



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

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Parking Levy

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Executive Summary

This report has been prepared in response to a request made at the last meeting of the Executive, to consider the option of introducing a Parking Levy into the Preston and South Ribble City Deal region. The report sets out the known benefits and potential risks of such a scheme, drawing heavily on the example of the scheme which has been introduced in Nottingham.

The report advises that whilst the introduction of a Parking Levy in Nottingham has resulted in a range of financial and environmental benefits for the City, it should not be assumed that these benefits would be forthcoming in the City Deal area. The different economic and geographical make up of the area needs to be considered in more detail. Therefore, if the Board is minded to pursue a Parking Levy for Preston and South Ribble, a more in depth study would need to be commissioned.

Recommendation

The City Deal Executive is asked to:-

1. Note the contents of the report.
2. Consider next steps and referral back to the Local Transport Authority.

1. Background and Advice

1.1 What is the Parking Levy (PL)?

- 1.2 Simply put the PL is an annual charge put onto employers who provide more than a given number (typically 10) of free staff-only parking spaces. The charge is levied by an annual fee on a 'per space' basis via the Local Transport Authority (LTA) and in the case of Nottingham is £428 per space per year.



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- 1.3 The process for introducing a PL is set out in the Transport Act 2000, falls under the Local Transport Plan prepared by the LTA, and is subject to the approval of the SoS for Transport.
- 1.4 This charge in the case of Nottingham covers the following groups:-
 - Employees;
 - Regular business visitors (regular business visitors are consultants, contractors, suppliers, agency staff or other business visitors attending their regular place of work) and
 - Pupils or students attending a course of education or training.
- 1.5 The scheme does have provision for some exceptions (i.e – delivery vehicles, Blue Badge holders, fleet vehicles that are not used to travel to and from work).
- 1.6 The money raised from the PL is then used to fund transport schemes across the location.
- 1.7 The experience of areas that have introduced the PL the timescales for introduction of a scheme is around 3 years with the potential of another year for a public enquiry and is subject to final approval by the Secretary of State.
2. The Nottingham Case Study
 - 2.1 To date only Nottingham across the UK has introduced a PL scheme which was launched in 2012. It serves two purposes: as a transport demand-management measure (on car-bourne journeys); and to increase use of non-car travel modes. It does this through pricing and investment elements.
 - 2.2 The scheme cost £4 million to set up and launch but in the first 7 years has raised £64 million for investment in public transport. To date the money raised has been used in conjunction with government transport 'pump-priming' investment of over £630 million to help to pay for a package of complementary measures across sustainable and active travel modes: new tram lines, cycle lanes, a fleet of electric buses, and the redevelopment of Nottingham Railway Station.
 - 2.3 In advance of bringing the PL into Nottingham, the city already had the following key factors in place which made the introduction of the scheme a sensible next step for the city:-
 1. Strong public transport options and a long history of public transport usage with a tram arriving in the city centre every 7 minutes and an extensive bus network meaning people already had a viable alternative to the car.
 2. Ample cycle parking and showering facilities as well as well-defined cycle routes.



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3. Low levels of car ownership in the city.
4. A restricted road network.
5. The council is a major shareholder in the public transport system so benefits financially from the growth in public transport usage.
6. Park and ride facilities already in place that enable people to easily shift from the car to public transport at the edge of the city.
7. Extensive parking restrictions and tariffs surrounding the city meaning alternative on-street parking arrangements are difficult to find.
8. An extensive and varied employment base meaning the levy covers an extensive range of employers and businesses. (To date the PL covers some 2,596 different business covering some 25,000 spaces across the city).

3. Benefits of the scheme to Nottingham.

3.1 The benefits of the scheme to Nottingham have been widely reported as follows:-

- Financial income to support public transport investment across the city £64 million to date.
- Carbon reduction – A 33% fall in carbon emissions since 2005, of which 13% is estimated to be as a result of modal shift to public transport and active travel.
- Social - 40% of journeys to work are now by public transport. Employers also cite good public transport as a key factor in locating their business in the city.

3.2 Other areas that have considered or are currently evaluating a PL have cited other specific benefits to the scheme that can come to influence the scope and intent for PL in their area, for example: adapting to meet broader local and national agendas (decarbonisation, air quality); tackling area-specific issues; or funding specific infrastructure solutions.

3.3 PL is being actively considered in some areas as part of a comprehensive approach to these issues alongside the introduction of congestion charge and Clean Air Zone.

4. The case for a City Deal PL Scheme

4.1 When considering such a scheme for the City Deal region a number of clear transferable benefits from the Nottingham scheme are evident:-

- The PL scheme is a clear mechanism to deal with the current climate crisis which will need an encouragement of change of behaviour including less car use.
- The PL would drive revenue capture for investment in Transport locally both in the short and longer term and represents one of the few transport specific revenue raising mechanisms available to the sector.



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4.2 However because of the geography and economic make up of our employment base, some key challenges to any City Deal PL would also need consideration:-

- The introduction of a PL across much of the wider City Deal region would be a challenge as alternative free on-street provision already exists.
- The PL pool for Nottingham covers a wide range of business and people, looking at the City Deal region suggests a much lower threshold of potentially chargeable businesses. Looking at this pool to just Preston City Centre would mean a pool of businesses (with 10 or more employees) that is 84% smaller than Nottingham and the biggest charges falling onto the public sector as opposed to the private sector (LCC, Preston City Council, UCLan and the Civil Service). Extending the area to a larger geography increases the catchment of workplaces and workplace-provided parking provision but equally alternative locations to park in typically lighter parking-regulated areas of the two districts.
- Nottingham has strong control over off-street parking and because of the tourist nature of the city private parking costs remain quite high. All across the wider City Deal area a range of free on-street or cheap private parking provision already exists meaning people have another car-based alternative as opposed to public transport. Whilst the reduction and consolidation of the large amounts of surface car parking within Preston is a shared aim, in the short to medium term it is likely to remain as a cheap alternative to workplace-provided parking.
- The public transport provision across large areas of the City Deal region is poor and does not offer ready and affordable means to support the shift from the car to other forms of transport.
- The impact of the PL and the outcome of more businesses supporting homeworking would need to be understood in more detail particularly as a lever for people no longer visiting our large shopping districts – At the moment work placed parking across the City Deal region represent a very large group of people who are regularly economically active in our retail spaces. If the PL was introduced and given people can be flexible about remote working now, the risk of a sustained drop in footfall would have to be understood before any decision is taken.

4.3 It is not really possible to provide an absolute opinion on a PL scheme for the City Deal region without undertaking a more detailed professional transport study covering the following key areas:-

- The geographical scope for the scheme.
- The effect of changes in the demographics of the area's working age population and external factors (changes affecting car ownership and propensity for car use).
- The set up and running costs.
- The size of the potential chargeable pool of business and annual financial return.



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- An estimation of the pre-emptive measures' employers may make to reduce their PL liabilities.
- An understanding of the public transport provision serving the areas covered by a PL and a gap analysis.
- Cost/ benefit analysis.
- Environmental benefits of the scheme.
- Details of investment schemes to be funded from the PL.
- Roadmap and timescales for the for the implementation of the PL.

4.4 The cost of such advice we estimate to be between £20,000 - £30,000 and would require a cost centre to fund this study. If the Executive is minded to progress this work it needs to be referred back to the LTA who would need to firstly agree with the proposal and identify funding to progress the project.

List of Background Papers

Paper

Date

Contact/Tel

None

Reason for inclusion in Part II, if appropriate

N/A