

Transport and Environment Committee

10.00am, Thursday, 9 August 2018

Workplace Parking Levy Scoping

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Executive Summary

This paper outlines some of the perceived benefits from introducing a Workplace Parking Levy (WPL) in Edinburgh. This includes an opportunity to fund improved transport infrastructure whilst simultaneously tackling issues with air pollution, carbon emissions, private car use and congestion. The paper also provides findings on the potential operational detail of running such a scheme from Nottingham City Council.

The introduction of a WPL in Edinburgh would also represent an example of devolving further responsibility and powers to local authorities, providing greater flexibility for local authorities to influence local issues. Edinburgh is a commuter work destination that has issues with road maintenance and sustaining continued investment in its transport infrastructure.

New legislation through the proposed [Transport \(Scotland\) Bill 2018](#) was introduced on the 8 June 2018, if amended, this would provide an opportunity to empower councils to implement a WPL.

Workplace Parking Levy Scoping

1. Recommendations

- 1.1 Note the merits in principle of pursuing the power for Edinburgh to seek consent to introduce a Workplace Parking Levy.
- 1.2 Agree that Council officers develop a paper that sets out the argument and rationale for Edinburgh to introduce a Workplace Parking Levy.
- 1.3 Note the introduction of the Transport (Scotland) Bill 2018.
- 1.4 Agree that Council responds to the Scottish Parliament's Rural Economy and Connectivity Committee call for evidence on Stage 1 of the Transport (Scotland) Bill, which closes on the 28 September 2018.

2. Background

- 2.1 The Department for Transport included provision to enable WPLs in England in the Transport Act 2000. The legislation includes controls on how revenue from WPLs is ring fenced for transport projects. In Scotland, the 1999 Transport Bill sought to establish a framework to enable local authorities to introduce a WPL. However, this provision was removed from the Transport (Scotland) Act 2001 due to opposition from business groups. No legislation has been passed in Scotland to allow local authorities to introduce such levies.
- 2.2 Nottingham is the only area in the UK where a WPL is currently in place, the scheme includes the entire Council area. Any employer within the area must register, declare their number of parking spaces and, if necessary, pay the appropriate charge. The charge from April 2018 was £402 per year per space.
- 2.3 While there was no inclusion of WPLs, at the regional level, in SEStrans' Regional Transport Strategy 2015-2025, the City of Edinburgh Council has included a commitment to advance consideration of a WPL for Edinburgh. A commitment to explore the possibility of introducing a workplace parking levy is also one of the 52 commitments in the Council Business Plan.
- 2.4 Improving air quality is at the centre of the Scottish Government's vision for transport and placemaking. To support this, the Scottish Government aims to

introduce Low Emission Zones (LEZs) into the four biggest cities in Scotland between 2018 and 2020.

3. Main report

- 3.1 Introducing a Workplace Parking Levy in Edinburgh would achieve many benefits including contribution toward the following outcomes: reducing private car travel to work; improving air quality in the city; reducing the impact of congestion; enhancing conditions for walking, cycling and public transport use; encouraging modal shift; and investing revenue in transport improvements.
- 3.2 Edinburgh is a commuter work destination, we have issues with our road maintenance and investment in transport infrastructure. Introducing a Workplace Parking Levy in Edinburgh would be an example of devolving further responsibility and powers to local authorities and could support investment in our transport infrastructure and maintenance.
- 3.3 For Edinburgh initial estimates on the potential income projections vary widely from around £3 million up to £15 million per year. The highest value represents a full Edinburgh boundary option and assumes the density of workplace parking spaces between Nottingham and Edinburgh are broadly similar. A more realistic mid-range estimate would be around £9 million per year.
- 3.4 Nottingham City Council are currently the only local authority in the UK with a workplace parking levy. It has been in operation for over three years and generated approximately £25 million in its first three years.
- 3.5 In Nottingham the workplace parking levy helps to tackle problems associated with traffic congestion, by both providing funding for major transport infrastructure initiatives and by acting as an incentive for employers to manage their workplace parking provision. Further detail of the Nottingham WPL example were researched and summarised in Appendix 1.

Method to deliver the Workplace Parking Levy

- 3.6 Changes to primary legislation would be required before a WPL could be introduced in Edinburgh. Transport Scotland are currently in the process of developing a new Transport (Scotland) Bill. While part of this process included a consultation on improving parking in Scotland, it did not include introduction of a WPL.
- 3.7 The proposed Transport (Scotland) Bill is the legal vehicle that will help deliver the creation and enforcement of low emission zones in Scotland. The proposed Bill sets out to enable local authorities to introduce civil enforcement of low emission zones by means of a penalty charge notice.
- 3.8 There could be opportunities to lobby the Scottish Government to include WPL within the Transport Bill process. The Bill is due to be introduced to the Scottish Parliament before the end of June 2018. Amendments could be logged at Stage 2 of the Bill, which are likely to occur around the Autumn of 2018.

- 3.9 There is an opportunity available now within this proposed Transport Bill, which is unlikely to be present itself again in the future. The alternative would mean persuading the Scottish Government to take specific action to make such a change to local powers either through new primary legislation or from amending existing legislation, such as the Local Government (Scotland) Act 2003 or the Transport (Scotland) Act 2001.
- 3.10 This pursuit of seeking a Workplace Parking Levy is not a substitution for the low emission zone creation and enforcement. The two should exist together. Council budgets are increasingly stretched, and funding for sustainable transport infrastructure, such as bus lanes, segregated cycle routes and pedestrianised areas is limited.
- 3.11 Parking levies are also one of the most effective and publicly acceptable ways to control the use of private cars in urban areas, as the charge is levied on premises, not individuals. From the example set in Nottingham, the WPLs have been proven to reduce the use of private cars in urban areas, whilst increasing the use of public transport and active travel. The WPL offers an opportunity to fund improved transport infrastructure whilst simultaneously tackling issues with air pollution, carbon emissions and congestion.

4. Measures of success

- 4.1 The measures of success in terms of the work specified in this report relate to securing the right to introduce a Workplace Parking Levy as an option from proposed Transport (Scotland) Bill.

5. Financial impact

- 5.1 There is no immediate financial impact of the decision specified in this report other than officer time.

6. Risk, policy, compliance and governance impact

- 6.1 The recommendation in this report is consistent with existing policies and aspirations of the Council. This paper recommends a business case be developed for the Workplace Parking Levy option for Edinburgh which will make due consideration of the perceived risks to delivery.

7. Equalities impact

- 7.1 There are no immediate equalities impact from the recommendations related to this paper. An Integrated Impact Assessment will be undertaken for the development of the Workplace Parking Levy when potential options/policies have been formed.

8. Sustainability impact

- 8.1 The proposals in this report will have no immediate sustainability impact but should the Edinburgh Workplace Levy be introduced there would be some related sustainability outcomes including: reduce carbon emissions by encouraging more sustainable forms of transport to work in Edinburgh.

9. Consultation and engagement

- 9.1 Further consultation with other partners and users will be undertaken where appropriate.

10. Background reading/external references

- 10.1 [Transport \(Scotland\) Bill 2018](#) – Scottish Parliament
- 10.2 [Rural Economy and Connectivity Committee call for evidence](#) – Scottish Parliament
- 10.3 [Getting the Bill right](#) - Transform Scotland, 29 May 2018
- 10.4 [Nottingham City Council Workplace Parking Levy](#)
- 10.5 [City of Edinburgh Council Commitments 2017](#)

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11. Appendices

Appendix 1: Financial and Operational Issues: lessons to learn from Nottingham City Council on the Workplace Parking Levy

- 11.1 This section covers some lessons to be learned from the Nottingham example around the operation of the WPL including exemptions. Nottingham is the only area in the UK where a WPL is currently in place, the scheme includes the entire Council area. Any employer within the area must register, declare the number of spaces and, if necessary, pay the appropriate charge. It is likely that Edinburgh would follow the example set in Nottingham.
- 11.2 The 2018/19 charge rate in Nottingham was £402 per year. This generated approximately £25 million in its first three years (approximately £8.3 million per year). The charge in Nottingham was gradually increased over its first three years to allow organisations additional time to prepare for its impact. Thereafter, the charge would increase each year in line with inflation.

Set up and Operation costs

- 11.3 Since only one WPL currently operates in the UK, ascertaining possible costs for the introduction and operation of such a scheme is challenging. However, Oxfordshire County Council is investigating a WPL and has allocated £100K to develop a business case.
- 11.4 In Nottingham, it is expected that the scheme costs around £500K per year to operate and this is approximately 5% of revenue. It is likely that similar costs would apply in Edinburgh, but the Council may be able to take advantage Edinburgh's existing Decriminalised Parking Enforcement activities.

Other financial matters

- 11.5 Payments can be made by employers once an annual invoice has been sent or they can set up 10 monthly direct debits. The treatment of VAT for the work place parking levy for employees is another concern. The finding from Nottingham's parking levy reveals that VAT is not payable on WPL by employers, but it is payable if they pass this charge on to employees. As another option, a salary sacrifice schemes can also be established for employees to pay for parking.

Scope of Businesses

- 11.6 In Nottingham, the WPL applies to all organisations and premises within its administrative boundary, excluding Employers with 10 or fewer parking places, front line emergency services; Ambulance, Police, Fire and National Crime Agency, and qualifying NHS premises. These employers are still required to get a licence for any workplace parking places they provide, but are exempt from charges.
- 11.7 It is currently unclear how the WPL would apply to off-street car parks, such as an NCP operated facility, which are open for public use and can allow employees to commute and park their vehicle regularly for work related parking.

11.8 The greater the number of exemptions may reduce the number of potential objections, but this is likely to reduce the effectiveness of the scheme. A better approach to encourage support is to engage early with employers and business organisations and to have clear proposals on what the revenue will be spent on.

Compliance Issues

11.9 In the first three years of operation there was 100% compliance from businesses and no Penalty Charge Notices were issued. The Nottingham scheme has five types of contravention which they can issue to enforce the scheme. Three are civil and two are criminal offences. The approach would encourage employers to rectify mistakes and only in the event of continued non-compliance Penalty Charge Notices would be issued.

Operation of the Nottingham WPL

11.10 In Nottingham, all employers who provide workplace parking places must register with the Council and license their number of parking places, regardless of whether they meet or exceed the threshold to pay the charge. Should employers provide ten or fewer parking places they would not be liable to pay the levy. The scheme cannot be used to control the supply of parking spaces.

11.11 There are also a few exemptions, discounts and charges that can be applied and varied. These are all provided in Table 1 for reference. In Nottingham, a council team was established to take responsibility for administration, enforcement and to assist the public with WPL queries. This team appears to run at around 5% of revenue raised.

Table 1: Exemptions and Discounts active for the Nottingham WPL

Exemptions applied for any of the following users:	Occasional business visitors	Vehicles belonging to people who live and work/study at the same premises		
	Display vehicles (vehicles parked at premises but not used to travel to and from work)	Fleet vehicles (vehicles parked at premises but not used to travel to and from work)	Customer vehicles	
	Vehicles used primarily to deliver or collect goods		Motorbikes	
Discounts applied to type of employers/ parking spaces.	Volunteer parking at a registered charity.	National Crime Agency	Disabled persons' blue badge vehicles	
	Employers and any associated employers who between them provide 10 or fewer workplace parking places.		Qualifying NHS premises	
	Employers and any associated employers who between them provide 10 or fewer workplace parking places.		Front line emergency services such as; Ambulance, Police and Fire.	

Source: [Nottingham City Council](#)