management support, are summarised in the following table:

NATA	Objective/	Key Impact
sub-objective		
Social	&	<p>The WPL package will encourage changes in travel behaviour expected to constrain the growth in travel by car, which in turn will generate modest environmental benefits compared to 'business as usual'.</p> <p>The development and operation of NET Phase Two and increases in bus service provision could lead to some adverse impacts in relation to biodiversity, townscape character and noise, although opportunities exist for mitigation.</p>
Environment		
Safety		<p>Safety benefits are expected to be delivered by the WPL due to reduced numbers of vehicle, pedestrian and cyclist accidents arising from reduced growth in traffic flows.</p> <p>Transport security benefits are expected due to increased standards of provision, both on-vehicles and at bus/tram stops , with investment</p>

NATA Objective/ Key Impact	
sub-objective	
	designed to enhance performance against the LTP Target L16 (perception of safety when using public transport).
Transport Economic Efficiency	<p>Significant monetised transport benefits will arise, generated through a combination of road user benefits resulting from direct impacts of the WPL on travel behaviour and the secondary impacts of improved public transport service levels and accessibility to businesses, housing and local facilities.</p> <p>NET Phase Two will also significantly improve journey and contribute to improvements in road user reliability by reducing traffic growth and congestion, all of which will be beneficial to business.</p>
Regeneration/ Development	<p>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, both in the city centre and district centres. However, there is a risk that for some employers the benefits of improved transport provision will be insufficient to offset the costs of the WPL and so could become a deciding factor in persuading some business to relocate from the city.</p> <p>Key support is offered by NET and the Nottingham Hub to the Southside and Eastside regeneration areas and by the 'Link' bus network to out-of-centre employment sites through the long-term provision of enhanced accessibility.</p> <p>Long-term commitment to enhanced public transport services is expected to develop confidence for developers, landowners and tenants and increase workforce availability, particularly for those in non-central locations.</p>
Accessibility	Improvements in accessibility will be facilitated by NET Phase Two and the 'Link' bus network through the creation of new links between communities and key destinations, including access to principal health and educational facilities, providing high quality alternative options for road users and, for some user groups by significantly improving the ease of access to public transport services.
Integration	The WPL will increase the consideration of alternative modes by commuters directly through the WPL charge and through workplace travel plan and parking management initiatives. The supporting package will foster further integration, particularly park and ride where NET Phase Two and 'Link' buses offer both radial and orbital movements to key central area and a number of non-central destinations such as the University of Nottingham and the important

NATA sub-objective	Objective/ Key Impact
	<p>Queens Medical Centre (QMC). NET Phase Two will also provide through services onto Line One and interchanges with rail, local bus and the road network. A direct link between Nottingham station and the QMC will be created improving longer-distance access to this key regional health facility.</p> <p>By increasing efficiency of the public transport network, NET Phase Two provides an opportunity to release central area bus stop capacity to facilitate environmental improvements in the city and/or improvements to bus frequencies in other corridors.</p>
Policy Integration	<p>WPL and the associated package of transport improvements, notably NET Phase Two and the Nottingham Hub, are fully integrated with current regional and local land use planning and other policies, particularly in support of the Regional Spatial Strategy, in maintaining sustainable access to the city centre and district centres and in supporting development proposals linked to key public transport facilities. The 'Link' bus network supports current policy by enhancing park and ride and providing linkages to key out-of-centre employment areas, education sites and health facilities.</p>

An assessment of the Value for Money of the key elements of the WPL package has been based on consideration of the quantified social economic cost: benefit analysis and performance against the wider NATA appraisal elements. With a monetised benefit to cost ratio of 2.7 using a 20% 'optimism bias' premium, the WPL package can be placed firmly in the High Value for Money category used by Government in considering transport investment proposals; the Value for Money assessment considers schemes with benefit to cost ratios above 2.0 as offering High Value for Money. The additional non-monetised benefits of the proposals, in terms of wider economic benefits and improved accessibility and integration, as summarised above, further strengthens and confirms the placement of the package in the High Value for Money category. Further details of the Value for Money assessment were included in Appendix G of the WPL Draft Business Case July 2007.

8.5 Business impacts

According to the CBI, congestion is estimated to cost the UK economy as much as £20 billion per year in resources and lost time. The recent EMDA report estimated on the basis of the available data, that congestion costs the East Midlands economy around £930 million per annum, of which, £540m (58%) falls to businesses. On the local road network in Nottingham the direct annual economic cost of delay is estimated at £160m.

The EMDA report recognises that there had been some success in Greater Nottingham in controlling the growth of congestion in the conurbation, but there is a danger that further growth in population and employment will, if unchecked, result in additional growth in congestion, which will in itself deter new investment in the city.

Transport improvements are recognised by businesses as vital for long term economic success to be achieved. Indeed in the European Cities Monitor 2004 the question was asked as 'how current business locations can be improved'. The top two suggestions were improved public transport (36% of businesses) and improved traffic circulation (32% of businesses). Businesses will directly benefit from the WPL package of transport improvements and the associated reductions in the growth in congestion.

Business will also benefit from improved accessibility. The WPL package will provide access to a larger pool of employees, thus increasing the recruitment capability and skill set of an organisation's workforce. The WPL package will make it easier for employees to travel to work, thus contributing to staff retention, as well as improving access to markets and supply chains, hence supporting business competitiveness. NET Phase Two will serve a sizeable portion of Nottingham's workplaces. Based on a 2004 survey of employers in the City, NET Phase Two will provide access to about 1270 workplaces (located partly or entirely within 800metres of the proposed tram stops), to which about 45,000 employees commute.

Furthermore, through Centre for Economics and Business Research (cebr) modelling, the accessibility and employment impacts of NET Phase Two alone have been estimated to result in an increase of 11,800 jobs in 2021 (Ref 6: Additional Inquiry note to Evidence of Dominic Walley, Employment Impact NET Enquiry Main Proof NET.P4/A, 2007). Although the cebr model was not designed to include the impacts of WPL together with NET Phase Two, the model can give some indication of the range of these impacts by modelling an additional cost for either business (where the WPL charge is absorbed) or car commuters (who would pay the charge where this is passed on). The result is that in the worst case scenario, it is estimated that the impact of NET Phase Two could be reduced to 4,100 new jobs and in the best case scenario to 10,000 new jobs; either way this represents a significant increase in the number of new jobs in 2021 resulting from the WPL package.

The WPL package will also support and further the development of Nottingham's sustainable economic vitality, which will in turn increase Nottingham's standing and reputation throughout the region as a serious option for long-term investment creating an environment of prosperity and stability for all. Businesses will therefore stand to

benefit from the future prosperity and stability of the 'Nottingham Offer' brought about from the infrastructure improvements that the WPL package will deliver.

The WPL package will encourage businesses to consider the extent of parking they provide. Evidence from similar schemes in Australia suggests that this will lead to a reduction in spaces provided with surplus land then being used for a more economically productive purpose. Such change of use from staff car parking to valuable development land has occurred in Nottingham, albeit on a small scale with Trent University redeveloping land at its city centre campus.

The WPL package will also encourage sustainable and environmental travel planning. Travel plan support is already provided by Nottingham City Council, including provision of additional staff resources and financial assistance under the TransACT grant scheme for the managing of staff travel plans (including car park management) and actively promoting alternative options to the car through company travel plans and similar initiatives. A further range of support would be available to businesses under the WPL Scheme to help ensure compliance with the scheme. As outlined in section 7.3.2 above, advice would be provided on parking management strategies and commuter planning options, which would assist businesses in reducing their WPL charge by reducing the use of the car parking spaces they provide.

In 2004/05, PricewaterhouseCoopers LLP (PwC), commissioned by Nottingham City Council (NCC), undertook a study of the potential economic impact of the WPL proposals. The study findings were included in appendix L of the WPL Draft Business Case July 2007 which was made available for consultation.

Subsequently, and as a result of further scheme development, PwC was further commissioned by NCC in July 2007 (Ref 7: PwC Economic Impact Report Addendum, 2007) to review the findings from earlier work and provide an 'addendum' report. This review focused on two key areas:

- § examining the potential effects of the changes to the scheme design for the findings from the previous analysis, and
- § considering the significance of changes in local and national attitudes which may affect employers' perception of, and response to, the WPL.

The key finding of the original 2004/05 study was that, whilst the financial impact of the WPL was not significant - at £150 per liable space, its cost would be less than 0.5% of turnover for the vast majority of eligible employers - there was a lack of awareness of the WPL scheme and how it would work and some scepticism about whether the cost of the Levy to a liable organisation would be more than offset by the improvements in

transport that would accrue from the use of the resulting revenues. In addition, the study found:

- § parking is used by a diverse group of employees and is regarded as an important employee 'benefit';
- § employers are likely to split the cost of the WPL between themselves and their employees: at least a third expected to pass some of the cost of the WPL on and over half expected to pass on 75-100% of the WPL;
- § employers are less likely to pass the cost of the Levy on to their customers: only 20% thought they might do this;
- § introducing a WPL would be likely to result in a significant number of Nottingham's liable organisations developing parking management strategies and workplace travel plans;
- § employers generally expected that the WPL would increase the difficulties they face in doing business in Nottingham and that it would be likely to increase the costs they face in terms of administration and, potentially higher wages; and
- § many employers suggested that traffic congestion does not currently have a significant detrimental effect on their business.

Care, however, is needed in interpreting the results from the PwC survey. Respondents were generally confused about the WPL and there was limited understanding of the potential benefits arising from the WPL package. This is likely to have biased their responses which is why PwC concluded that the WPL is unlikely to have a significant adverse effect on indigenous employers' investment and location decisions. Part of the justification for this conclusion is that 71% of liable organisations reported they would not reduce planned recruitment, 50% reported that they would reduce investment and 46% reported that they would not relocate some activities away from the City.

In terms of the impact on mobile investment, the qualitative analysis suggested that the WPL could be expected to adversely affect Nottingham's attractiveness to cost sensitive high-tech manufacturing and service sectors unless it could be shown that the improvements in transport brought about and enabled by the WPL would more than offset the direct costs of the WPL.

The subsequent 2007 addendum report considered the extent to which the findings from the original study remain valid in the light of the updated proposal for the WPL and broader changes in the policy and business environment.

The review highlighted several revisions to the scheme design which would serve to increase the financial cost of the Levy to employers although the analysis indicates (see table below that demonstrated the estimated cost of WPL in terms of % of turnover) that for the vast majority of employers, the Levy will remain a small proportion of their costs. Changes to the administrative scope and requirements of the WPL, will also increase the administrative burden on employers. However, additional support will be provided for employers during the introduction of the WPL scheme by offering guidance on parking management strategies and through increased support for workplace travel plan that may ultimately reduce the overall cost of the WPL for employers.

WPL as % of turnover	£150 Levy in 2005		£185 Levy in 2010		£350 Levy in 2014	
	Frequency	%	Frequency	%	Frequency	%
Greater than 1	3	4.5	3	4.5	4	6.1
0.5 to 0.99	1	1.5	2	3.0	8	12.1
0.1 to 0.49	23	34.8	28	42.4	34	51.5
0.05 to 0.099	20	30.3	16	24.2	8	12.1
0.01 to 0.049	15	22.7	14	21.2	11	16.7
Less than 0.01	4	6.1	3	4.5	1	1.5
Total	66	100.0	66	100.0	66	100.0

Source: PwC analysis 2007

There have been wider changes in the business and policy environment nationally and locally which could potentially affect employers' attitude towards the WPL. The review of the available evidence suggests that, if anything, recent changes are likely to mean that employers will have a more benign attitude towards the WPL, especially if it can be demonstrated that they will benefit from the public transport improvements that will be funded by the WPL.

Concerns have been raised that businesses on the fringes of the City who consider that they do not experience congestion and have no reasonable passenger transport services may choose to relocate outside the City boundary. The City Council do not however consider this to be likely as overall the financial impacts on most affected businesses is only a small percentage of turnover and it is not realistic to state that congestion is only an issue in the City Centre and falls away as you leave the City boundary. Severe

congestion occurs on the many of the key radial and orbital routes in Greater Nottingham and in particular on the approaches to the Ring Roads, many routes of which are located outside the City boundary (but in the built-up areas administered by the County Council). Furthermore, the Link bus network has been developed, and will be enhanced further, to provide enhanced access to principal out-of-town employment sites.

Since WPL was first proposed business representative organisations like the Chamber of Commerce and, through their surveys, their members have been opposed to WPL although locally generally supportive of the need for pricing mechanisms. In line with the PricewaterhouseCoopers findings it could be that businesses have been uncertain about the WPL and have limited understanding of the potential benefits arising from the WPL package. This opposition may also have been fuelled by uncertainty about:

- § the proposed level of the levy over time;
- § how it would work;
- § the size of the companies liable to be charged;
- § whether the cost to a liable organisation would be more than offset by the improvements in transport; and
- § whether the cost would be hypothecated.

8.6 Equality Impact Assessment (EqIA)

An initial EqIA has been undertaken on the proposal to introduce a Workplace Parking Levy in the City of Nottingham. This reviews the potential impacts of the scheme on the target groups defined by the City Council's Equality and Diversity Policy.

The EqIA has focussed on investigating the direct impacts of the WPL on relevant target groups as the indirect impacts of the WPL scheme (WPL Package) have undergone separate EqIA's as part of their own scheme development and are not considered in the following section.

As the WPL scheme is the first of its type within the UK, and the impacts of the scheme are heavily dependant upon whether or not an employer decides to pass the charge onto their employees, it is difficult to provide any detailed information on the scale of the impacts of the WPL on the target groups prior to the implementation of the scheme. Therefore this initial EqIA has used existing studies and research on similar transport related schemes and the results of the public consultation exercise.

Using existing available knowledge and research, it was concluded that the WPL was broadly supportive of equalities and diversity objectives and would have relatively minor impacts for the majority of the target groups.

However, the recent WPL public consultation exercise has drawn responses from those who are concerned about equalities matters, including representatives from groups who consider themselves to be adversely affected. The issues raised included:

- § impacts on low paid and shift workers;
- § impacts on those with childcare and other caring responsibilities; and
- § impacts on people who are less mobile although not formally disabled.

These impacts are difficult to quantify prior to the schemes implementation for the reasons already mentioned in this section. The adverse impact of the Levy may however be offset by the provision of improved public transport, company travel plans and other measures.

The most effective measures to mitigate the schemes impact on these target groups lies predominantly with the employers who have access to more detailed knowledge of the characteristics and circumstances of their workforce. The City Council will be providing advice and assistance to employers on travel plans and parking management policies as part implementation of the scheme (see section 7.3.2). This support has the potential to be tailored to meet specific circumstances and could allow for any perceived inequity to be addressed.

To further strengthen this initial assessment, identified in the EqIA's action plan, further investigative work will draw comparisons between similar national and international schemes and additional consultation will be undertaken with the relevant target groups prior to the schemes implementation. Following the commencement of the scheme, further efforts will be taken to assess the actual reaction of employers to the scheme and identify any appropriate mitigation action that will be required to reduce any disproportionate impacts on the target groups.

9 Performance Indicators and Monitors

As part of the current Local Transport Plan (LTP2) process, the Department for Transport has set 17 key national indicators and targets against which local authorities must show progress. The mandatory indicators are supplemented by a further 17 local indicators set by the Greater Nottingham authorities.

Although the implementation of the WPL is not programmed to take place until the end of the current LTP period it is expected that targeting congestion and increasing public transport usage will remain as key objectives of the next LTP round starting in 2011. Therefore, following implementation of WPL it can be assumed that a similar range of targets will be applicable to those of the current LTP round.

The WPL will be expected to support, directly or indirectly, a number of the key LTP2 indicators and targets set out in Section 3.2.4, including local public transport patronage, peak period traffic flows and congestion indicators.

A draft set of WPL specific targets and indicators have been identified against which the performance of the WPL itself can be measured; the wider impacts being considered through the established LTP2 performance indicators. These WPL measures comprise of two types; delivery of the WPL and its impacts on workplace parking and financial support to the wider WPL package:

- § Implementation and delivery costs – expected implementation and on-going delivery costs;
- § Revenues – target to provide funding streams sufficient for NET and the wider WPL package. It is possible that if the Levy encourages behavioural change and the number of WPL liable spaces is reduced, target revenues would not be met. Such a change in behaviour could be balanced by lower congestion and higher public transport usage as reflected in existing LTP targets;
- § Numbers of workplace parking spaces – pointing towards progress in reducing employee reliance on the car with reduced provision and use being an objective of the WPL as one of a number of ways of encouraging behavioural change;
- § Workplace parking management schemes – closely linked to Travel Plan provision as set as local LTP target, but focusing on the number of companies or employees covered by workplace parking management schemes, again reflecting progress in reducing employee reliance on the car.

Firmer WPL specific targets and indicators will need to be drafted in due course, informed by the requirements for target setting for the next LTP round starting in 2011.

As noted in section 7.2.1.2 monitoring and evaluation are an important part of the scheme delivery and implementation. A draft evaluation framework has been developed that considers the objectives of the WPL evaluation, key stakeholders, reporting and dissemination approaches and impact and process evaluation elements, including identifying principal pre- and post-implementation data requirements.

Key Principle of the WPL scheme – The effects of the WPL scheme will be measured and monitored, with feedback on the development and implementation of the scheme disseminated locally and to central and local government.

10 Options Analysis

The City Council have considered alternative options to the implementation of WPL against the Success Criteria (see section 3.4) which reflect the Council's economic and transport objectives.

When considering the potential 'do something' options, they fall into two different categories; alternative demand management measure, namely road user charging, and a range of alternative funding sources that do not have a direct impact on congestion. The Council does not consider that these provide a viable alternative to a WPL scheme, for the reasons set out below.

10.1 Alternative Forms of Congestion Charging

The Council commissioned a report by Integrated Transport Planning (Ref 8: Strategic Comparison of Options for Nottingham - Road User Charging and Workplace Parking Levy, 2007) to present a strategic comparison of RUC and WPL. This was undertaken in the particular context of complementing and financially supporting NET Phase Two, to which the Council is already committed.

RUC and WPL are measures that work in very different ways, and therefore have different strengths and weaknesses. Their impacts are inherently tied in with the package of measures within which they are implemented. Importantly, they are not exclusive alternatives - a commitment to introduce a WPL scheme would not exclude the possibility of replacing it at a later stage with an RUC scheme if the case can be made for such a scheme. It should also be noted that any work undertaken, when a WPL scheme is initiated, by businesses to implement travel plans (see section 7.3.2.2) and closely manage workplace parking (see section 7.3.2.3) would continue to provide benefits despite a change in circumstances.

In general, WPL is a weaker demand management measure (in terms of direct traffic and congestion reduction impacts) but in the Nottingham context it can generate modest levels of funding for other transport improvements (e.g. NET Phase Two, bus service improvements Nottingham Station improvements and smarter choices measures), which can have a significant indirect traffic and congestion reduction impact by attracting more people to non-car modes of travel. A WPL scheme can be implemented relatively quickly and, with low start-up costs and low technological risk, it is easier to get a return on investment. Furthermore, it is a relatively efficient way to collect funds for transport investment. It is considered that it may be easier to achieve a reasonable level of public acceptability with WPL than with RUC.

RUC is a stronger demand management measure (in terms of direct traffic and congestion reduction impacts), and is therefore more appropriate where the case has been made that weaker demand management interventions and other transport improvements can not adequately address a congestion problem. Viable RUC schemes will tend to raise greater sums of money for transport investment than comparable WPL schemes, which means that their indirect effects on traffic and congestion levels can also be greater than with WPL. However, implementation of an RUC scheme requires much greater up-front investment (with associated financial risk), has higher operating costs and poorer revenue collection efficiency than a WPL scheme. Achievement of an adequate level of public acceptance for an RUC scheme would also require more work than for a WPL scheme.

Implementation of an RUC scheme in Nottingham would require a significantly longer timeframe than a WPL scheme. This is an important consideration in the Nottingham context, given the need for early generation of a revenue stream to part fund NET Phase Two.

The strengths and weaknesses of RUC and WPL options against the defined assessment criteria are summarised in the table below:

Criteria	Workplace Parking Levy	Road User Charging
<ul style="list-style-type: none"> • Direct impact on congestion through charging, particularly at peak times • Indirect impact on congestion through use of funds raised through charging, particularly at peak times. 	<ul style="list-style-type: none"> • Low direct impact on traffic and congestion levels • Medium indirect impact on traffic and congestion levels through proposed package of measures to be part-funded by WPL revenue 	<ul style="list-style-type: none"> • Potentially high direct impact on traffic and congestion levels (depending on scheme form and charge levels) • Potentially high indirect impact on traffic and congestion levels (depending on enhanced package of measures using extra funding generated by RUC)
<ul style="list-style-type: none"> • Flexibility in the treatment of different circumstances 	<ul style="list-style-type: none"> • Good flexibility 	<ul style="list-style-type: none"> • Good flexibility
<ul style="list-style-type: none"> • Level of technological risk 	<ul style="list-style-type: none"> • Very low 	<ul style="list-style-type: none"> • Low – medium
<ul style="list-style-type: none"> • Road building and traffic management requirements 	<ul style="list-style-type: none"> • No road building requirements • Low traffic management requirements 	<ul style="list-style-type: none"> • No road building requirements • Low – medium traffic management requirements (depending on scheme form)
<ul style="list-style-type: none"> • Initial investment required • Revenue collection efficiency (cost of collection as a % of revenue collected) 	<ul style="list-style-type: none"> • Low initial investment • Low operating cost and good revenue collection efficiency 	<ul style="list-style-type: none"> • High initial investment • Medium operating cost and modest revenue collection efficiency (depending on scheme form)
<ul style="list-style-type: none"> • Implementation timescale required 	<ul style="list-style-type: none"> • Short implementation timescale (2010 achievable) 	<ul style="list-style-type: none"> • Medium implementation timescale (2012-13 achievable)
<ul style="list-style-type: none"> • Attraction / retention of employers and retail facilities 	<ul style="list-style-type: none"> • No impact or small positive or negative impact on attraction / 	<ul style="list-style-type: none"> • No impact or small positive or negative impact on attraction / retention of employment and

<ul style="list-style-type: none"> • Accessibility to work and education • Environmental impact 	<ul style="list-style-type: none"> retention of employment and retail facilities most likely • Medium positive impact on accessibility overall • Low positive environmental (emission reduction) impact (scheme only – excluding NET Phase Two etc) 	<ul style="list-style-type: none"> retail facilities most likely (depending on scheme and package details) • Potential for medium to high positive impact on accessibility, but with need for special measures to combat social exclusion for some low income groups • Potential medium positive environmental impact (scheme only – excluding NET Phase Two and other package elements).
<ul style="list-style-type: none"> • Public acceptability • Business acceptability 	<ul style="list-style-type: none"> • Medium public acceptability (shown through Public Consultation) • Low acceptability to business (shown through Public Consultation) • 	<ul style="list-style-type: none"> • Low to medium public acceptability likely (depends strongly on package of measures surrounding RUC scheme) • Medium acceptability to business likely (depends strongly on scheme form and package of measures surrounding RUC scheme)

The report recognises that to draw conclusions on the best option for Nottingham, the relative importance of the various criteria would need to be considered. For example, if a low risk, low cost, relatively quick measure with modest traffic reduction impacts and revenue generation was seen as the priority to tie in with the NET Phase Two implementation plan, then WPL could be seen as the better option. If a stronger demand management measure that could tie in with a more extensive programme of transport improvements that would have greater beneficial impacts (but possibly greater risks) was seen to be necessary to address a more serious congestion problem, then RUC could be seen as a better option.

The proposition that a WPL is an inappropriate congestion charging mechanism fails to recognise that national legislation was enacted to enable it to be realised. It must therefore be concluded that there will be circumstances in which it is correct to adopt it. The Council do not reject the proposition that RUC could bring about a major reduction in congestion, but consider however that a more modest demand management impact that the WPL package would bring and the targeting of commuters rather than, for example shoppers and tourists, is correct in Nottingham’s current economic climate. It is considered the WPL remains equitable through targeting the major contribution to congestion and by providing transport investment that will bring significant benefits to business.

10.2 Alternative Funding Sources

In addition to the success criteria set out in section 3.4, it is important to note the following context when considering the alternative funding sources to WPL:

- § The majority of the net proceeds generated by the WPL scheme will be used to support the funding of NET Phase Two.
- § Central government has agreed to finance 75% of the cost of NET Phase Two under a Private Finance Initiative (“PFI”) funding arrangement. This means that 25% of the cost must be met locally by Nottingham City Council and Nottinghamshire County Council.
- § The current financial model for NET Phase Two requires an annual local contribution by Nottingham City Council of £11.2m per annum.
- § At present, it is proposed that 80% of this will be met from the WPL scheme, with the remaining 20% coming from other sources.

10.2.1 Supplementary Business Rates

In October 2007 the Government published its Pre-Budget Report and Comprehensive Spending Review, which made a commitment to the introduction of powers for local authorities to levy a supplementary business rate from 2010. Published alongside this was “Business rate supplements: a White Paper”, which sets out the Government’s proposals in detail.

Currently local authorities collect business rates and pay them into a Government central pool. Monies are paid to authorities from that pool based on their population. The White Paper proposes that upper-tier authorities, such as Nottingham City Council, will be able to levy a supplementary business rate of up to 2p in the pound. Revenue from supplements will only be available for spending locally on economic development, which would include infrastructure projects. Authorities will be required to undertake statutory consultation with local business and other stakeholders on supplement proposals. Properties with a rateable value of £50,000 or less will be exempt from paying the supplement.

It is estimated that a 2p supplementary business rate in Nottingham could generate annual revenues of £4.2m.

In the Council’s opinion a supplementary business rate does not represent a viable alternative to a WPL scheme:

- § it would target businesses irrespective of their impact on congestion;
- § it would be unable to generate the scale of revenue required for planned improvements in public transport provision in Nottingham; and

- § the level of certainty over the timing and content of any legislation is not sufficient for securing the go-ahead for NET Phase Two.

10.2.2 Business Improvement Districts

In 2003 the Government legislated to provide for the establishment of Business Improvement Districts ("BIDs"). BIDs have enabled local authorities to work with local businesses to agree, through a local business ballot, to a supplementary levy on their business rates in order to fund specific, time-limited projects.

Whilst BIDs are a useful tool in promoting economic well-being within local authority areas, there are limitations:

- § they are designed to operate over a relatively small geographical scale – smaller than an individual local authority and in most instances significantly smaller than an economic unit such as a city or city-region. With a few exceptions, BIDs have tended to cover areas such as industrial estates or town centres;
- § each BID is only operational for a maximum of five years, at which point a new vote must be taken. As such, they are intended for relatively short-term projects, such as town-centre improvement, security, or marketing and promotion. The five-year time limit creates uncertainty for longer-term investments;
- § BIDs have tended to have modest financial ambitions; the Government's White Paper on supplementary business rates states that in a survey the maximum level of expenditure by a single BID was £380,000, with the median expenditure on BID development activities being £60,000; and
- § they are administered through a BID company rather than by the local authority.

All of these characteristics make them difficult to use for infrastructure investments, where the benefits can be spread over a wide area, investment needs to take place over a much longer time period than five years, and the local authority is likely to need to take lead responsibility for managing the project. For these reasons the Council does not consider that a BID is a viable alternative for a long-term and large-scale project such as NET Phase Two.

10.2.3 Local Authority Business Growth Initiative

In 2005 the Government introduced the three-year Local Authority Business Growth Incentive ("LABGI") scheme. LABGI allows local authorities to receive a proportion of

increases in local business rates revenues to spend on their own priorities, creating a direct financial incentive for authorities to promote local economic growth. The Government is committed to continuing the LAGBI scheme beyond the initial three-year period and is currently engaged in the process of reviewing and reforming the scheme.

Whilst the LAGBI could produce a source of revenue for public transport investment in Nottingham, the Council does not believe that it can generate revenue on a scale sufficient to make it a viable alternative to the WPL scheme. Indeed, a recent consultation from the department for Communities and Local Government and the Comprehensive Spending Review 2007 have both indicated that any continued local income from this source will be very restricted (total grant determination over the three years to Nottingham City Council will have been £1.44m).

10.2.4 Core Cities Business Rate Retention

The Council has further investigated options for using existing business rates through its involvement in the Core Cities group, an organisation representing Britain's major regional cities. The Core Cities group has proposed that members of the group, including Nottingham, be allowed to retain up to 10% of the business rates collected in addition to the allocation of monies received from the central Business Rates pool. The retention of 10% business rates collected by Nottingham City Council would generate approximately £11m per annum in additional revenue income, based on current levels of business rates, although no estimate of the loss of monies from the central pool has been made.

Whilst this would provide a significant annual income for the City Council it remains a Core Cities group proposal only, to which Central Government has not expressed a formal view at this stage. However the proposal is not on the legislative agenda and so this source of funding does not currently represent a realistic alternative to the WPL scheme.

10.2.5 Sale of Land or Other Assets

NET Phase Two is to be financed using a PFI arrangement. This means that a private sector partner will be responsible for designing, building, financing and operating the scheme. The Council will pay an availability fee for the use of the asset for a fixed period. Throughout the life of the contract the asset does not belong to the local authority and is not included on its balance sheet. All payments to the private sector operator are accounted for as "revenue" transactions and are in part offset, in the case of NET Phase Two, by a revenue PFI grant from the Government, with the balance being met locally.

By virtue of Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, capital receipts generated by the sale of Council assets, such as land, may not be used directly to meet revenue expenditure. Therefore any monies raised from the sale of assets cannot be used to meet the 25% local contribution to the "revenue" availability payments made the operator of NET Phase Two.

Capital sums raised from the sale of assets can be invested to generate an income flow in the form of interest receivable. This income is classified as "revenue" and could therefore be put towards the 25% local contribution to NET Phase Two. However, the amount to be raised from interest earned on invested capital receipt proceeds is limited:

- § to generate annual investment income of £10.8m required for the WPL scheme, total asset sales of £180m would be required (assuming an annual 6% return on investments);
- § other than operational properties, the Council's property portfolio is held for investment purposes, with rent income being credited to the revenue account. The Council has rationalised its holdings of investment properties in recent years, disposing of those assets which were not generating significant revenue streams. Sales of further assets on this scale would therefore have an adverse impact on the Council's revenue budget for other essential services;
- § the Council owns an 82% share in Nottingham City Transport. The sale of this asset would be dependant on finding a buyer. Any proceeds would be classed as a capital receipt and therefore not directly available to fund the revenue costs of NET Phase Two. Interest earned from investing the proceeds of the sale would be offset by the loss of annual dividends from the City Council's current holding (£500,000 is budgeted for in 2008/09); and
- § there are significant demands from other Council services for capital investment that will be competing for the use of asset sales.

Thus, although an income stream from interest earned on monies generated from the sale of assets can be used in part to fund the City Council's element of the NET Phase Two annual contribution, it would not be practicable to raise the entire sum, or even a major proportion, from this source.

10.2.6 Prudential Borrowing

Local authorities have the ability to borrow money under the "Prudential Code" without specific Government consent, providing they can afford the interest and debt repayment costs. The revenue cost of such borrowing is in the region of 10% per annum.

However, where the 75% Government contribution to a light rail scheme is via a PFI (as is the case for NET Phase Two), prudential borrowing is not a source of funding for the 25% local contribution as monies raised from borrowing can only be used to finance capital investment, and not future revenue expenditure. Therefore prudential borrowing is not an option for funding the 25% share of NET Phase 2.

Any money borrowed would have to be repaid, and so a loan would not remove the need to find a source of funding. Therefore this cannot be considered as an alternative to WPL.

10.2.7 Increased Council Tax

Nottingham City has a high proportion of lower band properties, while the public transport benefits, provided by the WPL package, will be spread much further than this boundary. Therefore any potential increase in Council Tax to meet the financial demands of the WPL package would be disproportionately high and the benefit received disproportionately low for City residents. To explain this point further:

- § The current Band D Council Tax would need to be increased by £146 to generate the required Council income stream of £10.8m for NET Phase Two. This would represent a 12% increase in the City Council element of the charge. For Band A properties, which represent over 60% of all properties in Nottingham, the increase would be £97. In recent years, central Government have effectively capped the increases that authorities can make and in 2007/08 this increase was limited to 5%.
- § Further, taxation of City residents to pay for public transport improvements would fail to take account of the fact that over half of commuters to Nottingham reside outside of the City boundary, and that it is projected that almost 60% of users of NET Phase Two will travel from outside the City boundary.

For these reasons, the Council does not consider that an increase in Council Tax represents an alternative to the WPL scheme.

10.2.8 European Grants

The whole of the City administrative area would be included in the next phase of European Objective 2 funding, which is available until 2013. The criteria for what the money can be used for have been severely reduced, with the majority only available for projects around innovation, research and development.

Advice from the Greater Nottingham Partnership suggests that there is a relatively small allocation (less than £1 million in total) of Objective 2 funding available within the East

Midlands Region (and not specifically to Nottingham City) for transport and connecting people to work projects, over the period to 2013.

Therefore whilst an element of this funding might be available to support transport projects in Nottingham, it is not realistic for this to provide a major source of the funding required.

10.2.9 Local Developer Contributions (e.g. Section 106 Agreements)

The Council can realise increases in the value of land where planning gain takes place through section 106 contributions from local developers. In addition, the Planning Bill currently being considered by Parliament contains proposals for a Community Infrastructure Levy. Although in principle these sources could make a contribution they will not guarantee sufficient funding to make a significant contribution to local investment requirements for public transport infrastructure.

10.2.10 Local Lottery

In line with the public examiner's Recommendation 8.2, a report was commissioned to investigate the feasibility of a local lottery (Ref 9: Viability of setting up a Nottingham Lottery, 2008). The Gambling Act of 2005 gives local authorities scope to run a local lottery in their areas to raise funds for a wide variety of uses. However the report highlights a number of significant risks if applied to the Nottingham City Council situation:

- The high costs of running a local lottery and the relatively low numbers of people within Nottingham available to regularly purchase the number of tickets required to sustain the necessary income would suggest that such a lottery is not viable. To attain the required levels of awareness would require very high expenditure on marketing and promotional work, and the costs could be as high as almost £1 expenditure for every £1 raised.
- Current working examples, local charity lotteries, take years to build momentum and develop, and therefore it would be difficult to attain this within the first year without a very high investment in marketing and advertising. It may also take a number of years to reach the required levels of awareness to be profitable and so it would be unwise to plan for large income streams from a local lottery in its early years.
- A successful lottery would need to achieve a very high penetration within the population to ensure enough awareness and interest was generated. The costs of such large scale and continuous marketing campaigns are high and there is a danger that given the costs of such marketing, and the fluctuating nature of sales

each week, more could be spent on marketing the lottery than is actually raised in ticket sales.

In addition the report also suggests that the competition against The National Lottery has effectively put an end to local authority lotteries. What is more, the local lotteries that are currently run are run by charities, which by their status are able to keep marketing and other essential running costs to a minimum due to the use of volunteers, donations and preferential rates for charities.

10.2.11 Conclusion on Alternative Funding Sources

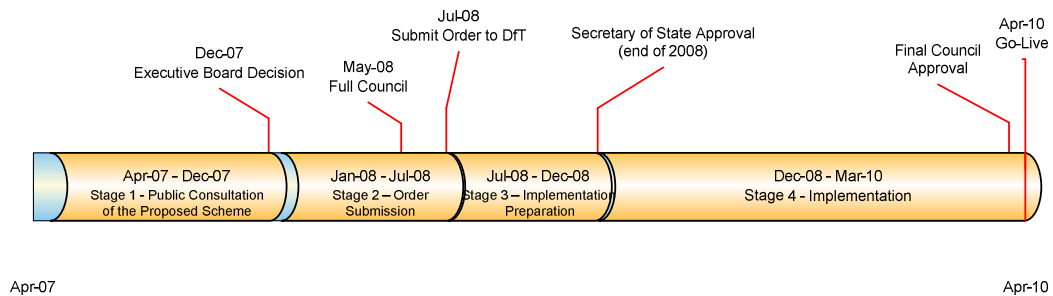
A combination of the sources listed above could, and may, contribute towards public transport investment in Nottingham. However either a current lack of certainty, or limitations in the level of funding available, means that at present these sources can only be expected to contribute to the 20% share of the City Council's local contribution for NET Phase Two that will not come from the WPL scheme. They cannot act as a substitute for the 80% identified as coming from the WPL scheme. Nor could they provide the additional funding that will come from the WPL scheme to support improvements to the bus networks and the upgrade of the mainline railway station at Nottingham.

Further none of the alternative sources of funding will have a direct effect on congestion, one of the key objectives underpinning the introduction of a WPL scheme.

11 Project Timetable

11.1 Stage plan

The following diagram illustrates how the project has been structured into stages and also shows the key milestones.



Stage 1 - Public Consultation of the proposed scheme (April 2007 to December 2007) – this stage included the scheme development, public consultation and the public examination chaired by an independent examiner; it concluded with the City Council’s Executive Board, on 18th December 2007, resolving to proceed with developing the details of the scheme in order to make an Order and apply to the Department for Transport for Secretary of State confirmation of the Order (for further details see section 4).

Stage 2 – Order Submission (January 2008 to July 2008) – during the current stage the focus of the work has been to prepare the WPL scheme Order, and its supporting documents, so that it can be put before the May 2008 Full Council for approval. If approved, the Order will be made and the target date for application to the Department of Transport for Secretary of State confirmation of the Order will be July 2008.

Stage 3 – Implementation preparation (July 2008 to estimated December 2008) – this is the period during which the Council’s application for confirmation will be considered by the Secretary of State of Transport and the national regulations will be developed. The stage will culminate with a decision from the Secretary of State on whether to confirm scheme. Activities will include:

- § Develop a detailed implementation plan for the scheme operational processes and procedures;
- § Setting-up a forum of local businesses to input into the scheme operational processes and procedures;

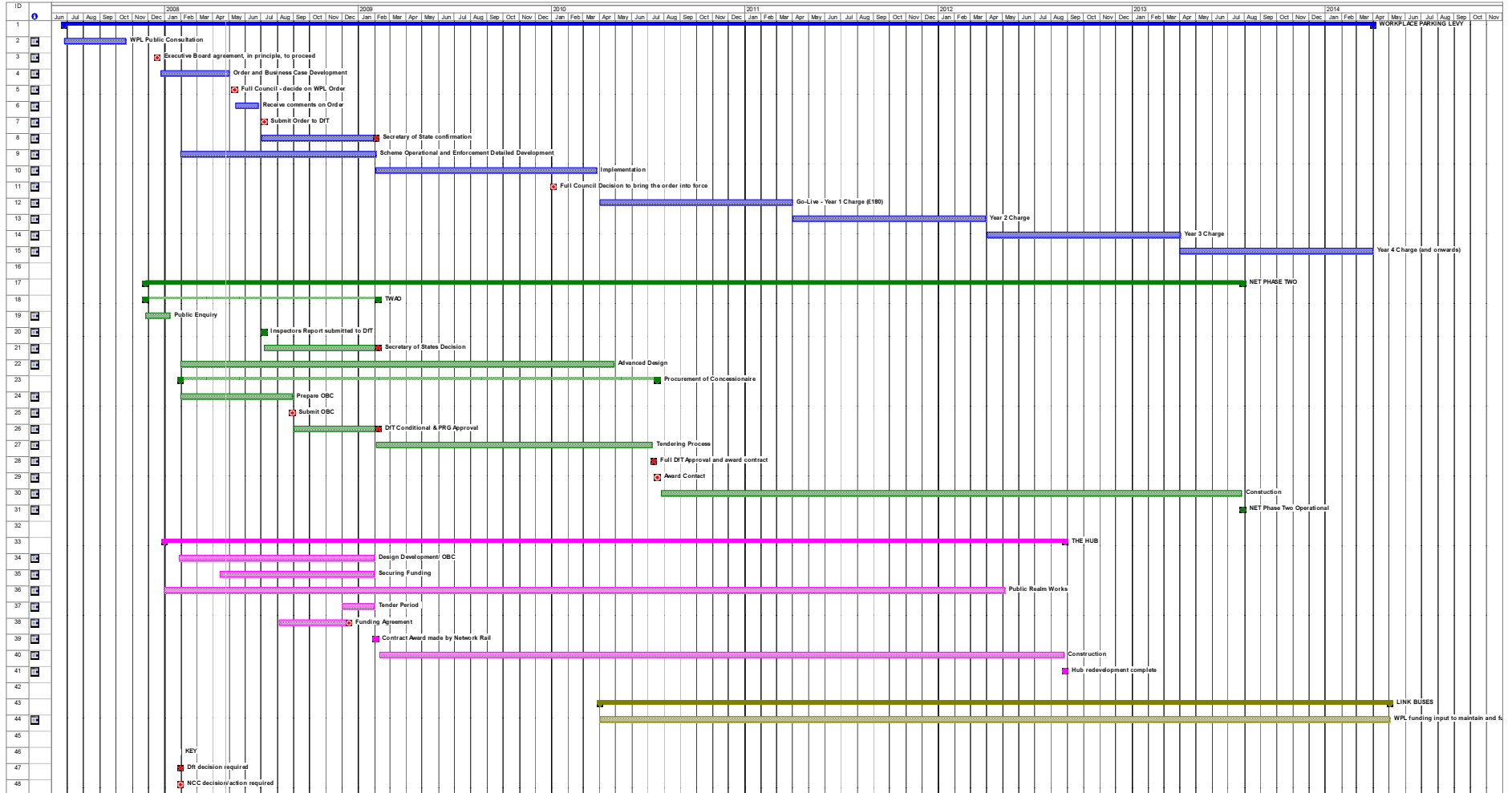
- § Develop employer assistance support and materials;
- § Identification of potential areas that may be impacted by displaced parking due to the implementation of the WPL scheme; and
- § Develop the WPL measures and monitors.

Stage 4 – Implementation (estimated January 2009 to March 2010) – Assuming the Order is confirmed and the WPL regulations issued, activities will include:

- § Put the scheme operational processes and procedures in place and carry out the implementation plan;
- § Roll out employer assistance support to local businesses;
- § Put residential parking measures in place where appropriate to mitigate any displaced parking problems emerging following implementation; and
- § Monitoring and evaluation, including developing benchmark measuring for dissemination locally and to central/local government.

11.2 Project plan

The key milestones for WPL implementation and the relevant milestones for delivery of NET Phase Two, the Hub and Link buses are displayed together in the programme below. It should be noted that the programme reflects the expected progress of each of the dependant projects (NET Phase Two, Hub and Link Buses) at this point in time and that all programmes, and dependant links, for these projects will be regularly reviewed in the future.



11.2.1 Project links

The list below outlines the main links between the WPL project and the three others featured in the above programme. The links are either informational, confidence/assurance or revenue.

- § Between April 2008 and January 2009, the Hub re-development will require details of the WPL funding input to aid with the preparation to complete funding applications.
- § In spring 2008, the NET Phase Two outline business case will require details about the level of revenue the WPL scheme will provide.
- § Between February and October 2009, the Council will potentially have to demonstrate to those tendering for NET Phase Two, and other supporting financial organisations, that it has a viable funding mechanism to fund the NET Phase Two investment. It is hoped by this point that the Secretary of State will have confirmed the WPL Order and that this will provide all potential tram stakeholders with the confidence that the Council and Government is committed to implementing the scheme, and that WPL can provide a significant proportion of the local contribution to NET Phase Two.
- § All three projects (NET Phase Two, the Hub and Link buses) will require financial input from the WPL scheme once it is implemented in the expected date of April 2010.

12 References

The WPL website, www.nottinghamwpl.com , is frequently updated and contains downloadable versions of all project documentation.

Ref 1:- Local Transport Plan for Greater Nottingham (LTP 1) 2000/1 to 2005/6

Ref 2:- Local Transport Plan for Greater Nottingham (LTP 2) 2006/7 to 2010/11

Ref 3:- the Council's 'Topic Paper 1' at the public examination; see www.nottinghamwpl.com – Project Documentation section

Ref 4:- Economic Costs of Congestion in the East Midlands, Atkins for East Midlands Development Agency, June 2007

Ref 5:- Examiner's Report, Appendix D to the WPL Executive Board Report; see www.nottinghamwpl.com – Project Documentation section

Ref 6:- Additional Inquiry note to Evidence of Dominic Walley, Employment Impact NET Enquiry Main Proof NET.P4/A, 2007

Ref 7:- PWC Economic Impact Report Addendum, PWC, 2007, see www.nottinghamwpl.com, Project Documents, PE_04 Economic Impact Report Addendum, 2007

Ref 8:- Strategic Comparison of Options for Nottingham - Road User Charging and Workplace Parking Levy, Integrated Transport Planning, 2007, see www.nottinghamwpl.com, Project Documents, PE_30 Impact Report Addendum

Ref 9:- Viability of setting up a Nottingham Lottery, Turner & Townsend, 2008