

Guidelines to Innovative Financing

Why Innovative Financing Approaches?

- Increasing pressure on services provided by cities due to population growth and urbanisation
- Cutbacks in traditional funding sources
- Responsibilities associated with funding and operating mobility infrastructure are being devolved to local governments.



Innovative financing approaches could be used to fill in the gap in financing and raise additional revenue for sustainable mobility projects

Guidelines to Innovative Financing

The key objectives of the Guidelines to Innovative Financing are to:

- Present existing funding mechanisms and approaches to sustainable financing.
- Expose any gaps in current knowledge and organisational capacity.
- Present Innovative Financing Mechanisms and strategies that are scalable and transferable to sustainable mobility projects in S-M cities.
- Present international best practice through a decision-making tool in the form of a matrix of financing mechanisms.
- Enhance the administrative and organisational capacity of Local Authorities in S-M cities



The key outputs of the Guidelines to Innovative Financing are:

- Matrix of Financing Mechanisms
- Innovative Financing Mechanism briefs

Guidelines to Innovative Financing

Target Audience

- Policymakers
- Small and medium sized city local authority staff
- Transport planning practitioners
- Local community groups
- Developers
- Local businesses
- Research organisations
- CIVITAS and SUMP Partners
- Media
- Wider public



Guidelines to Innovative Financing: Structure

1. Introduction

- How to Use the Guidelines

2. Research Methodology

3. Regulatory Environment, Strategy, and Governance

- Legal and Regulatory Framework: the EU
- Legal and Regulatory Framework: EU Member States
- Present-Day Trends in Funding for Urban Transport and Mobility in Cities

4. Innovative Financing Approaches Principles and Importance

5. Innovative financing mechanisms

- Matrix of Innovative financing mechanisms
- Innovative financing mechanisms briefs: summaries

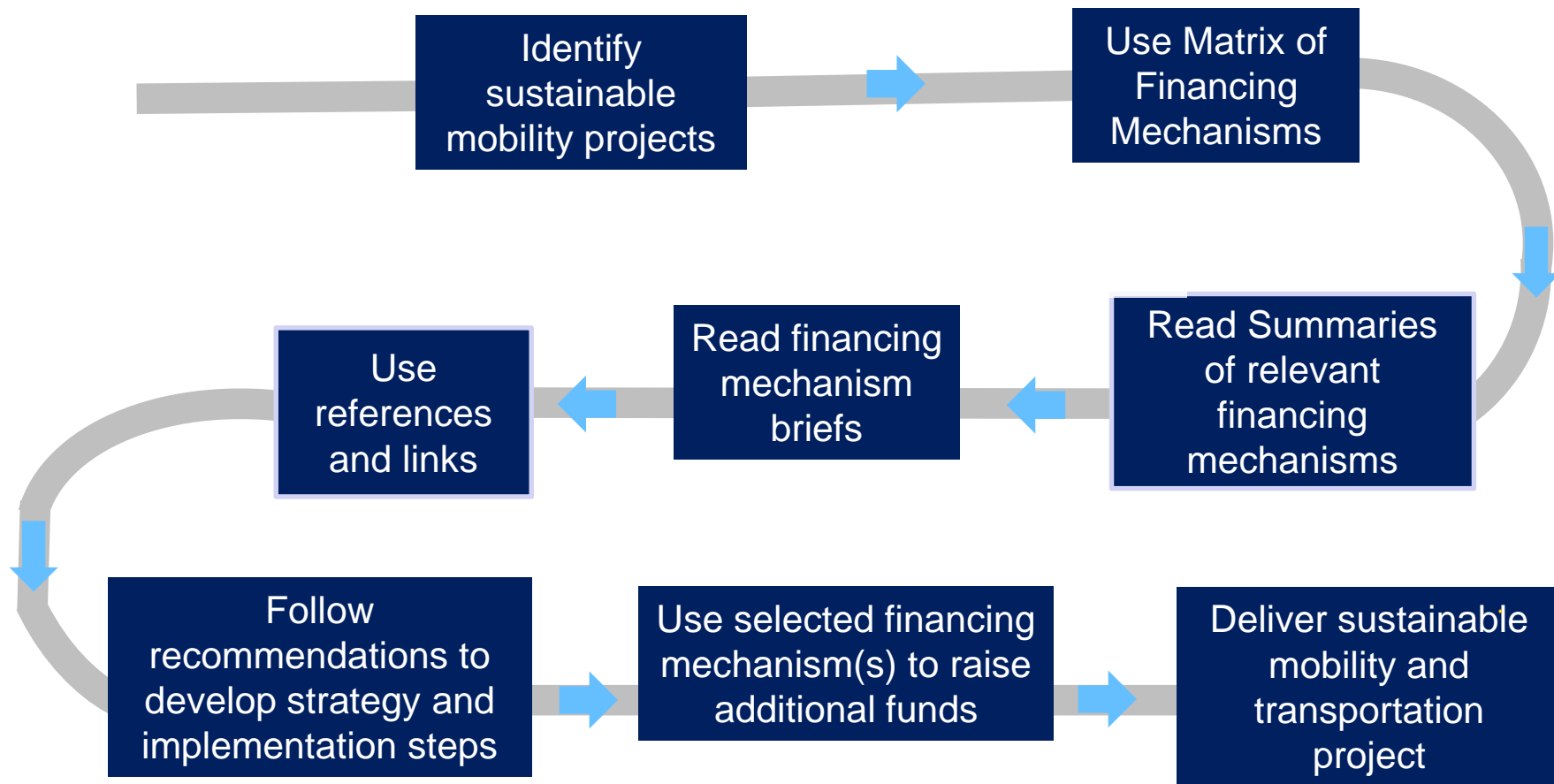
6. Recommendations

7. Conclusion

8. References and Links



How to make the best use of the Guidelines



Matrix of Financing Mechanisms

Sustainable Transport or Mobility Measure	Financing Mechanisms									
	Congestion Charge	Municipal Green Bonds	Crowdsourcing	Stamp Duty Land Tax	Replacement Parking Levy	Community Infrastructure Levy	Advertising Space	Selling Expertise and Technical		
Park and Ride	✓	✓			✓	✓				
Electric and Hybrid Buses	✓	✓			✓	✓				
Bus Priorities	✓	✓			✓	✓				
Integrating Urban Freight	✓	✓			✓					
Cycle Parking and Storage	✓	✓			✓	✓				
Cycle Lanes	✓	✓			✓	✓				
Cycle Signage	✓	✓			✓					
Bike Sharing System	✓	✓			✓					
Pedestrian Crossings	✓	✓			✓	✓				
Pedestrian Footpaths	✓	✓			✓	✓				
Pedestrian Signage	✓	✓			✓	✓				
Car Sharing Scheme	✓	✓			✓					
Car Pooling Scheme	✓	✓			✓					
Public Electric Vehicle Charging Services	✓	✓			✓	✓				
Parking Management Systems	✓	✓			✓	✓				
Tram/ Light Rail	✓	✓			✓					
Cable Cars	✓	✓			✓					
Green Zones	✓	✓			✓					
Trip Planning Systems (i.e. Mobile Travel Planning Apps)	✓	✓			✓					
Personalised Travel Planning	✓	✓			✓					
Improving Availability of Travel Information	✓	✓			✓					
Improving Train, Bus, Tram Stations	✓	✓			✓	✓				
Improving Accessibility to Transport for Disabled	✓	✓			✓	✓				
Safety, Securness and Awareness Schemes	✓	✓	✓		✓					

Financial Mechanisms

Sustainable Transport or Mobility Measure



Financing Mechanism Briefs

Brief Description

- Background
- Attractiveness of Financing Mechanism
- Challenges & Risks
- Track Record



Case Studies



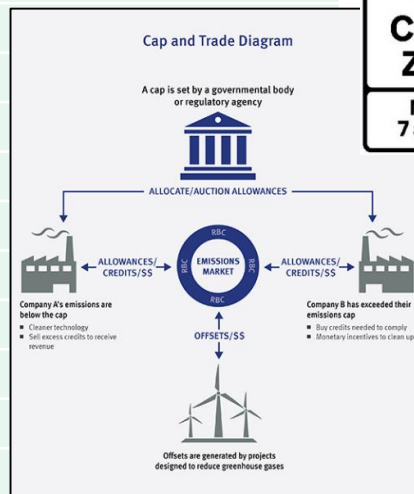
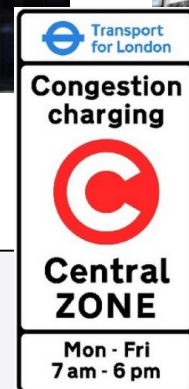
Financing Mechanism and S-M Cities

- Relevance for S-M Cities
- Guidelines for Implementation



Innovative Financing Mechanism Briefs


1	Congestion Charge
2	Municipal Green Bonds
3	Civic Crowdfunding
4	Stamp Duty Land Tax (SDLT)
5	Lottery Funding
6	Voluntary Capture
7	HGVs Charging Schemes
8	Workplace Parking Levy (WPL)
9	Community Infrastructure Levy (CIL)
10	Advertising, Sponsorship, and Naming Rights
11	Collaborating with other cities, research consortia and private companies
12	Citizen Cooperatives
13	Emissions Trading
14	Planning Obligations and Developer Contributions
15	Tax Increment Financing
16	Sales Tax
17	Toll Roads
18	Selling Expertise and Technical Knowhow
19	Sale of Land and Property (Summary)
20	Donations as Part of Consumer Purchases (Summary)
21	Grants from Private Foundations and Trusts (Summary)



Workplace Parking Levy (WPL)

Key Characteristics

- The aim of a Workplace Parking Levy (WPL) is to reduce daily car travel by encouraging the removal of workplace parking and to raise revenue.
- The WPL is a levy charged on a certain workplace's parking spaces used by commuters.
- The levy is charged on employers and not on their employees.
- The proceeds of the levy must be spent on transport improvements and investment.
- Parking spaces for delivery vehicles, occasional business visitors, and customers may be exempt from the levy. Hospitals, emergency services and parking spaces for disabled could be entitled to discounts.
- Controlled parking measures in the local area may be required to avoid displacement of off-street to on-street parking.
- Once established, the system is fairly cheap and easy to manage.



1) What is a Workplace Parking Levy (WPL)?

A Workplace Parking Levy (WPL) is a levy on employers that provide workplace parking.

All money raised from the WPL must be invested into improving local transport for Nottingham. The WPL is providing funds to support NET Phase Two (the extension of the existing tram system), the redevelopment of Nottingham Railway Station, and the popular Link bus network.

All employers who provide workplace parking places are legally obliged to license these places, and may be liable to pay. Employers with 10 or fewer workplace parking places (excluding Blue Badge Holders - please see page 6) may be entitled to a 100% discount and will not have to pay a charge.

Workplace Parking Levy (WPL)

Attractiveness

- The WPL can be a source of additional revenue for a S-M city which could be invested into transport and mobility improvements.
- Charging the parking provider as opposed to charging motorists reduces conflict between the local authority and public as it is the employer's responsibility to manage if employees are required to pay for parking.
- Encourages a modal shift and decrease in vehicle usage within designated boundaries. The WPL provides financial incentive to reduce demand for additional workplace parking and motivation for car commuters to switch to walking, cycling, Park & Ride and public transport.
- Through applying additional cost of driving to work and a reduction in the supply of parking spaces as employers attempted to reduce their cost, the WPL can contribute to the reduction in congestion.
- The WPL could be seen as an internalisation of some of the externalities caused through committing to work by car.
- It is less complex and cheaper to implement and operate compared to measures such as road pricing.
- Once established the system could be managed relatively cheaply and easily.



Workplace Parking Levy (WPL)

Challenges & Risks

- Could lead to potential backlash from local businesses who would be charged extra.
- The WPL could be perceived as unfair by a wide range of individuals, employers and other organisations, as it does not distinguish between those who travel in congested periods on congested roads, and those who do not. It also does not distinguish between those who have practicable public transport option and those who do not. Finally, it places an additional burden on low income households compared to higher income households.
- The introduction of a levy requires lengthy and comprehensive consultation with residents and businesses, as well as an audit of the existing workplace parking spaces.
- Finding the right balance for pricing strategy could be difficult. A local authority needs to find a balance between a revenue raising activity, while avoiding setting a charge which is too high, and thus deterring employers from setting up new business.
- Risk of spilling over into surrounding streets unless on- and off-street parking-controlled measures are introduced within the affected areas.



Workplace Parking Levy (WPL)

Case Study: Nottingham (UK)

1998	Workplace Parking Levy is considered by government in the transport White Paper “A New Deal for Transport: Better for Everyone” as a measure to manage congestion.
2000	Local authorities are given power to introduce a Workplace Parking Levy in the Transport Act 2000.
2000	NCC started to consider the options for a charging scheme and its response to government transport policy and advice.
2002	City commissioned a study on the options for funding transport improvements. Option E – WPL approach has been taken forward for consultation. The option was selected because it is quick to implement, enables the generation of income stream and has little implementation risks in terms of technology and cost.
2005	NCC commissioned PriceWaterhouseCoopers to carry out a study of the potential economic impact of a Workplace Parking Levy.
2007	Public consultation, public examination and business case produced for a WPL in Nottingham.
2008	NCC submit the WPL Order to the Department for Transport for approval by the Secretary of State.
2009	WPL Order is approved by the Secretary of State on July 19 th .
2011	Licencing for the scheme begins on July 1st with a legal obligation for all employers to be licenced by October 1st (100% discount applies to all).
2012	Charging for the WPL begins on April 1 st .



Thank you for your attention!



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