



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Wednesday 29 May 2019**

**Session 5**



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**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**

**18<sup>th</sup> Meeting 2019, Session 5**

**CONVENER**

\*Edward Mountain (Highlands and Islands) (Con)

**DEPUTY CONVENER**

Gail Ross (Caithness, Sutherland and Ross) (SNP)

**COMMITTEE MEMBERS**

- \*Peter Chapman (North East Scotland) (Con)
- \*John Finnie (Highlands and Islands) (Green)
- \*Jamie Greene (West Scotland) (Con)
- \*Richard Lyle (Uddingston and Bellshill) (SNP)
- \*John Mason (Glasgow Shettleston) (SNP)
- \*Mike Rumbles (North East Scotland) (LD)
- \*Colin Smyth (South Scotland) (Lab)
- \*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)
- \*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

- Fiona Beale (Aviva)
- David Belsey (Educational Institute of Scotland)
- Alistair Brown (Scottish Association of Social Work)
- Stuart Douglas (Paths for All)
- Sue Flack (Transform Scotland)
- David Lonsdale (Scottish Retail Consortium)
- Helen Martin (Scottish Trades Union Congress)
- Pauline McNeill (Glasgow) (Lab)
- Alexander Quayle (Sustrans Scotland)
- Colin Smith (Scottish Wholesale Association)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



# Scottish Parliament

## Rural Economy and Connectivity Committee

Wednesday 29 May 2019

*[The Convener opened the meeting at 09:00]*

### Transport (Scotland) Bill: Stage 2

**The Convener (Edward Mountain):** Good morning, everyone. I welcome you to the committee's 18th meeting in 2019 and ask everyone to make sure that mobile phones are on silent. We have received apologies from the deputy convener, Gail Ross, who is unfortunately not well, and I welcome Pauline McNeill to the meeting.

Agenda item 1 is continued evidence taking on the policy intentions of stage 2 amendments to the Transport (Scotland) Bill on a proposed workplace parking levy. Two panels will give evidence today, and I welcome the first, which will focus on the levy's potential impact on employers, employees and workplaces. Alistair Brown is the national director of the Scottish Association of Social Work; Fiona Beale is the head of corporate real estate at Aviva; David Lonsdale is the director of the Scottish Retail Consortium; Colin Smith is the chief executive of the Scottish Wholesale Association; Helen Martin is assistant general secretary of the Scottish Trades Union Congress; and David Belsey is assistant secretary of the Educational Institute of Scotland.

This is a big panel, and I would like everyone to have the opportunity to contribute. Members will pose questions, which we will ask you to answer. If you occasionally keep your eyes on me, I will not have to signal for the microphone to be cut off because you are going on for too long. I will try to keep you right—if I signal, it means that we are coming to the end of your bit and I would like to give somebody else a chance to come in. If anyone is not coming in enough, I will try to bring them in. You do not need to touch the consoles, as they will be operated for you.

Before we start, I ask for any declarations of interest.

**Richard Lyle (Uddingston and Bellshill) (SNP):** I receive a small pension from Aviva, which took over a pension that I had.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I have a small investment and insurance vehicle with Aviva.

**The Convener:** Thank you. We have a series of questions, the first of which will come from John Finnie.

**John Finnie (Highlands and Islands) (Green):** Do any of the panellists have data on the proportion of employees who use on-site workplace car parks?

**The Convener:** Who would like to start? Does Fiona Beale know how many people use Aviva's car parking spaces?

**Fiona Beale (Aviva):** I am happy to help you with that question. Our two main Scottish hubs, in Pitheavlis, in Perth, and in Bishopbriggs, have 1,200 car parking spaces to service 2,000 staff.

**John Finnie:** Does anybody else have data?

**The Convener:** No one else has data.

**Colin Smith (Scottish Wholesale Association):** Unfortunately, I do not have specific data about the number of spaces that our members have. The Scottish Wholesale Association represents the wheels of the food and drink industry. Our members have large warehouses in out-of-town locations, which have large car parks that are not necessarily for staff but for customers, because of the nature of the business. Our members collect goods from the wholesalers. I estimate that about 80 per cent of our staff commute by car to their place of work, but that is purely an estimate, because I do not have recorded data. I am happy to survey our members to get that information.

**John Finnie:** It would be very helpful if you could share that information with the committee. Thank you very much.

**The Convener:** Alistair Brown, many of your members might need a parking space at work. Is that true of nearly all of them or of just a proportion?

**Alistair Brown (Scottish Association of Social Work):** We do not have specific numbers. The vast majority of our members use their own cars. Many of our members in the 32 local authorities work in rural areas and, as you will see from our evidence, many of them use their own cars for their day-to-day work.

**The Convener:** I was struck by the point in your written evidence that cars are seen as a safe place for people to meet your members.

**Alistair Brown:** That is correct. People are constantly doing very taxing and emotional work in an increasingly difficult and less-resourced environment. They feel under tremendous pressure and have to respond to things very quickly.

**John Finnie:** What is your view on the public sector relying on an employee to own a private motor vehicle in order to discharge their duties? Surely, that is a barrier to someone accessing a post in the first place. Should you not be pushing for local authority employers to provide vehicles, perhaps by using a pool system?

**Alistair Brown:** That is one of the more strategic issues that need to be looked at. In the social work posts that I have held, there has usually been one pool car per team, which has generally been insufficient. In order to carry out statutory roles in relation to child protection and mental health, for example, we need to respond very quickly. Sometimes, we need to go out to a client three or four times in a day—it is not all carefully scheduled.

**John Finnie:** I understand that. I should perhaps declare that my wife is a former social worker who used a vehicle in that way.

Do you think that the expectation that an employee should provide their employer—a local authority—with a private motor vehicle for public use is a tenable situation into the future?

**The Convener:** I am happy for you to answer that question, although I think that John Finnie may be going beyond his amendment to the bill. Helen Martin can make a brief comment, and we will then move on to John's other question.

**Helen Martin (Scottish Trades Union Congress):** I agree that the treatment of staff in that regard, particularly in social work, needs to be looked at as a whole. I recommend the fair work convention report on social workers as a good reflection of some of the fair work issues in that sector.

**John Finnie:** I thank you all for your written evidence. What are your expectations about where the levy may be imposed?

**Alistair Brown:** We are hearing that it is intended to be imposed in cities and that Dundee, Edinburgh and Glasgow are actively considering it. However, we say in our evidence that there are difficult issues to balance in respect of the disproportionate effect of pollution on the poor. Also, until all the other structural things are achieved, it is impossible to move ahead and just tax our members a further £500 a year, if VAT is added on.

**John Finnie:** Sorry, but where did you get that figure from?

**Alistair Brown:** The figure of £415 is mentioned in the papers, and VAT would be added to that.

**John Finnie:** No figures have been established yet; the bill is simply an enabling piece of

legislation. It would be for local authorities to determine the charge.

**Alistair Brown:** The Nottingham scheme has been much talked about, and £415 plus VAT was mentioned in relation to that scheme.

**John Finnie:** Ms Beale, do you envisage the levy being applied in the two areas that you referred to?

**Fiona Beale:** We do not know—we have no idea. Aviva is supportive of a workplace transport levy if it reduces the number of cars on the road. However, it is important that organisations that are already doing things in that respect receive some sort of recognition. Although we have some workplace car parking, we also support car-share schemes; we have invested about £1.7 million over the past eight years in bringing additional bus access to our sites; we support cycling to work; and we provide loans for season tickets. I am looking for recognition of what organisations are already doing and for exemptions where they are already doing something.

**The Convener:** That brings us neatly to the next question, which will come from John Mason.

**John Mason (Glasgow Shettleston) (SNP):** I am most interested in speaking to the witness from Aviva, whose submission I found very helpful. I appreciate your sharing with the committee what you are doing already.

Some areas have good public transport while others do not, which makes a difference to the people there. I presume that the local authority knows whether there is good public transport to your sites, or to anyone else's, so it would be good if we were to let it decide whether it wanted to introduce the levy. You say that, in Bishopbriggs, you have been encouraging people to use buses and that a bus passes your site every 15 minutes, which strikes me as being a good service. Why is it not appropriate for more of your workers to use the bus?

**Fiona Beale:** We invest around £150,000 a year in bringing a number of services into our Bishopbriggs site. Many people who work at our operation there live in quite rural areas that are not well served by public transport, and it is important that local authorities give consideration to that. The Nottingham scheme, which has been well publicised, is in a city centre. Our two main sites are on the edges of towns and are not well served by public transport, which is why Aviva has had to supplement the bus service.

**John Mason:** You said that local authorities should take that into account, which suggests that we should pass the bill and give local authorities the power to make the real decisions. Is that your feeling?

**Fiona Beale:** Aviva's view is that organisations that are already supporting cars being removed from the road should receive recognition and that any exemptions and recognitions should be agreed at a national level. As an organisation, we would not want to have to deal with multiple local authorities; we would expect the levy to be set at a national level.

**John Mason:** Would anyone else like to comment on that area?

**Colin Smith:** Going back to my original point, I would add that our members are based in out-of-town industrial estates across the country, from as high up as the Highlands and Islands down to Edinburgh, Glasgow and the Borders. Transport links to industrial estates are poor at the best of times. However, our survey found that 92 per cent of our members have workforces who are on shift work. We are a 24/7 business: we are open during the day, but we are also trunking food and drink deliveries across the country in the evenings. Our workforces are reliant on their cars for getting to our out-of-town locations, where public transport tends not to go even during the day and especially not at 10 o'clock at night, when our members are going to work, or at 5 o'clock in the morning, when they are leaving.

That brings me to our other concern, which is the safety of our workforces. Members of staff might go into work at 10 o'clock at night and have to park on the streets of industrial estates because they cannot afford to pay the workplace parking levy. Someone might decide to park on a street that is hundreds of metres away from the safety of their place of work, where there are closed-circuit television, security guards and so on. Therefore, although we would like to see a reduction in car use and our members are already taking a proactive approach to making their businesses more environmentally friendly—by investing in green-fleet technology to improve driver efficiency and encouraging staff to use alternative modes of transport where possible—the fact is that we still do not have transport links to out-of-town industrial estates.

**The Convener:** If John Mason does not mind, I will bring in another couple of members of the panel.

**John Mason:** Sure.

**The Convener:** David Belsey wants to come in. Perhaps Helen Martin and David Lonsdale could do so as well.

09:15

**David Belsey (Educational Institute of Scotland):** On John Mason's question, giving local authorities the option of introducing the

workplace levy—pushing the problem to them—would create a situation in which thousands of workers could, through no fault of their own, find themselves financially disadvantaged by a flat-rate tax being applied to their workplace that will be transferred to them, as the evidence from Nottingham shows. Many workers—particularly in out-of-town and rural places, and even in some parts of our larger cities—do not have public transport options for getting to work timeously at the beginning of the day. In such scenarios, giving local authorities the responsibility would be problematic.

**Helen Martin:** We agree. We are not in favour of the levy, primarily because it could fall heavily on low-paid workers and because it does not fit well with other elements of the bill. We are disappointed that, on bus travel, the bill allows local authorities only to be an operator of last resort. While that is the bill's approach, introducing the levy would combine with difficult public transport issues.

The proposed levy is small and limited. It is likely to place hardship on low-paid workers and is unlikely to raise the money that is needed to invest in and transform public transport arrangements. With the provisions that prevent public ownership, the levy will not achieve what Mr Finnie would like it to achieve. We should not introduce the levy without a much broader strategy, because of the hardship that would be placed on workers.

**John Mason:** Various points have been made. I absolutely get it that city and rural locations differ. The biggest problem is in the cities, and Glasgow has a fabulous public transport system, so a levy should not be such a problem there. Have any rural local authorities told Mr Smith or Mr Belsey that they plan to introduce a levy? The amendments would give authorities the powers, but rural authorities would probably not use them, whereas city authorities would at least think about using them, which would solve the problem. Surely, Ms Martin, those who take their cars into the centre of Glasgow are not poorer workers but rich directors—are you defending them?

**Helen Martin:** That is a simplistic argument. A range of workers—particularly shift workers—take their cars to work for a range of reasons. It is not true that public transport in the centre of Glasgow is perfect—far from it. It is perfect at some times of the day: for people who work from 9 to 5 and who are wealthy directors, public transport is quite good, but that is not the case for people who do shift work or who work in hospitality and are turfed out of their workplace at 2 am. We constantly run safe home campaigns for hospitality workers because there is no public transport and they are being attacked on the way home, because their

low wages mean that they cannot afford to take a taxi.

**John Mason:** Do such people take their cars into the city centre at the moment?

**Helen Martin:** Some people do and some do not. Those who do not are being attacked on the way home, and our concern is that the levy could put more people into that category.

I absolutely appreciate the desire to do something about modal change, but I am not sure that the levy is the tool that will do that of itself.

**The Convener:** I will bring in David Lonsdale and then somebody who sparked off questions from everybody on the committee.

**David Lonsdale (Scottish Retail Consortium):** John Finnie's policy narrative and amendments are admirably clear. The levy is a tax on premises. As the committee will have gathered from our submission, the retail industry feels that it has faced quite a lot of taxes and costs. Property costs are the second biggest outgoing after employment costs. Anyone who has had the pleasure of having me in front of their committee before to talk about measures such as business rates will know the points that we have made, which are articulated in our submission.

The business rate poundage, or tax rate, has gone up markedly since the start of the decade and is at a 20-year high. Business rates bills for retailers alone went up by £13 million last month. We look at the levy very much through the prism of its being an additional cost on business. The point about whether the levy will be passed on to staff is a good one. The evidence on that is mixed, and I will probably come to it later. However, first and foremost, the levy is a cost to business, and we are already paying business rates on parking spaces. As the committee will have seen from the data on retail sales and shop prices that came out today, this is a tough time for the industry and it is difficult to absorb a lot of those costs.

**Jamie Greene (West Scotland) (Con):** Good morning, panel. Many different areas have been covered, but I will focus on just one. We discussed the parking levy with Nottingham City Council last week and pressed the question of what the main purpose of such a levy is. The levy seems to be used primarily to raise funds to improve public transport in that city; the objectives of reducing congestion or improving air quality are secondary. Is there a worry that, if the power is given to all local authorities, they might use it in non-city areas simply as a mechanism for raising money to invest in capital infrastructure projects rather than to tackle congestion in our cities?

**The Convener:** Helen Martin is nodding furiously.

**Helen Martin:** That is our concern. It is about the context in which we are amending the Transport (Scotland) Bill. Local authority budgets have been very stretched in recent years. I would go further than what has just been described and say that local authorities will raise the levy to replace money that is currently going on transport in order to free up funds for other areas. I imagine that some local authorities would be tempted to do that because, with the stretch on local government finance, it would be a way of funding essential services. I would have sympathy for a local authority that found itself in that position, but it would be potentially damaging for low-paid workers, who would not see an improvement in their public transport as a result.

**David Belsey:** I go back to a point that John Mason made earlier. He said that rural local authorities would probably not introduce the levy but, in reality, because it would be a means of raising revenue at a time in which it is generally acknowledged that councils are stretched, they would be tempted to implement it. The levy raises a relatively small amount of money in Nottingham. If a local authority implemented its own scheme—which would, I appreciate, include exemptions—some workers would pay into something and see the small revenues that are raised being spent elsewhere and not affecting their commuting or travel habits at all. That is a worry.

**Stewart Stevenson:** David Lonsdale correctly identified that, when an employer provides workplace parking, there is a physical infrastructure, and that that potentially attracts business rate liability. The levy is a further cost associated with the provision of parking. Can any panellist tell me about any substantial employer that currently passes on to employees the cost of providing parking to cover physical provision and business rates? If not, why would the workplace parking levy—which is a levy on the provider of the parking, not on individuals—be passed on to individuals when the existing costs are not?

**Alistair Brown:** The City of Edinburgh Council already passes that cost on to employees for key locations, particularly in the city centre.

**Colin Smith:** I might have picked you up wrong, but the business rates that our members already pay range from £130,000 a year to £500,000 a year. That excludes the large business supplement, which a lot of them will fall under. Businesses are already paying a tax on workplace parking space, which is obviously not passed on to the employee.

**Stewart Stevenson:** Forgive me, but you say that that is “obviously” not passed on to the employee. Is it not also obvious that businesses would not pass on the workplace parking levy to employees? That is the question that I am really



asking. Is there a philosophical reason why we are suddenly talking about employees paying the WPL?

**Colin Smith:** It is a given that business rates are a cost on running a business and are absorbed as part of a company's business costs, but the workplace parking levy would be an additional cost over and above that. Eighty-two per cent of my members who were surveyed said that they would pass on the levy to their employees because they could not afford to meet it.

That said, if business rates were to be reduced as a result of the introduction of the workplace parking levy, such that businesses would not be double taxed, my members might—I would need to go back and ask them about this—look to absorb the levy.

**The Convener:** I would like to clarify something. When an assessment for business rates is carried out, that is done on the basis of the rental value that the property could achieve on the open market. The business rates are set as a percentage of that value. If a business did not own its property and was hit by the workplace parking levy, surely it would go back to the landlord and say, "We're paying an additional tax, so we want a reduction in the rent that we're paying." That would be the first thing that I would do if I was in that position.

Do any of the witnesses recognise the logic of that? Aviva probably owns the buildings that it uses. Is that right, Fiona?

**Fiona Beale:** No—predominantly, we rent.

**The Convener:** Do you think that there would be an opportunity to get a reduction in the rental value of the buildings that you use?

**Fiona Beale:** We have not given any consideration to whether we would appeal our rates if the levy was introduced.

**The Convener:** As a surveyor, I think that somebody might see the opportunities that exist there.

**David Lonsdale:** Stewart Stevenson has picked up on a good point. From our perspective, it is too early to say whether, if the amendments to the bill are agreed to and the levy comes into effect, employers in our industry would look to pass on some of the costs.

There might be other options. Fiona Beale talked about some of the support that her company gives to staff to encourage them to use public transport, whether through season ticket loans or schemes such as the provision of buses or cycle-to-work facilities. One option might be to cannibalise that budget to pay for the levy. However, as I said, it is too early to talk about

whether the costs of the levy would be passed on and to consider what the detail of that might look like.

Several of our members have multiple sites in the same local authority area, which could increase the bill. It is yet to be determined what would happen in such cases, but the bill for meeting the levy could be quite large for companies in that situation. The introduction of the levy would have some unintended consequences. It might result in reductions in the provision of support for people to use public transport.

**John Finnie:** I have a question for Mr Lonsdale. All the committee's papers are readily available online. In your written submission—which, I stress, is very helpful—you gave a bit of background information on your organisation and said that your members help to deliver £180 billion-worth of retail sales.

I want to follow up on Mr Stevenson's question about the philosophical approach to the levy that is being taken. I get that people do not like paying taxes, but the workplace parking levy is just the latest in a number of things that the Scottish Retail Consortium is unhappy about; it is also unhappy about the apprenticeship levy, employer pension contributions and the statutory minimum wage. Therefore, the WPL is just your latest whinge, is it not?

**David Lonsdale:** I think that that is an unfair characterisation of our position.

**John Finnie:** Will you confirm that, in your submission, you expressed concern about the contributions that you have to make in each of the areas that I mentioned?

**David Lonsdale:** The argument that we make is that the retail industry is in a state of flux and change. Profound shifts are taking place in the way in which people are shopping. Shopping in bricks-and-mortar stores is declining—increasingly, people are shopping online. At the same time, consumers have less money than they had previously. The third strand is that costs are rising.

We support many of the policies that you have mentioned and which were touched on in our submission, but the cumulative burden—the wave after wave of costs that are increasing without any recognition of the economic impact—is quite incredible. You are right to finger—

09:30

**John Finnie:** You do not know the impact that the levy would have or where it would apply. The likelihood is that it would be applied to local authorities.

**David Lonsdale:** We have not—

**John Finnie:** You have not assessed the impact, but you are unhappy with what you say the impact will be.

**The Convener:** I will take John Finnie's line of questioning and would like David Lonsdale to answer briefly. We will then move on to Richard Lyle, purely because we are on question 2 and I perceive that there may be multiples of 10 of that number to get through in the time that we have.

**David Lonsdale:** As I said, we have supported a lot of the other policies. Often, they all come at once, which is challenging for employers, particularly in tough market conditions.

The one thing in favour of a lot of those other policies is that there was some sort of economic assessment of them. In Scotland, there is a business and regulatory impact assessment. As far as I can see, nothing along those lines is associated with the levy. I have no idea whether the Scottish Government's regulatory review group has had a chance to consider it and have input. It is quite astonishing that we are talking about the levy without any sense whatsoever of what the impact would be on consumers, businesses and local authorities. That we are making policy in that way in this day and age is startling. We are very supportive of evidence-based policy making in the round. We work constructively with the Scottish Government and the United Kingdom Government on a whole host of issues, but it is astonishing that there is no impact assessment at this point.

**John Finnie:** But your members—

**The Convener:** In fairness, I am going to leave John Finnie's question hanging. It has been answered before. We will go to Richard Lyle's question.

**Richard Lyle:** Good morning, panel. I wish Mr Lonsdale and anyone else good luck with the assessor and the landlord in trying to get the rent reduced—I think that some people are trying that.

A workplace parking levy relates to a parking space in a workplace—that is in the name. Do the panellists think that employers, which are under pressure to pay this and that—all the rates and whatever—would require their staff who use a workplace parking space to pay the levy, instead of the business paying for it? On the point that Helen Martin made, would it be realistic to expect employers to exempt lower-paid workers from paying the workplace parking levy, or would employers just say, "Everyone will pay it, because I am not going to pay it"?

**The Convener:** I will bring in Helen Martin first, because I did not let her answer the previous question, and I see that she is keen to answer this one.

**Helen Martin:** I am always keen.

We are concerned that employers will pass the levy on to employees, because the evidence from Nottingham suggests that about half of employers have passed the levy on to employees. That is the only evidence we have to work on, and that is why we think that the levy is likely to impact employees.

If the levy came in in a unionised workplace, the union would defend the workers' terms and conditions and try to ensure that the employer paid it and did not pass it on to the employees. The reality of how that would shake out over the long term is difficult to know. Over time, things can creep into the employees' payslips even if they are not necessarily agreed, as a result of other changes in terms and conditions.

Another thing to note is that such things tend to go backwards if they are left to their own devices. It would tend to be the lowest-paid workers who were not exempted from the levy, because having a parking space would go into the package of a chief executive officer but not into the package of a cleaner. In some ways, the logic of the workplace is backwards with regard to defending low-paid employees.

**Alistair Brown:** I agree with Helen Martin. Nottingham has the most publicised scheme and, from what we have heard, employers have passed the costs on. Local authorities are so pressed—we do not need to talk about how adult social care is breaking down because of a lack of resources—that I imagine that they would seek to recoup any costs that they possibly could.

**David Lonsdale:** I have already answered that question in part. To draw a link between Richard Lyle's question and Stewart Stevenson's question, the issue is that firms pay business rates once but, if the levy comes in, they will pay tax twice—they will pay business rates and the levy on their parking spaces on top of that. The principle changes somewhat. Alistair Brown made a point about trying to recoup some of the costs from staff. The levy lends itself to that.

The other thing to bear in mind is that our members are extremely concerned and acutely aware of the fact that not just companies but individuals face a number of pressures and strains at the moment. Colin Smith mentioned that. We have seen council tax rises, employee pension contributions have gone up, things such as deposit return schemes are coming into effect, and a number of other issues in the budget accord between the Scottish Government and the Greens will push up the cost of living. Workers and employees will therefore have a number of issues that challenge their pockets.

**The Convener:** Unless Richard Lyle would like to direct that question to anyone on the panel who has not answered it, I will now bring in Pauline McNeill and come back to him for his second question.

**Richard Lyle:** That is fine.

**Pauline McNeill (Glasgow) (Lab):** I am interested in the question of exemptions. Maybe Helen Martin can give the answer that I need, but anyone else is welcome to comment.

The Scottish Government's poverty strategy identifies that single parents are among the poorest; we know that people with a disability are among the poorest; and we know that lots of people who work are on universal credit. Do you have a view on the impact on those groups?

Also, I am interested in any information that you have about the number of single parents in the workplace and the range of salaries for shop workers, for example. I am interested in knowing whether there is any information about the number of people who come to work with a Motability car. Even if you do not have it today, it would be good to get that information at some point.

**The Convener:** That is quite a lot of information for somebody to have prepared to bring to the meeting. Perhaps the information could be submitted to the committee in writing later if people can track it down relatively quickly after the meeting.

**Pauline McNeill:** A general answer would be fine.

**The Convener:** Does somebody want to try to give a general answer? Helen?

**Helen Martin:** Amendment 16 helpfully says that blue badge holders would be exempt. That would be absolutely essential and it would not make a lot of sense not to do that, given the use of such schemes as the Motability scheme.

The more challenging issue is around lone parents, for example, or parents in general. One of the things that you have to do as a parent—as a working parent in particular—is to take your child somewhere to be looked after and then go to work. For a lot of parents, that means that using public transport is not really an option because you have to make the nursery run and then you have to get to work for the start time and then you have to get back for the nursery run.

As a working mother for many, many years, I was always chasing my tail; I was always working through my lunch; and I was always running everything up to the deadline to get back for the nursery pick-up. The idea of suddenly adding in a train journey or getting a train then a subway and then a bus would have been untenable for me. I

would not have been able to do it. I would have had to suddenly find a completely different childcare option because I would not have been able to use the local authority nursery. That is an issue that is difficult to get around with just a pure exemption because those people will fall into a whole range of categories and they will be hard to identify but it is a real pressure, and it is a pressure that falls on women in particular.

**The Convener:** Thank you, Helen. That was a good answer. Alistair Brown wants to come in and then I will come back to Richard Lyle.

**Alistair Brown:** I will just quickly say that 80 per cent of our workers are women and they are working on average 13 hours a week extra that they are not being paid for. Unfortunately, women still disproportionately take more of a role in family life, caring for children and parents.

**Richard Lyle:** Many witnesses have raised concerns that employees may switch from parking in workplace car parks to on-street parking following the introduction of a WPL. That may create an antagonistic relationship between employers and residents and pose a safety risk to lone and shift workers.

I have quite a number of industrial estates in my constituency. Anyone who currently parks at their workplace may park their car on the roads in the industrial estates or the business parks and clog up the streets. Some people are concerned that, if introduced, the levy will cause a lot of bother. Do you agree with them?

**Colin Smith:** I mentioned that earlier. Such concerns have been noted in Nottingham. Some of our members have depots across the country, including one in Nottingham. The reality in Nottingham is that there has been a move from workplace parking to on-street parking, leading to the council putting in double yellow lines, which moves people further away from those areas. Indeed, the council is now having to spend money on reorganising roads and so on to deal with the congestion issues that the levy has created.

Our concern, which is again to do with the safety of our employees, is that on-street parking will—

**The Convener:** David Belsey wants to come in on that point.

**David Belsey:** Parking on streets is an obvious way for workers to save money, should the employer transfer the new tax on to them. That approach will work for them in some places but, in other places, such as Edinburgh, the cost of parking on the streets is in itself very high.

I echo some of Alistair Brown's earlier comments about teaching. The majority of teachers are women, many of whom have caring

responsibilities, and I echo Helen Martin's comments in that regard.

The submission from Unison, which is a sister union of ours, makes the point that, in Nottingham, the union has raised a grievance—I think that it is a collective grievance—on behalf of low-paid workers, who it feels have taken a disproportionate hit because of the workplace parking levy.

**Richard Lyle:** It has been drawn to my attention that quite a number of teachers park in their school's grounds. The school that I was standing outside last Thursday has 25 parking spaces for the teachers. What would happen if they all parked on the road, which does not have a double yellow line? Sadly, quite a lot of people misuse the roads when parking near schools to collect their children. If they could park right next to the classroom, they would.

Do you think that most teachers, if they had to pay a levy, would park their cars outwith the school and on the road somewhere? Again, that would affect their safety.

**David Belsey:** Yes. A levy would affect the behaviours of those teachers who currently park at schools. We assume that the local authority would transfer the cost, which may be about £500—it may be more; it may be less. For those teachers who have seen the value of their real-terms pay fall over years and years, every expenditure is carefully monitored, so, if they can avoid paying such a levy, they will.

Some teachers may go on to public transport, but for many that will not be a credible option not only because public transport will not get them to their school on time, but because it will not allow people to drop off their child or fulfil other responsibilities before they get to the school. Also, teachers tend to carry their work home, including their pupils' work and materials used to prepare their lessons. Therefore, for many teachers, parking their car on the road and having a longer walk to and from school would be problematic.

Those are all areas of concern for us with the proposed levy.

**The Convener:** We have not really addressed safety issues. Are there safety issues? Helen Martin mentioned evening shift workers. Some people in employment will be worried about parking their car away from their work, because they could be accosted on the street and that sort of thing. Is that an issue?

09:45

**David Belsey:** The carrying of heavy loads from where someone parks their car to where they work is problematic. Some of us have seen the situation

outside schools where lots of people park. The cars are often parked close together, which is dangerous. Having more cars parked there will raise road safety concerns. In terms of safety, someone having an extra journey or an extra element to the journey to their workplace will always increase risk.

**Fiona Beale:** We have a lot of shift workers in our two key Scottish locations, and there is overnight work, so it is important that our people are able to go by car to the office, which is in an out-of-town location. We have taken no decision yet on whether we would pass on any levy that was implemented, but I will continue to press for some recognition of organisations that have taken some measures.

**The Convener:** John Finnie has a brief question, then we will move on to Colin Smyth.

**John Finnie:** Mr Belsey, do all your members have access to parking at the premises where they work? I did not appreciate how dangerous parking in the street was, but it seems to be a big issue for a number of people.

**David Belsey:** I do not believe that all teachers have access to car parking in their schools; it depends on the nature of the school premises.

**John Finnie:** Given the concerns that you have raised about the implications—

**The Convener:** John, I said that you could have one question. You have had quite a few and I am concerned because we have a lot to get through, so we will move on to Colin Smyth's question.

**Colin Smyth (South Scotland) (Lab):** It was mentioned earlier that the bill is, in effect, enabling legislation that will enable 32 local authorities to have one or more workplace parking levy schemes in their areas. What are the panel's views on the challenges that their organisations could face from having multiple, different schemes in different parts of Scotland?

**David Lonsdale:** If multiple local authorities introduce the levy, there will be multiple billing authorities to deal with. Going back to the issue of business rates for a moment, one of the strengths of the reform agenda that the Scottish Government is pursuing is the intention to standardise bills across Scotland. We would like to see something similar for the levy. My understanding of the situation in Nottingham is that people can apply online for the levy. Simple mechanisms that make it simple and easy for companies to apply would be hugely beneficial.

Making decisions in good time so that companies can factor the levy into their budgeting would also be helpful. I saw in either Mr Finnie's paperwork or the Nottingham example talk of eight weeks or something like that, whereas the Scottish

Government signals four months in advance its tax decisions on the amount to be charged and who will be liable. Those are a couple of the things on which we would like to see some consistency of approach by councils in Scotland that implement the levy.

**Colin Smith:** I agree with everything that David Lonsdale said. The issue is the complexity for our members of working across different councils. We would need some standardisation of the definition of a workplace parking place, because I note that amendment 8 refers to workplace parking places for business customers, business visitors and so on. If the definition was left to a council to determine, that would cause problems for our members and for any business. I also note that Nottingham City Council said last week that the beauty of the workplace parking levy is its flexibility. Having flexibility is all well and good but, as David Lonsdale said, we require clarity and standardisation across councils on how the levy will be implemented. In particular, the costs should be equal across councils, so that everyone knows what they will pay.

**Colin Smyth:** Advocates of the levy strongly argue that it should be passed on to workers, because they see it as a financial stick to encourage people not to use their cars. That is the whole point, according to some organisations—for example, Glasgow City Council's lead councillor for transport made that argument to the committee last week. However, some people are concerned that, if the levy is passed on to employees, it will not reflect the ability to pay, because it is a flat rate. Should a requirement for arrangements to be based on the ability to pay be built into the bill? Should that be left entirely up to each employer to decide?

**David Lonsdale:** A bit like Aviva, we will wait to see whether the power comes into effect and whether any councils flex it before our members take a view on whether to pass on the cost to staff. That might be an option; I am not a human resources or finance payroll person, so I do not know whether that would be easy or complicated to do.

The committee could usefully do some things, such as considering whether to cap the levy, as we said in our submission. Scotland has business improvement districts, which are term limited. The committee could usefully look at whether such a limit should apply to the levy.

Perhaps I should have said earlier that, if my reading of Mr Finnie's amendments and policy narrative is correct, councils could apply the levy in parts of their areas, as opposed to their entire areas. A minor and perhaps somewhat unfounded concern is that councils might draw a line on a map that excludes their headquarters, premises or

business and commercial parks where they have a fiduciary or financial interest at stake. The committee needs to be alive to that.

**Colin Smyth:** I have a follow-up question. It has been suggested—I think wrongly—that the number of schemes might be limited because they might be introduced only in cities that have sufficient public transport, although there might be more than one scheme in a city. That completely ignores the fact that not everybody who works in a city lives there. Thousands of my constituents in the south of Scotland travel every day from the Borders to Edinburgh for work, for example, but the levy will be based on local authority boundaries and not on wider boundaries.

A constituent of mine who lives in the Borders, where public transport is limited, and who uses their car to travel into Edinburgh city centre will have no say whatever in whether the levy is imposed, because that will be entirely for the City of Edinburgh Council. Not a single penny that that council raises will be spent on improving public transport in the Borders to help my constituent. The challenge is that thousands of people outwith a local authority's boundaries will have to pay the levy but will get none of its apparent benefits. How can that challenge be overcome?

**Helen Martin:** I do not have a solution, but I share the concern. It is clear that the levy could have a negative impact on commuter towns. A range of people have no choice but to travel to work by car; they would have to pay the levy if they continued to drive, which is one reason why the proposal would not impact congestion well. Those workers would not experience the improvements and they would have no way to avoid paying. That is one of the unfairnesses of the levy. There is a range of unfairnesses that are difficult to get around, and the system will become increasingly complex as you try to solve small issues with exemptions to the levy or different ways of running the scheme. In addition, the levy does not create that much money for a local authority potentially to transform public transport. There is a range of such issues that need to be considered.

**John Mason:** On that point, an amendment to one of the amendments suggests that in order to overcome that challenge, it might be better if the regional transport partnerships implemented the levy. Do any of you agree, or at least consider that an option?

**Alistair Brown:** A lot of our members travel, particularly to city centres, and because of the type of work that they do, and the intervention that they do in communities, they do not usually live in the communities in which they work.

**Mike Rumbles (North East Scotland) (LD):** My question is focused on David Lonsdale's submission, in which he said, in paragraph 15:

"We would be concerned if the WPL opened the door to allowing local authorities to extend the levy to customer parking."

I do not know whether he is aware of this, but amendment 8 includes the phrase, "business customer", which would mean that customers of a business would be caught by the legislation. David Lonsdale, are you aware of that?

**David Lonsdale:** Thank you for bringing that to my attention. Where retailers provide parking, it tends to be for customers; retail parking—unlike parking at Aviva or companies in other sectors—is not necessarily delineated for staff. That is a real worry. Glasgow City Council said in its evidence that it wants a wider power on parking. Our concern is that that would be the thin edge of the wedge. If the levy was introduced more widely, for example for parking at retail properties and premises, we would be talking about a significant increase in the cost of the levy, so that would be a concern.

**Mike Rumbles:** You are saying that it would have a major effect. We are not just talking about workplace parking for employees of businesses, because amendment 8 talks about business customers. I have lodged an amendment today to remove the phrase "business customer" to make John Finnie's proposal more acceptable—not that I think that it is anyway, but my amendment would make it more reasonable. I just wanted to make that clear to John Finnie.

**The Convener:** Is there a question, Mike?

**Mike Rumbles:** I am surprised that David Lonsdale has not focused on the big impact that amendment 8 would have on his members.

**David Lonsdale:** My interpretation of that is that it would mean that contractors and suppliers and so on would be included in the levy. Part of the problem is the fact that we simply do not have enough detail. There is a startling paucity of detail about what the levy would mean in practice. That is why I remarked at the outset that we do not have any economic impact assessment of the levy. A lot of the questions are great questions, but they should have been teased out to a certain extent by some sort of impact and regulatory statement.

**Mike Rumbles:** The fact is that you cannot pass on a charge to customers other than through higher prices. Correct me if I am wrong, but I assume that the impact of amendment 8 is that your members would either have to absorb the levy into the business, out of profit, or pass it on in increased prices to customers. Is that not the logic of that?

**David Lonsdale:** Retailers are in the business of trying to provide excellent value to their customers and will do as much as they can to ensure that they keep prices down, but it is incredibly difficult, for all the reasons that we talked about earlier—the great wave of cost pressures that are coming through. We understand that the public sector does not necessarily have the money either, but the other side of the equation is that these taxes have to be paid for. You can only spend the money once.

10:00

**Colin Smith:** Mike Rumbles is absolutely right. That is why I mentioned amendment 8. Because the definition that it provides of "workplace parking places" covers business customers, convenience stores throughout communities—we are talking about 4,972 convenience stores—would be affected. Wherever people go to buy food and drink, whether that is their local cafe, pub, club or restaurant, that business will probably be serviced through one of our members. A lot of our members operate a cash-and-carry depot, to which convenience store operators will come to pick up their juice, crisps and so on. They will come in a van and will come out with trolleys loaded with goods rather than carrier bags. If our members were suddenly hit with the workplace parking levy, they would have to absorb the cost, because if they did not, that would prohibit them from operating. Car parking spaces for their business customers are a necessity for our members because of the nature of what they offer.

As the wholesaler is at the start of the supply chain, he will be squeezed the most, because he can raise his costs by only so much. The cost price to the convenience store or the restaurateur is dictated by the market price, and that comes from the multiples—the supermarkets and the discounters. They are the ones who dictate the wholesaler's cost price. The retailer cannot go much beyond the price that a supermarket is paying because, if they do, they will become uncompetitive and will not be able to survive.

Our wholesalers' net margins are less than 1 per cent; they operate a high-volume, low-margin business. That is why we are opposed to the workplace parking levy. Our members would not be able to absorb that cost, and 82 per cent of them would pass it on to the employee. It is the employee and, ultimately, the consumer who would pay for the levy. It could not be absorbed in the cost stream unless everyone was willing to pass on the increased costs in the price of the goods that people buy.

**The Convener:** Jamie Greene will lead off on a new section of questions.

**Jamie Greene:** The workplace parking levy is a confusing issue for the committee, and we have received conflicting submissions from stakeholders on how we should approach it. The next panel will include proponents of the levy, and we will have a perfect opportunity to ask them suitable questions.

In its submission, Sustrans Scotland makes the statement:

“A WPL is a progressive policy that is likely to be of greatest benefit to people on lower incomes.”

In its submission, the STUC—which I believe represents more than half a million workers in Scotland—says that the levy

“has a disproportionately negative impact on those with the lowest incomes.”

Who are we to believe?

**Helen Martin:** Sustrans and the STUC are trying to present an analysis of a policy that is not yet in place and for which we do not have firm proposals. The issue is probably to do with the assumptions that we make. I can lay out what my assumptions are and you will be able to ask the Sustrans witness what their assumptions are.

It is my assumption that a lot of low-paid workers would face the levy and that it would not revolutionise public transport to the degree that members of the next panel might believe that it would. I will set out my reasoning for that. When I look at the Transport (Scotland) Bill, I see problems with it that will prevent bus transport in particular from getting the investment and the attention that it needs in order to improve. The costs that are associated with other large-scale transport schemes—I am talking about transformative projects such as tram and rail upgrades—run to hundreds of millions of pounds. The WPL in Nottingham raises £9 million. Nottingham City Council has done some interesting things—nobody can say that it has not—but it has not done them on the basis of the WPL alone.

Therefore, it is right to think about the wider context of the Scottish economy. The on-going austerity for local authorities is an issue; the fact that the Scottish national investment bank will not be able to invest in the public sector and therefore will not be able to support large-scale transport infrastructure is also an issue that needs to be taken into account. We need to think about where the other funding sources would come from to develop the transport infrastructure.

I return to the issue of buses. The one area where £9 million might make a difference is buses but, if a local authority cannot run a municipal bus company and invest properly in the local network, which the Transport (Scotland) Bill would not allow

it to do, the levy would not unlock the potential sufficiently in order to get the impacts that would benefit low-wage workers; instead, it would just become a tax on low-paid people who are already living in poverty and having a difficult time.

**Jamie Greene:** I am sure that the committee will reflect on your comments about bus franchising, and that we will address those issues when we meet next Wednesday for stage 2 of the bill. Do any of the other panellists have a view?

**David Belsey:** The levy is proposed as a flat-rate tax, and it is generally accepted that flat-rate taxes are not progressive. A person earning £15,000 a year faced with a £500 tax will take quite a hit, which might affect their lifestyle, whereas someone earning £100,000, such as company directors, which one of the committee members referred to earlier, would not be affected by that.

There is an assumption in some of the submissions that I have read that poor people do not use cars so they would not be hit by a levy. That is fundamentally wrong.

Another assumption is that the taxes raised would somehow benefit the poorer parts of local authorities more than others. Given the evidence that is before us, it is quite a stretch to accept that poorer communities would be treated differently from communities in other parts of the city in which they live.

**Jamie Greene:** One fundamental issue that we face when deciding whether to accept the workplace parking levy amendment is that proponents of the policy say that it is simply an enabling power that would give local authorities the ability to decide for themselves whether to implement a levy. Given that, I return to the earlier line of questioning. What is your advice to the committee when considering whether we should give such a power to local authorities?

**The Convener:** Do you want to target your question at anyone in particular?

**Jamie Greene:** It is for whoever has a strong view on it.

**David Lonsdale:** To provide a short answer, we are not supportive of the levy.

To go back to the previous question about people on lower incomes, an impact assessment might have teased out that the levy, even if it is not recharged to staff, could still affect them. For example, a number of our members operate a bonus scheme that is dependent on the profits derived from individual stores. The money available for staff bonuses could be somewhat diminished because of the levy.

A more rounded consideration of the policy would have teased out some of those issues. You may find that, even if staff are not necessarily recharged, irrespective of whether the amount is £400 or £500, they would be affected.

**Jamie Greene:** My point is that, if the panellists are saying that there is merit in having a conversation about the levy as a policy but that the way in which it is proposed that it be introduced is not the right way, would it be better to take the measure out of the Transport (Scotland) Bill and postpone it and have a proper, sensible and grown-up consultation about how it might be implemented and the effect that it might have on workers and businesses?

**Helen Martin:** We are against the workplace parking levy. If it was brought back in another bill next month, we would still be against it. Maybe we would take a different view if the proposal came with a big green strategy around it and investment, other forms of money and an end to local authority austerity. However, unless that is what is proposed, I would not expect a different answer from us next month on the levy.

**The Convener:** On the use of cars, the bill has provisions for low-emission zones in Scotland that will require people to upgrade their cars to meet the Euro 6 classification. That will mean that a lot of cars—pre-2015 cars—cannot be used in low-emission zones without paying a cost. Do you think that the combination of a charge for a low-emission zone and the workplace parking levy might hit hardest those who can least afford to pay?

**Helen Martin:** That is right. We are also particularly concerned about how that will hit public vehicles and we hope that the committee will reflect on that. We are concerned about the impact of the parking levy and the fact that people often do not have any choice but to use their car. Our point primarily is that sometimes no public transport is available that is effective, meets people's needs and allows them to balance their other responsibilities. With the parking levy, such people would have to decide whether their work was still profitable for them, which is a hard choice. Most people want to work and want to continue to work, and we would never want to prevent people from being able to do that. The reality for most workers is that they will have to continue to work but would live with a greater level of poverty because of the levy.

**Maureen Watt (Aberdeen South and North Kincardine) (SNP):** The discussion so far has been interesting. There has been the assumption that the workplace parking levy, which is a levy on business, will automatically be transferred to employees to protect the bottom line for business owners and their shareholders and ensure that

they are not affected. The witnesses have talked about the possible implications for employees. How many of the organisations that you represent have done a proper cost benefit analysis of the implications of passing the levy on to employees?

The Scottish wholesale consortium has stated that it conducted a survey of its members. Can you tell us what questions you asked, what proportion of members responded and what the survey's key findings were? Were the total costs to businesses considered? Given all the problems for employees that the witnesses have highlighted, do businesses genuinely want to pass on the levy to their employees?

**Colin Smith:** For clarity, we are the Scottish Wholesale Association. Prior to coming here, we sent a survey on the workplace parking levy to all our members. To be honest, we did not have much time to do a full in-depth analysis of the responses or get a full response rate. However, the survey was out for a week and we had a 35 per cent response rate from our members, which is quite a high rate, considering that consultations normally take three months. We asked a host of questions, including whether our members want the levy, what their concerns about it are and whether they agree that councils should have the power to implement the levy or whether it should be a Government-led levy.

The figures that I have already quoted are that 92 per cent of our membership have shift workers and that 82 per cent would be looking to pass the levy on to their employees. That goes back to the fact that our members have low-margin businesses and every cost at the top needs to come off at the bottom. David Lonsdale talked about the rates, which are a huge cost for our members' businesses, as will be the deposit return scheme that is coming in. Our members will have to build extra warehouse space to hold dual stock—English and Scottish stock—which one of our members has said will cost it £500,000. In our sector, the track and trace approach has also just been implemented to track tobacco all the way through the market.

10:15

All those costs have a cumulative impact on profitability. If our margins are low, the quick fix comes from staffing, to be honest—only so much can be taken out of the cost of a packet of crisps. Among our affiliate members in Nottingham, one has reduced its workforce in the past year by 20 members. That was not just because of the WPL's costs; it was because of the cumulative costs that are hitting the food and drink industry.

I am more than happy to share other figures that came out of our survey, if that would help. I am not



sure whether I have fully answered the question or whether Maureen Watt would like to ask anything else.

**Maureen Watt:** That is fine—thank you.

**David Belsey:** It is important not to look at the levy as simply a tax on business; it is a potential tax on workplaces, such as schools, libraries, colleges and social services facilities. The tax is on parking at workplaces.

People have said that the assumption is that the levy will be passed on to staff—there were questions about that. For the levy to deliver its environmental aims of reducing congestion and improving the air, it must be passed on to workers—it must change workers' behaviour so that fewer people drive to work. That is the logic. It is ironic that some people have asked why the levy will be transferred to workers when that is the only way in which it can produce an environmental benefit, which will offset the cost on workers. That is the balance that the committee faces.

**David Lonsdale:** Ms Watt mentioned a cost benefit analysis. That should have been done to accompany the amendments or should at least have been signalled in advance. I totally get that the Government needs to work with other parties to have its budget passed and that there is give and take, but the levy throws up a broader question about the approach to budget accords in the round and about whether policy making is subject to sufficient rigour and analysis. I do not have the solution, but it is unsatisfactory to introduce policies such as this; I do not disparage Mr Finnie's thinking—

**The Convener:** That is good, because I am going to let Mr Finnie in after you have answered.

**David Lonsdale:** The proposal raises broader questions about policy making in the round.

It is difficult for companies to work out the impact, because we do not know who will be liable, we have no clue what the tax rate will be and we do not know whether the levy will be a slab tax or whether thresholds will apply and, if so, how long they will apply for. The policy is a sort of pig in a poke—we have no idea what we are buying into.

**The Convener:** I will let John Finnie come back with a question.

**John Finnie:** Ironically, my question is not to Mr Lonsdale, who is clearly familiar with parliamentary procedures.

Everyone seems to commend localism and to think that there is a climate emergency. My question is for Mr Belsey. Given the representations that we have heard, do you imagine that your members would say that you

have already ceded that they will pay the levy? I was involved in workplace negotiations for two decades and I think that the EIS and the STUC have taken a peculiar position on the levy. Behaviour can be shaped in many ways. Everything suggests that improved availability of public transport means that people are less likely to use their motor vehicles.

**David Belsey:** We would all welcome improved public transport links that allowed commuters to travel more effectively and allowed people to choose public transport. People who are concerned about the amendments worry that they are part of a Government-sponsored proposal with the Green Party, which means that they will have an in-built majority.

**John Finnie:** You do not like democracy.

**David Belsey:** No, that is not—

**The Convener:** Mr Finnie, that is unfair. I say to David Belsey that not all members of the Government party necessarily support the measure, as we have seen, so democracy will take its course. With the greatest respect, Mr Finnie, I think that criticising—

**John Finnie:** For the avoidance of doubt, the reason for those comments is because people are making overt party-political points, so it is appropriate that I am facilitated the opportunity to respond, as I did there. I will leave it at that.

**The Convener:** In fairness, Mr Finnie, I do not know what party politics are around this table. I am just listening and taking evidence from a mixed group of people. The next panel may have a different party-political view. I do not really care; I am listening to the evidence, as I hope all members are. We park our politics at the door; we are looking to see whether we can pass good legislation.

On that basis, I will let Helen Martin come in briefly while I get rid of my cough.

**Helen Martin:** We absolutely have not ceded the point. If the amendment came in, trade unions would defend our members' terms and conditions—as I think I said earlier—and we would try to ensure that employers did not pass on the cost to employees.

The irony is that it is easier to defend the terms and conditions of higher-paid workers than it is to defend those of lower-paid workers, because lower-paid workers often work in sectors where there are very low margins and where the employers are seeking to push things down to the employees more and more regularly.

If you agree to the amendment, an exemption for social work, for example, would be absolutely essential, because of the crisis that exists in social

work and the difficulty that trade unions would have in defending our members in that sector. However, I would be concerned about our members in retail and in wholesale as well.

We also have to remember that not everybody is covered by and has the protection of a trade union. An awful lot of low-paid workers would find themselves basically bargaining alone with their employer on the issue, and I would be concerned about those workers.

**The Convener:** In fairness, I am sure that we will cover exemptions at some stage before the end of the evidence session.

**Stewart Stevenson:** This is a question for Fiona Beale, based on what it says in the Aviva submission about passing on the charge to staff. I will just set out some assumptions before I form my question. They are Edinburgh based so they are not wholly applicable to the locations that Aviva is in.

Five parking spaces in Bread Street in Edinburgh were advertised recently for a capital cost of £50,000, an indication that the business rates would be £3,700, which works out at £740 per space. That is a cost that one can project. Given that business rates and rental go hand in hand, I assume that the rental cost would also be £740, so that works out at £1,500, near enough—those are very round figures and it is very rough and ready but I want to explain where I am coming from.

I have also looked at office space in Edinburgh, which costs £28 per square foot. The average space for a worker is 75 square feet. That is £2,100 in rental rates, so we are up to £4,200. I have personally estimated—so this is the least robust part of a not very robust calculation—that services to provide for that office worker come to £1,000.

Just for the physical provisioning for an employee, the cost is £6,700. We then look at average earnings, at about £27,500. We are now up to £34,000 for provisioning for an employee with a car parking space. If we look at the levy charge in Nottingham, we are looking at another £400. What is that as an addition to the overall cost? The answer is that 1.2 per cent of the cost of employing someone is attributable to the workplace parking levy.

Furthermore, I make the little point that Aviva can recover the VAT that would be charged on workplace parking, because it is registered. If it passes on the cost to the employee, that is an £80 charge that the employee cannot recover, so you are creating a tax on the employee, which the company would not pay.

Why would that 1.2 per cent increase in the cost of provisioning for an employee be passed on? The figure could be 2 per cent—we can play around with my numbers; the ranges can be quite big. Why are you saying that that particular 1.2 per cent increase in your costs would be passed on to your employees when other costs, such as variations in corporation tax, business rates and rentals—there will be rental review periods for the rental premises—are not? Why are you saying that you would pass on that one small proportion of your costs of employing someone to your employee? I have not even talked about subsidised canteens, holiday pay or all sorts of other costs that there might be. It is a simple question. [*Laughter.*]

**The Convener:** Before Fiona Beale answers that, all that I will say is thank goodness that Stewart Stevenson is not a commercial surveyor, because that is not how rents are worked out and costs attributed.

**Stewart Stevenson:** Well—

**The Convener:** No, it really is not, Stewart.

**Fiona Beale:** I think that I know where Stewart Stevenson is coming from—he is getting that from my colleague's submission.

**Stewart Stevenson:** Correct.

**Fiona Beale:** The submission has been quite poorly worded, because we have not taken a decision on whether we would pass on the costs to staff. In the centre of town, we charge our staff £58 a month for car parking, because, broadly speaking, Aviva is supportive of measures that reduce congestion and take cars off the road in town. We think that staff have a range of choices.

We have 2,000 employees in Scotland and Aviva's concerns lie in our out-of-town locations. We absolutely have not committed to passing on the costs of a WPL to staff. We have a range of transport support options for staff that we are funding already.

**Richard Lyle:** Do you agree that the figures provided by Stewart Stevenson show how much businesses are already paying and that we should not load more on to them? Is the levy a tax too far?

**Fiona Beale:** I do not know whether I am the best person to comment on that, Mr Lyle—I work in Aviva's property and facilities team and I am not an expert on the legislation.

The levy would be another cost that any organisation would have to take into account when choosing where it locates and, indeed, whether they choose to operate and locate in Scotland. It would not impact Aviva's thinking. We have more than 2,000 people here, we are massively

committed to Scotland and we work with the Scottish Parliament and our local representatives, but it may have impacts on others.

**David Lonsdale:** I think that Stewart Stevenson's information and how he builds his case teases out one key fact: there are a heck of a lot of fixed costs to be met—and that is before a retailer sells a single good or product. I throw into the mix the large business rates supplement, which is higher in Scotland than it is south of the border. That alone costs Scottish retailers an extra £14.1 million a year—those are the Scottish Government's figures; I have not made them up off the top of my head. Added to that is the business improvement district levy, which many employers pay.

As I said earlier, a company that is paying tax twice might be more inclined to think about whether to pass on the levy or to make savings elsewhere. As I said, one option might be to reduce spend on active travel. Another option that might be worth considering involves taking a less positive or generous approach to supporting business improvement districts when they come up for renewal, because that levy is 1 per cent of business rates. There are a number of potential consequences that would have been teased out if an impact assessment had accompanied Mr Finnie's amendments.

10:30

**The Convener:** Colin Smith, do you want to say anything or are you in broad agreement?

**Colin Smith:** I am in agreement.

**Peter Chapman (North East Scotland) (Con):** I will be concise, unlike Mr Stevenson. My question is specifically for Mr Brown. You said in your submission that social workers should be exempt from the WPL, just as national health service premises would be. Why should your workforce be exempt? Should such an exemption be on a national basis, or should it be a decision for individual local authorities?

**Alistair Brown:** The pressure that local authorities are under has been expressed a number of times. Because councils' budgets are so tight, they will look at making savings wherever they can, so we feel that there should be an amendment on the exemption of social workers. With all the respect in the world to the members that Helen Martin and David Lonsdale represent, our argument is that social workers have a particular and peculiar role. They are active all day, out in their cars, visiting people at home, trying to get people out of hospital and into other care facilities. They do difficult work dealing with adult and child protection, minimising public harms, carrying confidential and sensitive material,

and interacting with people in difficult circumstances. A lot of our members have been very vocal and vociferous about their need to use their cars. Therapeutic work goes on in our members' cars, too.

We have taken that on board and we think that, because of the statutory responsibilities of social workers, an exemption needs to be considered. On the other hand, blanket exemption for NHS workers has got to depend on whether that person has good transport links to their work, is a shift worker or is based at one site where they remain all day. Does part of what they do with their car involve transporting the people they work with? That does not seem to have been articulated in any way. We are not exactly coming out against the levy, because we support modal shift and acknowledge the impact of pollution, particularly on the poor, as described by some of the submissions. However, our members feel strongly about this and we think that there should be an amendment to exempt social workers.

**Peter Chapman:** You think that that should be decided nationally, rather than by individual local authorities.

**Alistair Brown:** It is a very complex picture. Local authorities use a mixture of approaches. There might be pool cars, and there is the odd electric car. Some councils say that they will provide access to the Enterprise car club. At the end of the day, though, our members tell us that there are not robust transport options in place to let them replace their constant dependence on their own private vehicles, which they are using for work purposes. For example, if I, as a mental health officer, was to go and get a warrant to get somebody to hospital who unfortunately was unable to look after themselves or was a significant risk to themselves or others, I would have to visit them several times that day before I went to a justice of the peace or a sheriff to get the warrant. It is reactive work—it has got to be there and then. We have got to respond immediately and several times, and the work cannot be scheduled.

**Peter Chapman:** Helen Martin, 10 minutes ago you spoke up for social workers. You would obviously have a similar view to that of Mr Brown.

**Helen Martin:** Yes. We would see social workers as part of a healthcare workforce. There are a lot of issues in social care at the minute and the treatment of the workforce is a serious one. There are lots of social care workers who are on very low pay.

The STUC has been supporting the Government with the implementation of the living wage for a number of years. It would not be good for members of the primary health care workforce

who are on the living wage to find themselves in a situation in which they faced the workplace parking levy, given that they cannot not use their car. We must also recognise that there are already recruitment issues in social care, and the WPL—although it is a small thing—could have an impact on the cost of work for workers in that sector. Many social care employers are private sector employers and, as such, they would be likely to pass on the levy.

**Peter Chapman:** My second question is specifically for Mr Belsey.

You have made it clear that the EIS is opposed to the introduction of the workplace parking levy. Have you spoken to your colleagues in Nottingham in an effort to understand the impact that it has had on teachers in that city?

**David Belsey:** There are no EIS colleagues in Nottingham, and I have not had the opportunity to speak to members of our sister unions, such as the National Education Union, in Nottingham.

**Peter Chapman:** So, you have no idea what impact the levy has had on teachers in Nottingham.

**David Belsey:** I have had no specific contact with teachers in Nottingham.

**Jamie Greene:** Earlier, the comment was made that one of the substantive questions that we must address is that of employers passing on the levy to their employees to protect their bottom line or their shareholders. However, the reality is that many public sector employers are accountable not to shareholders but to publicly funded organisations with very tight budgets.

If we are considering exemptions for NHS workers, social workers, teachers and teaching assistants, should we consider exemptions for workers such as police officers, firefighters, people who work in care homes or hospices and volunteers who man Royal National Lifeboat Institution stations? Should we have a comprehensive exemption list to make the levy fair and equal, or should we just target specific types of workplace?

**The Convener:** I will bring in Helen Martin, because she nodded.

**Helen Martin:** I think that Mr Greene is getting to why we do not want the levy to be introduced. A case could be made for all the workers he mentioned to have an exemption. Indeed, that case could be made for the entire public sector and for the outsourced public sector, such as members of the social care workforce and the childcare workforce. There will be workers who, as part of the expansion of childcare, provide free funded hours in a private sector setting. We could keep on going but, at some point, we must

consider whether the power to impose the levy should exist at all.

**Fiona Beale:** I have a general observation to make. The fact that we are having this discussion in committee makes me wonder whether enough time has been allowed to consider the issue. I understand that the workplace parking levy proposal has been introduced at a late stage in the consideration of the Transport (Scotland) Bill. I have a general question: have we had enough time for consultation and discussion?

**The Convener:** It is interesting when committee members are asked questions by the witnesses.

**Jamie Greene:** I am very happy to answer questions from witnesses. The simple answer is that we have not had enough time.

**David Lonsdale:** I echo Helen Martin's point that the fact that there are so many examples of people from different parts of society for whom an exemption is sought begs a fundamental question about the policy.

I add that there are plenty of good and deserving jobs in the retail industry. Loneliness is a topical issue at the moment, and it is important for people to have contact on a regular or semi-regular basis with people they know and respect in their local community. The retail sector provides an element of that.

More fundamentally, there is a strong argument for having relatively few exemptions, which would make the levy more broadly based and would allow the level of it to be kept down. That goes back to Mr Finnie's objective, which is to put a tax on premises and to use the money to fund particular green initiatives. If we were to narrow the tax base markedly, surely the levy that would have to be charged would be even higher than the figures that Stewart Stevenson mentioned.

**Richard Lyle:** Do the panellists agree that the levy would bring in creative accounting and that the council would, in effect, be paying itself? For example, school headteachers would have to pay the levy and therefore the council would have to charge itself.

**The Convener:** No one is disagreeing.

**Richard Lyle:** No, nobody is disagreeing. That is fine.

**The Convener:** That concludes my fellow members' questions. I have a question that is based on the evidence that we heard last week and this morning. The message seems to be that, if we are to get the modal shift to people using other forms of transport instead of their car, they must buy into the process. The only way that they will do that is by their feeling the pain by paying the levy themselves and not by their employers

paying it. That is the message that we have heard this morning.

We heard last week that three options were on the table when Nottingham City Council was considering the issue: a congestion charge, low-emission zones and a workplace parking levy. Nottingham felt that it could go for only one of the three measures because it would be unfair to hit people with more than that. Do you favour another way—that is, to have a congestion charge or a low-emission zone—to achieve the modal shift rather than the workplace parking levy? I ask each of you to respond briefly.

**David Lonsdale:** My simple response is that we simply do not have the information at hand to make those decisions. Maureen Watt asked where the cost benefit analysis is for any of the options. That goes to the heart of the issue, and it is the fundamental problem with the workplace parking levy. As I said earlier, it is a bit of a pig in a poke because we have scarce detail about that. Being asked to make a decision or take a view now on three different options on which we do not have any economic analysis is too challenging.

**The Convener:** That is what I would call a sloped-shoulder response.

**Fiona Beale:** I probably agree with what David Lonsdale has said. Obviously, the areas that I represent in Aviva are unlikely to need any help with air emissions and congestion, so I am probably not best placed to talk more widely about how the options would impact city centres.

**Alistair Brown:** Our recent working conditions survey showed that up to 40 per cent of social workers were feeling so stressed and overloaded that they were thinking about leaving the profession. It is true to say that any further pressures could be the straw that breaks the camel's back; that would certainly be the case if more than one pressure impacted on them at the same time. There has to be more sophisticated thought about the options, particularly in relation to those workers who use their cars to carry out statutory and legal duties in stressful situations.

**David Belsey:** I think that everybody, including teachers, would support the aim of a modal shift from car usage. However, the problem is using a tax against workers—the levy would be a stick rather than a carrot. Teachers face similar pressures to those of social workers that Alistair Brown mentioned. It is difficult to recruit and retain teachers in some areas, particularly for schools in rural communities and poorer areas. The proposals for a workplace parking levy, a congestion charge and low-emission zones smack of using the stick approach. There are more supportive ways that would allow workers to make a choice of their own volition, so that they could

see a more attractive way of travelling to work and not feel that they were being pushed into something. That is what we would want going forward.

To put it simply, we have no policy in place on congestion charges or low-emission zones, so I cannot give you a specific answer on those options.

**Helen Martin:** We want investment in public transport to be considered, particularly investment in buses. Currently, £298 million of public money goes into private companies in the bus system, but we do not think that that money is being used well. We are concerned about the franchising system in general. There is not much competition for bus franchises in local areas—about half of all franchising contracts receive a single bid. The lack of competition does not get the best price for the local authority.

10:45

The system desperately needs to be looked at because the number of buses is falling and fares have risen by 18 per cent. Buses are being withdrawn from local communities. There are now towns and other areas in Scotland that are not served by any bus. That is what desperately needs to be looked at; that is what needs to be unlocked. We believe that more could be done to create a modal shift by ensuring that there is a mode to shift to. That is where we need to look.

**Colin Smith:** I agree with everything that David Lonsdale said, especially about the cost benefit analysis. The one point that I make is, regardless of what is introduced and where, our members deliver across multiple councils all over Scotland. They could be in Glasgow one day, where an LEZ is in place, come across to Edinburgh, where, at the moment, there is no LEZ, and then go up to Dundee, where there is an LEZ, or there might be a congestion charge.

Any measure creates a whole lot of complexity, whether it be an LEZ, a congestion charge, or a workplace parking levy. Again, it comes back to managing the cost and how it is paid. It is burdensome on business.

**The Convener:** Thank you all for coming in and giving us your views. It has been extremely helpful, as the committee goes through the democratic process of working out whether the amendments on a workplace parking levy are a good addition to the Transport (Scotland) Bill, which we will decide when we go through all the amendments to the bill.

Thank you for your time and for your written submissions. If you have volunteered to send any additional information to the clerks, I ask you to

make sure that you do that as quickly as possible. I suspend the meeting to allow a changeover in witnesses and the committee members to take a break.

10:46

*Meeting suspended.*

10:55

*On resuming—*

**The Convener:** We will now hear from our second panel, which also focuses on the workplace parking levy's potential environmental, social and transport impacts. I welcome Sue Flack, policy adviser from Transform Scotland; Alexander Quayle, senior policy officer from Sustrans Scotland; and Stuart Douglas, smarter choices, smarter places manager from Paths for All.

We have a series of questions. I ask that you catch my eye if you want to come in, unless a committee member asks you a direct question. Please do not look the other way when you are answering a question; that way, if I feel that you are going off on the wrong path, I can call you back. Richard Lyle will ask the first question.

**Richard Lyle:** I have quite a lot of industrial estates and business parks that are not served by buses in my constituency. How do you respond to concerns that a workplace parking levy would penalise those working in premises not served by adequate public transport or linked to cycling and walking infrastructure?

**Sue Flack (Transform Scotland):** The levy would allow for the provision of revenue over time to improve public transport in places where it is poor. The council that is involved with those industrial estates could talk to the people there, including the employers and the employees, about what the issues are and devise a plan that could be implemented with help from the levy itself, acting as a revenue support for that plan.

The plan might involve increasing the frequency of buses, putting on new services or adding cycle routes, or it might just be about highlighting a path that is not very well lit and in need of safety improvements. All those things can help people who feel that they have no other choice but to go by car. If such a plan were put in place, it would soften the impact of the levy; it would also mean that people have a choice. It would improve the situation for workers because they would have better choices about how to get to work.

**Alexander Quayle (Sustrans Scotland):** Local authorities would take a long time to implement such a policy. For example, Nottingham's levy was

agreed in 2009 for implementation in 2012. There would need to be a reasonable lead-in period, to allow local authorities to work with premises in order to make a change.

Local authorities would be able to set the geographical scope—and we have seen from the workplace parking levy debate that that can be quite a controversial matter. Local authorities would want to ensure that people have choices and alternatives, which would inform the scope; local authorities would not want to exclude whole areas when it comes to access for workers.

**The Convener:** Does Stuart Douglas want to come in?

**Stuart Douglas (Paths for All):** No, I am fine for now.

**John Mason:** I have a couple of questions. One follows on from what Richard Lyle was asking about. Is there enough in the bill about where the money should go? On the issue of improving public transport, Nottingham improved the trams, the train station and the buses. Is there enough in the bill about that? Would the provisions enable the funds to go to where they should go?

**Sue Flack:** The bill says something about how the money should go towards improving transport, which leaves open a wide range of options. The form of transport to be funded would be in accordance with the strategy of the local authority, as I understand it. It is important that such strategies be widely agreed and consulted on and cover the points that Richard Lyle raised. It would be important to have a jointly prepared transport strategy, so that the people whom the levy would affect in whatever way buy into as much as possible.

11:00

On John Mason's other question, there is enough in the bill, but further guidance might help local authorities that consider introducing the levy—I do not know whether the committee has thought about that. I also advise Transport for London and, in London, the mayor—not the Government—is responsible for approving levy schemes. Transport for London is providing guidance for the London boroughs; when the Department for Transport considered the levy for England and Wales, it intended to produce extra guidance, but that was never published. That is another option.

**John Mason:** The bill would allow local authorities to work together. Should regional transport partnerships have a role?

**Sue Flack:** Regional transport partnerships could have a co-ordinating role—they could act

like Transport for London and produce guidance for councils in their areas.

**Stuart Douglas:** We need variety; there is not one answer. Local authorities must have the powers and the strategies; they must understand the issues and what the best solutions are. The approach needs to be as wide as possible.

**Alexander Quayle:** There are definitely benefits to co-ordinating regionally, although Sustrans would not support workplace parking levies having to be implemented with regional agreement—they should proceed on the basis of a single local authority's decision.

As for whether the bill says enough about what the funding should be for, it is vital for the funding to be ring fenced—we agree with that proposed provision. We appreciate the flexibility that, although the levy would raise revenue funding, it could be used to match fund the active travel grants that Sustrans administers on behalf of Transport Scotland, for example.

I was taken with the idea at last week's evidence session that the funds that are used to run the levy could support officers working with workplaces to ensure that they comply and to help them to work with their employees to offer alternatives. That valuable tool should be included.

**John Mason:** It has been suggested to us that, if workers had a choice and thought that they would be impacted by a charge, they might park off site, which could cause further congestion near a school or another workplace. What is your reaction to that?

**Sue Flack:** The local authority that promotes the levy is likely also to be responsible for dealing with parking on streets—although there might be boundary issues—so it can control such parking. Nottingham City Council has a programme in which it goes round all the areas where parking has been displaced because of the levy—where people have parked outside rather than on site—and controls those streets. Charging mechanisms have been put in place on streets that are suitable for parking and residents' parking zones and similar measures have been established in other places to prevent parking on streets.

When a boundary is involved, the authority that promotes the levy must work with its neighbouring council. Nottingham City Council has done that at the edges of its area.

**John Mason:** So that situation is fixable.

**Sue Flack:** It is fixable with a programme of on-street parking controls or charges, which can be funded from levy receipts, with no additional cost to an authority.

**Alexander Quayle:** Displacement could be an undesirable consequence, but it is fixable, to use John Mason's word. Local authorities in Scotland have available to them the powers to do that; in a way, the levy is timely, as the bill would iron out some parking enforcement issues.

**Peter Chapman:** When you say that the situation is fixable, you mean that you will prohibit drivers from parking on streets, too. That means using the stick heavily against drivers.

We have to recognise that many people have no other option to get to work on time than to use their car. You are saying that you will make it increasingly difficult for that to happen. You really are using all the powers that there are, including charging them if they park at their workplace, and if they decide to park on the street, you will stop them doing that, too. You are really putting up two fingers to anybody who is driving a car.

**The Convener:** I am not sure that that is an expression that I will allow in the committee.

**Peter Chapman:** I withdraw that expression.

**The Convener:** I think that Alexander Quayle understood the basics of that question.

**Alexander Quayle:** I drive a car, I cycle and I walk. I think that most people in this room will use public transport, cycle, walk and drive at different times, too. I have no interest in upsetting or offending any group of travellers.

I am not talking in absolutes. I am saying that, if there is problematic displacement—an overspill of cars that is blocking carriageways or making it dangerous for people to walk along pavements—local authorities have a suite of tools available to them to address that. I am not trying to imply that local authorities will be painting yellow lines on every street as soon as a workplace parking levy comes into effect. I am not talking in those terms.

**Sue Flack:** I used to work at Nottingham City Council, where I led on the development of the levy. We found that there were already controls in many places—in other words, there were already issues that needed managing that were not related to the levy.

**Richard Lyle:** You worked at Nottingham City Council. Why is it that, out of the hundreds of councils in England—there are far more there than there are in Scotland—only Nottingham has brought in a levy?

**Sue Flack:** As well as helping Transform Scotland, I now work as a consultant advising other authorities on the levy. Lots of authorities are progressing a levy. They waited a while—I think that they wanted to see what would happen in Nottingham and whether it had longer term implications. Having waited five years, a number

of authorities started to prepare for a levy. I can name some of them if you like.

**Richard Lyle:** Name them.

**Sue Flack:** They include Reading Borough Council, Birmingham City Council, Leicester City Council, Oxford City Council and Cambridge City Council. Transport for London is providing a supportive environment for the London boroughs, with the London Borough of Hounslow leading. Sutton Council, Merton Council and Camden Council have also started preparing for a levy. Those are all the authorities that have done something and committed money. Lots of others are talking about a levy but have not committed any money and prefer to keep their proposals secret.

**The Convener:** We heard in the previous evidence session that the levy would place a large financial burden on businesses. Concern was expressed that smaller businesses that have very low margins and lack access by public transport because of their remote locations would face a huge financial burden. Is it wrong to be concerned about that?

**Stuart Douglas:** The joy of the legislation is that it would be up to local authorities to look at where a WPL would have the greatest impact and where it would not be needed. Remote businesses require people to drive to them. One suspects that they would not be subject to a levy because local authorities would make smart decisions about where to apply it and where not to apply it.

**The Convener:** So the local authority would draw a line around a small business and take it outwith the area. For example, if such a business was on the edge of Aberdeen, the authority would draw the line inside so it would not be affected.

**Stuart Douglas:** It would go back to what issue the authority was trying to resolve and whether the levy was being used to reduce congestion or to reduce pollution. The authority would need to determine which parts of the geography of its city were most affected.

**Alexander Quayle:** First, I would not necessarily recommend a workplace parking levy as an effective policy in a rural area. The benefits are much more likely to be seen in urban areas that have a critical mass of congestion.

I am not expert enough to talk about the business mechanisms for businesses in remote areas with low margins, but it is absolutely the case that there are externalities to car travel that are not being properly picked up, such as the effect of carbon emissions on air quality, and I think that a workplace parking levy is a fairly small mechanism to rebalance that.

**The Convener:** We also heard that unless the levy was paid by the driver of the car, it would not change anyone's behaviour.

**Sue Flack:** That misses out a stage. I disagree with what the previous witnesses said, in the sense that employers have a role to play in managing the travel—including the car travel—of their commuters. I do not think that it is an either/or scenario whereby either the employer pays the levy and nothing happens by way of change of mode or the employee pays it and there is a mode change.

What happened in Nottingham is that employers reduced the amount of parking that they provided because they acted to reduce their liability. They took on some of the responsibility for managing their employees' car travel. Basically, they did travel plans. We had already done a lot of travel planning before the levy came in, so employers were used to the process. As Alex Quayle said, there is an officer whose job it is to go round and advise on travel planning and managing parking.

Employers have a role to play in reducing their liability—even the members of the previous panel would have said that. In reducing their liability, they can better understand how their employees need to get to work and they can talk to the local council about how to improve the alternatives. It is a circular mechanism.

**Pauline McNeill:** I am interested in the fact that you seem to be saying that although local authorities would apply the levy to employers, to get the modal shift, it would have to be applied to workers.

Are you aware that Transport Scotland's figures show that 50 per cent of those in the two lowest income groups use their car to get to work? Are you concerned about the fact that, if the levy is applied to workers, the lowest-paid workers will be penalised? There is plenty of evidence that many families are already struggling, and a £400 a year charge could lead to people losing their jobs because they cannot afford to get to work. Does that concern you?

**Sue Flack:** It would depend on what the charge was. The amendments would allow the promoting authority to decide what the charge was. It need not be £400—it could be another figure.

Secondly, the charge would be imposed on the employer. The employer, not the employee, would be the liable person, and they would not have to pass on the levy to the employee in the same form, so—

**Pauline McNeill:** Can I stop you there? Is it your view that the levy should not be passed on?

**Sue Flack:** No—whether it was passed on would be up to the employer.



**Pauline McNeill:** Is it your view that it should be passed on?

**Sue Flack:** I am just following what the legislation says.

**Pauline McNeill:** I know what the legislation says, but you represent organisations that are arguing for a modal shift. Do you not have any concerns about low-paid workers?

**Sue Flack:** I do have concerns. You did not let me finish my point, which was that although employers could pass on the levy, they would not have to pass it on in the same form. They could charge lower-paid workers less or nothing, and they could charge higher-paid workers more. That is what Nottingham City Council does.

**The Convener:** Pauline, I think that that is the closest that you will come to getting an answer on that.

**Stewart Stevenson:** I have a wee supplementary question for Alexander Quayle.

There is already a differential charge for different vehicles. I pay £10 a year in road fund tax for my little hybrid car, whereas if I had a Range Rover, I would pay £450 a year. There is already a mechanism for discouraging people from having large emissions footprints. Is that a better or a worse way of dealing with the issue than introducing an entirely new tax and all the things that would come with it?

11:15

**Alexander Quayle:** I have no objection in principle to a stepped way of implementing the tax so that people on lower incomes would pay less.

With regard to whether people are already paying enough because of road tax, since 1987, the cost of motoring has gone down by 10 per cent in real terms, bus fares have gone up by 7 per cent and rail fares have gone up by 5 per cent. The Chancellor of the Exchequer said last year that holding back fuel duty since 2010 has saved the average motorist £850 and the average van driver over £2,000. In the same period, the average train season ticket price has gone up by £694.

The point is that the least socially desirable modes of transport are being prioritised in a flat way, regardless of people's capacity to afford them. There is no means-tested train ticket for those who have to get the train to work. The workplace parking levy is a relatively small financial mechanism that can rebalance that situation.

**Stewart Stevenson:** Okay. I will move on to my substantive question.

One aspect of the discussion on the levy is that of relieving the potential burden of paying the tax that might transfer from the employer to the worker. Health service workers have been identified as an example in that regard. In the evidence session with the previous panel, it was said that we could end up exempting virtually everybody because a case could be made for that.

How should exemptions be operated, especially given that the workplace parking levy is a levy on the employer? How should we end up doing the exemptions? We have heard in evidence that Nottingham City Council has done some work on that. How could we make an exemption system work in a way that makes sense?

**The Convener:** Who would like to go first on that?

**Sue Flack:** If I was personally implementing a workplace parking levy as God, I would exempt only operationally necessary vehicles. I think that there is a blip in the legislation with regard to those. The people on the earlier panel did not mention such vehicles. However, a big issue in Nottingham was fleet vehicles, suppliers' vehicles and those of people who come to fix things. In past days, it would have been the people who came to fix the photocopier, but these days it would be information technology contractors and the like—in other words, people who occasionally come to park in a workplace. They are exempted in the Nottingham scheme, and I agree with that. I would also exempt blue badge holders. Personally, though, I would not exempt NHS workers, social workers, teachers or anybody else.

**Stewart Stevenson:** Do forgive me, but you referred to exempting vehicles, whereas the workplace parking levy is a charge on employers. It is not a charge on vehicles or workers, although I accept that it might end up being passed on to workers.

You gave the example of vehicles that are used by people who service photocopiers, but I presume that a parking levy would apply to them only when they were at their base. I do not think that there is a workplace parking levy associated with providing spaces for people such as that, or is there?

**Sue Flack:** There is. It is in the amendments. It is the same as that in the England and Wales and the London legislation. The legislation has provision for charging for those vehicles while they are using parking spaces.

By the way, a guy who was here earlier talked about social workers, but social workers will not be charged if they are out all day. The charge applies only when the parking space is occupied by a car.

**The Convener:** Sorry for intervening, Stewart, but I want to get more understanding of that. If somebody is in and out of the office because they use a car to do part of their work and they are charged only when they use the workplace parking space, who will record when they are in and out of the office?

**Sue Flack:** The employer has to do some work.

**The Convener:** If a company had 900 employees, for example, and the employer was not sure who was in and who was out, would somebody have to be in the car park recording who was in which space?

**Sue Flack:** The employer can use technology for that. What happens in Nottingham is that the employer declares how many spaces are required and they are shared by the people who work there. If social workers or other people are out at different sites, the employer declares a smaller maximum number of parking spaces that are liable for the levy, and then people share as they come in and out.

**John Finnie:** I am grateful to Ms Flack for that description of a version. It is not the version that is covered in the amendments.

Before I ask my main question, I want to pick up on Mr Quayle's point about Mr Douglas's evidence on relative costs. The Paths for All submission states:

"UK public policy has seen fuel duty remain constant for the last nine years, costing the UK Treasury approximately £10 billion/year."

For the avoidance of doubt, I note that the figures come from the RAC Foundation. Do either Mr Quayle or Mr Douglas want to comment on that? The cost seems to be significant, so if we are going to use the Barnett formula—

**The Convener:** I am sorry, but I am totally confused. Is fuel duty part of the workplace parking levy?

**John Finnie:** We are talking about the relative costs of different modes, which the witnesses spoke about a moment ago. I am adding evidence from a witness, convener, which is why I have mentioned it.

**Alexander Quayle:** I gave my statistics a moment ago. It is evident that the trend for however long we measure it—whether for the past 10, 20 or 40 years—has been for motoring to be made cheaper and public transport to become more expensive. It is especially important that the issue is considered now, at a time when we need to tackle air quality issues and congestion, which are major costs for bigger cities in Scotland.

Earlier this month, the First Minister declared a climate emergency, but continuing to make

motoring cheaper will only encourage more people to drive.

**Stuart Douglas:** At the same time as fuel duty has remained static, car ownership has continued to increase. What do we get? We get more and more congestion, which slows up traffic, affects business negatively and impacts on public transport. Buses get snarled up in congestion and become less reliable, so fewer people use them. Bus services are reduced, so more people drive and the roads become more congested. It is a vicious downward spiral, and the cheaper we make car driving, the steeper the spiral becomes.

**John Finnie:** A response to the survey from quite a number of folk was that travel infrastructure should be improved before the workplace parking levy is introduced, thereby giving workers a viable alternative. The creation and publication of a local transport strategy would be a prerequisite for any local authority that was planning to implement a WPL. What should be the relationship between the strategy and implementation?

**Sue Flack:** The linking of the workplace parking levy to the strategy is really important, as is linking the funding that the levy can bring to the strategy implementation. There is no point in having a workplace parking levy unless the money can be spent on stuff that will be useful for people. It is really important to link the two, and consultation should be done on the local transport strategy as a package.

Nottingham borrowed from the flow of workplace parking levy revenue to implement early public transport improvements. Lots of people said that they would like to have the public transport improvements first, before the levy started, so the promise was made that things would be delivered quickly. There was delivery within three years of the workplace parking levy coming in, and that included the tram, so it was pretty good going.

Not having the promised alternatives in place is unfair to the people who have paid the levy. Nottingham kept the levy low for the first three years to reflect the fact that the alternatives were not there.

**Alexander Quayle:** A workplace parking levy should be one aspect of a basket of measures that are implemented at the same time—improvements to bus services, better public transport all round, better provision for active travel and help for workplaces. The inclusion of those things in the context of a local travel plan is a strength of the amendments.

We talk about the levy having potential to be used as a way of raising revenue, but because the income from it would be ring fenced, we can talk about that as being money for investment. Therefore, we can already look at the shopping list

of things that would give people who drive to work a cheaper, more affordable alternative way of getting to work.

**Stuart Douglas:** The Scottish Government is investing significantly in infrastructure. There has been great investment in the rail infrastructure recently, and through its work with local authorities, Sustrans is delivering substantial improvements to cycleways throughout the country.

One of the findings from the smarter choices, smarter places programme that I run, which is also funded through Transport Scotland, is that people do not know about the infrastructure that exists. We worked with local employers on a workplace project in Edinburgh, and through that we increased awareness of the quiet routes in the city by more than 27 per cent. A host of other projects that we have run have demonstrated that people do not know about the infrastructure that exists. Although I accept that the infrastructure needs to improve, I suggest that it is improving and that a bit of knowledge would help people's understanding of that.

**Maureen Watt:** As you know, workplace car parking spaces are already subject to non-domestic rates. Is it fair that they should be subject to an additional tax in the form of the workplace parking levy?

**Alexander Quayle:** I am not familiar with the system of charging for non-domestic rates, but it is true that the cost of externalities such as the effect of motoring on carbon emissions and air quality is not being accounted for.

**Sue Flack:** The difference between the workplace parking levy and business rates is that, because the WPL is a levy, the money from it is entirely ring fenced for transport purposes. The levy is additional to business rates, but it is a transport levy, whereas the income from business rates is used for other purposes.

I think that it is fair for workplace parking spaces to be subject to a levy because, as Alex Quayle said, business rates are not intended to cover the costs to the community of car travel and the costs of those parking spaces. Therefore, it is fair to have another charge that has that purpose.

**Stuart Douglas:** I add that there is no such thing as "free" car parking. The creation of car parks costs money. The infrastructure has to go underneath them, which means that more pipes and more cabling are needed. That has extra costs. Car parks create more flooding, so the water pipes need to be bigger—wider and longer—to deal with all the run-off water. Having those big lumps of tarmac and concrete creates additional costs that have to be met.

There is also the opportunity cost. A witness on the previous panel mentioned that her company has a 1,200-space car park. How many other opportunities could that land be used for? Cars sitting on a piece of tar is not good use of land.

**Jamie Greene:** I am not quite sure how to respond to that comment. The fact that there are people who use those cars to get to their place of work and earn a decent living is a valid reason for them to use the parking places outside that place of work.

**Stuart Douglas:** The people who are not car users have to pay for that, because the cost of the car park infrastructure is absorbed by the business and passed on to customers and people who buy its services. Everybody has to pay for the people who choose to drive.

**The Convener:** I would like to clarify something. In the past, when a business got planning permission, it was always demanded that it would have X parking spaces relative to the office or business space that was being used. There was a Government stipulation that, if an office was being put in by Aviva, for example, X car parking spaces had to be provided. That was a requirement. Should that Government demand to put in spaces be ignored and is it right to tax businesses for those spaces?

As an aside on extra equipment, some parking spaces might be underneath businesses and so do not take up or use any more land.

11:30

**Stuart Douglas:** I accept that last point, although there are construction costs for the bit that is needed to support the building on top. I accept the point about planning. However, we have a climate emergency, and transport is the biggest cause of emissions in this country, and 60 per cent of those emissions come from private cars. We cannot accept the status quo—*[Interruption.]*

I am sorry. What was that?

**The Convener:** I say to Pauline McNeill that I do not mean to be difficult, but I am trying to allow people to express their views. You are very welcome to the committee, but you are not welcome to challenge the way in which I run the meeting.

**Jamie Greene:** Let us go back to the levy. Mr Stevenson talked about incremental costs that could be applied to drivers if they chose to drive less environmentally friendly vehicles. The Government could do that in a number of ways, such as through the introduction of punitive measures, low-emission zones, people having to drive a certain type of car, or increasing road tax.

In some council areas, charges for residents' permits have been increased, based on categorisation. All that is down to consumer choice—it is down to whether the consumer chooses to drive one type of car rather than another, for example.

However, the question is whether there is choice for many people to get to their place of work. As we have heard from previous panels—from people whom I respect and who represent a wide range of organisations, not just in the private sector—many people simply need to drive to work. Why should people who have no choice have to pay the levy?

**Sue Flack:** I understand your point. The legislation would be very flexible: it would be possible to exempt or to give a 100 per cent discount for electric vehicles, for example, so there could be the differentiation for the different types of vehicles that you talked about.

On people having no choice other than to get to work by car, I repeat that the charge is on the employer, not the employee. The employer could change how it passes the charge on to employees: it could, because it recognises that there is an issue for a set of employees, say that it will do something special for people who live in very isolated places or in places where it is very difficult to access public transport. However, it is worth remembering that if the employer does that and still wants to pass the levy on, it will charge other people higher amounts. Obviously, that has to be balanced.

I am trying to say that the employer has a role. The employer can mediate.

**Jamie Greene:** That is what I do not understand. It takes us back to the earlier line of questioning. In its submission, Sustrans Scotland says that the levy

“acts as an incentive to leave the car at home and travel by alternative means.”

How can it be an incentive if the employer pays? Surely you are saying that the cost must be passed on to the employee or there will be no incentive, so there will be no modal shift. Therefore, what is the point of the levy?

**Sue Flack:** There is another employer action. As I said, it is about reducing the amount of parking on sites. A perfectly reasonable reaction by employers is to say that they will not have car parking on site any more, which would force employees to look at how they travel. Some of those employees would travel by different modes. I do not recommend that employers do that, but it could be a reaction.

**Alexander Quayle:** There are two points that I need to answer. The first is about whether the levy

is paid by the employer or the employee. It is one or the other in different measures, and that is something to be embraced about the policy, that—

**Jamie Greene:** What is your view on who should pay it?

**Alexander Quayle:** Sustrans Scotland's view is that that very much depends on the local authority. It can set the charge and the area, and it can determine what the ratio would be or what ratio it would like to get close to. There is a benefit if the employer pays the charge, because that raises revenue, and there is a benefit if it is passed on to staff, because that might raise revenue and encourage modal shift. We have to hold the two things in our heads at the same time—they are both positive outcomes of the policy.

Jamie Greene referred to the Sustrans submission. Looking at the issue in the widest possible sense, the levy is likely to have a positive impact for people on the lowest incomes, who are less likely to own a car: car ownership rises as income rises. I accept that there will be people in the position that Mr Greene described, but the benefits are more likely to accrue to people on lower incomes, who are less likely to own a car and more likely to live in areas that suffer from air pollution.

I must also take issue with some of the evidence on that from the previous panel. There are pages and pages of studies that show that air pollution is worse in areas of higher deprivation, and that road casualties are significantly higher in those areas. If we reduce the number of vehicles that travel into our towns and cities through a levy, significant benefits will definitely accrue to low-income people.

**Jamie Greene:** By that logic, you accept that there are people on low incomes who have to drive, regardless of what type of vehicle they drive, to get to their place of work, including many of the public service workers whom we discussed with the previous panel, many of whom are on low incomes. You are saying to the committee that the measure will have a beneficial effect on them.

**Alexander Quayle:** I am saying that, overall, the impact of the policy is likely to be that it will have a beneficial effect, although I fully accept that there will be people who are disadvantaged by it. It is incumbent on local authorities to ensure that their assessments mean that they introduce the levy in a way that mitigates those impacts.

**The Convener:** I offer Colin Smyth the opportunity to come in on that point, because this might be an area that he wants to talk about.

**Colin Smyth:** We have asked several times, but I am not clear whether the witnesses think that the levy should be passed on to employees. You are

bound to have a view on that, so what is it? If you think that it should not be passed on to employees, should we just ban employers from doing so?

**Sue Flack:** My view is that it is up to the employer.

**Colin Smyth:** So the employer should have the opportunity to pass on the levy.

**Sue Flack:** Yes.

**Alexander Quayle:** I concur. It should be up to the employer to choose. There are benefits if the employer pays it and benefits if it is passed on to the employee.

**Stuart Douglas:** I agree. There are significant benefits to be gained for everybody.

**Colin Smyth:** I want to pursue the question whether the levy is progressive. Sustrans and Paths for All say that it is progressive, because some people on the lowest incomes do not have a car. What is progressive about an amendment that says that the chief executive of a health board, who earns £100,000 a year, will be exempt, but a carer who earns only the living wage will not be exempt?

**Sue Flack:** That does not sound very progressive to me. The proposed legislation is flexible and there is scope to do all sorts of different things. As you know, there is scope to exempt different types of people and to charge only at certain times, so there are ways of looking at how shift workers and part-time workers fit in.

My argument is that it is down to the local authority to work with employers to find out what the issues are. If there are issues, there are ways in the proposed legislation to resolve them or, at least, to mitigate them. I agree with Alex Quayle that, if the money that is raised from a workplace parking levy is spent on public transport and active travel, that will, overall, benefit lower-paid people. Transport for London says that anything that is spent on public transport, walking and cycling benefits low-paid people—full stop.

**Alexander Quayle:** I reiterate that I am talking about the levy having progressive impacts overall and in the round. It will depend on how it is implemented, but I think that progressive impacts are much more likely. The example that Colin Smyth gave is, of course, unfair: I would have no qualms with changes to the proposals that made an executive on £100,000 a year liable for the cost. There are things that could be done within the proposals to mitigate such concerns.

**Colin Smyth:** On that point, the proposal is not that a payment should be made based on the ability to pay. You have simply said that the decision should be left to local authorities and

employers. We have seen in Nottingham that the cost is often passed on. Some employers, such as the council, have an ability-to-pay mechanism, but a lot of them do not. If we are interested in being progressive, surely we have a duty in the legislation to make it clear that any payment that is made by an employee must be based on their ability to pay. That is a basic principle that should be in the legislation; it should not just be left to what a council or an employer might want.

**Alexander Quayle:** I think that my answer might have been unclear. I was not implying that that was in the proposed new sections; I was saying that, if the committee were minded to recommend that, Sustrans Scotland would not object to that or suggest that it is a bad idea.

**Sue Flack:** I am not a lawyer, but I am unsure about how that could be done within the law. If there is a way to do it, that is fair enough.

**Stuart Douglas:** It sounds as though that could be quite tricky, but in principle it would be all right.

**Colin Smyth:** It will not surprise the panel to learn that the word “rural” does not appear in any of your submissions on this issue. We have an economic system that drives jobs into congested cities—two of the organisations that are represented here today have offices that are in some of the most congested parts of Scotland. We drive people towards having to work in cities. The reality is that not everybody who works in a city lives in that city. However, in your submissions, each of you says that individual local authorities are best placed to design the workplace parking levy.

Can you tell me why the City of Edinburgh Council is best placed to devise a workplace parking levy that impacts on my constituents in the Borders, and those in Midlothian and elsewhere, who have no choice but to live there, partly because housing costs are so high in Edinburgh? They have to drive into Edinburgh and pay that levy, but not a single penny of the levy will go on public transport in their area, and, often, they have to drive from a rural area because there is no public transport.

**The Convener:** That was an extremely long question. I think that we got the gist of it. I ask the panel to give short answers to it.

**Sue Flack:** There is nothing to prevent the City of Edinburgh Council, or any other council, from spending some of the workplace parking levy outside its area. Two thirds of Nottingham’s tramlines are outside the Nottingham City Council area. That means that, roughly speaking, two thirds of the levy money is spent outside the council’s area.

Obviously, the City of Edinburgh Council should work with the surrounding councils to ensure that what it proposes to spend the levy on is relevant to commuters. The amendment has a provision in it for economic impact studies to be done. That is quite important. Edinburgh would have to do an economic impact study. That consultation would have to go wider than just the council area, and would have to show what mitigation there is for people who live outside the council area.

**Alexander Quayle:** Of course, there is a significant rural population that contributes to cities. For that reason, a valuable thing to do is to ensure that affordable park-and-ride facilities are available around cities that have a levy.

**Stuart Douglas:** It is the cities that have to deal with the congestion and pollution that are caused by commuters driving in, so it is right that they—

**Colin Smyth:** So, it is my constituents' fault that they have to travel to Edinburgh because that is where the jobs are—that is where your office is. It is the commuters' fault—is that the issue?

**The Convener:** That is a little bit unfair, Colin. You have had a fair crack of the whip and I think that you have made your point. Mike Rumbles has a question.

**Mike Rumbles:** On reducing congestion and air pollution, when we spoke with witnesses from Nottingham via videolink, we were told that the policy had not reduced congestion. Anecdotally, they said that it has reduced the increase in congestion. When questioned, they told us that there was no evidence that it had reduced air pollution either, because that had not been measured. That is the evidence from Nottingham.

11:45

Seven years after Nottingham implemented its workplace parking levy, it stands alone among all the other hundreds of councils across England and Wales in having implemented this policy. The people from Nottingham told us firmly that there are three ways of tackling the issue: low-emission zones; road charging; or workplace parking levies. Their strong advice was that we should go for only one of those ways.

In the Transport (Scotland) Bill, the Scottish Government has gone down the route of low-emission zones. John Finnie's amendment goes down the route of workplace parking levies. Do you disagree with the evidence that we have received from Nottingham—I assume that you do, but can you tell us why? If John Finnie's amendment is successful, we will have a dual approach, which is what Nottingham strongly advised us not to proceed with.

**Sue Flack:** Forget Nottingham for the moment—

**Mike Rumbles:** No, I do not want to forget Nottingham; I am focusing on Nottingham.

**Sue Flack:** I would argue with you on virtually everything that you have said, but let us forget that.

**Mike Rumbles:** Please, please—

**Sue Flack:** Let us talk about Birmingham. Birmingham is proposing to implement both a clean air zone—

**Mike Rumbles:** Convener, please. My question was about Nottingham.

**The Convener:** I will let Sue Flack talk briefly about Birmingham, but Mike Rumbles asked about Nottingham, so I ask her to address that as well.

**Sue Flack:** Nottingham has a low-emission zone and a workplace parking levy. When the witnesses from Nottingham spoke to you, I think that they were talking about the clean air zone, which involves a charge on highly polluting vehicles. Nottingham has convinced the Government that it does not need a clean air zone, partly because of the workplace parking levy. Nottingham has demonstrated that, because of all the work that is already being done there—lots of things are going on; the workplace parking levy is only part of it—it does not need a clean air zone. It does not need to charge highly polluting vehicles partly because it does not have very many, which is because it has done a lot of work with buses, taxis and fleet vehicles in the city centre, which is where the pollution is highest.

What I was going to say about Birmingham is that it is proposing to implement a clean air zone and the workplace parking levy at the same time, because it sees that those two elements mesh very closely together. The levy is about commuters and the clean air zone is about highly polluting vehicles, many of which are not driven by commuters—they are mostly heavier vehicles.

It depends on which location you are talking about, but there is the potential to implement more than one of the proposals. London is implementing more than one—it has a choice of four, actually—and there will be a series of different charges in London. It is possible to implement more than one proposal.

The issue is not something that Scotland needs to worry too much about at the moment. You are interested in introducing a new idea, so you should be focusing on introducing that new idea rather than worrying about one proposal on top of another.

**Mike Rumbles:** So, you disagree fundamentally with the evidence that we received last week from

Nottingham. I will repeat what we heard, because the bill talks about low-emission zones, and that is what Nottingham talked to us about. This bill gives authority to councils to create low-emission zones. The amendment on which we are taking evidence today will give local authorities the opportunity to implement workplace parking levies. I repeat that the evidence that we received from Nottingham was that we could go for low-emission zones, road charging or workplace parking levies, and the advice that they gave us was to implement only one of those.

I do not understand why you seem to disregard the evidence that Nottingham gave us last week. Perhaps the other two members can contribute.

**The Convener:** I will let Alexander Quayle come in, and then come back to Sue Flack.

**Alexander Quayle:** I agree with Sue Flack that a low-emission zone and a workplace parking levy are complementary tools that work together.

With regard to Nottingham being pressed to decide which of the options is its preferred one, the situation in Scotland is slightly different from that in England, where the proposal that tends to be pursued in relation to urban air quality is clean air zones, which are a pay-for-access system: there is a fee for entry but vehicles can still enter the zone. In Scotland, LEZs, as they are set up in the bill, should charge in a way that means that it will be prohibitively expensive to bring vehicles in. I think that diesel vehicles from before 2015 and petrol vehicles from before 2005 would be banned under the proposed guidelines.

An LEZ is not an incentive in the same way; it is about saying, "Don't bring these vehicles into cities where there are LEZs," because an LEZ is a tool to target dangerous air pollution. It is slightly different, in my view, from a workplace parking levy, which has as its primary objectives reducing congestion, encouraging modal shift, and raising revenue.

Air quality is a likely benefit from introducing the levy but it is probably a second-tier benefit. In the Scotland-specific context, a workplace parking levy and an LEZ are much more likely to dovetail than a workplace parking levy and a clean air zone might in England.

**Sue Flack:** I think that that is the answer—we are talking about two different animals; an LEZ is different in England than it is in Scotland.

**The Convener:** Stuart Douglas—do you want to comment?

**Stuart Douglas:** The other witnesses are much better equipped to answer that question than I am.

**Jamie Greene:** Would the witnesses therefore support a limitation on the introduction of the

workplace parking levy so that it is only local authorities in cities that could introduce the levy? It does not seem to bring any huge benefit—other than being a revenue-generating tax—for local authorities that do not have either congestion or air pollution problems. Those local authorities are more likely to contain out-of-city business and industrial parks with large amounts of car parking space where there is probably more space anyway and people need their cars to get to those workplaces.

**Sue Flack:** I think that I agree with that. The authority promoting a workplace parking levy should have to show why it is promoting the levy; if there are no congestion, pollution or other related problems, it should not promote such a levy. The levy should be one of the tools that is used to solve an identified issue.

**Alexander Quayle:** I am not in a position to tell a local authority that a levy is an inappropriate mechanism in its particular case, but I agree with the sentiment that the benefits are much more likely to be felt in larger urban areas with a critical mass of people and vehicles.

**Stuart Douglas:** The issues that Alex Quayle talked about do not always happen just in cities.

**Jamie Greene:** That raises an interesting point. Should it be the case, then, that if the local authority cannot demonstrate that such a levy would have a tangible benefit on congestion or air quality or whichever other objective it has set itself, it cannot introduce the levy simply as a way of raising local taxation?

**Sue Flack:** I agree with that, but the package is the package—it is what the levy is plus what it will buy. If it is shown that it will not solve the issues that have been identified, there is no reason for having a levy.

**The Convener:** That probably answers that question, which takes us to the last question, which is from Richard Lyle.

**Richard Lyle:** Before I ask my last question, I have a question for Sue Flack. How long did it take Nottingham to introduce its levy and how long did it consult with its local population?

**Sue Flack:** Nottingham was the first so a place doing it now would not need to take as long. We took about 10 years to develop the scheme. The consultation was divided into two parts: informal consultation involving engagement with businesses, which we did for years and years, and then a formal consultation stage, which took the form of properly comprehensive consultation documents and a public inquiry.

**Richard Lyle:** There was a public inquiry.

**Sue Flack:** Yes. It was a voluntary public inquiry. The first, informal stage lasted about six or seven years and the second stage lasted about a year—that was the proper, formal stage.

**Richard Lyle:** We came across the phrase “workplace parking levy” about six months ago, near the end of last year. It was a throwaway remark that someone made at a committee meeting and I made a comment about it.

You heard what the previous panel said. Concerns have been raised that the workplace parking levy proposals have not been subject to any public consultation or assessment by the Scottish Government. What is your view? You said that there was a public inquiry and a 10-year consultation on the subject in Nottingham.

**Sue Flack:** I would not say that people have to do the same thing as Nottingham. The project there was the first one of its type.

Authorities that promote a workplace parking levy need to do a lot of informal consultation and engagement with businesses, employers, trade unions and people who might be affected. That will help them to develop the scheme. It will help to inform what the charge, the exemptions and the boundary should be, and so on. Those things should be developed through consultation with people who will be affected. Once there is a finalised idea of what the scheme could be, it should go to a formal consultation to ensure that everybody can have their say, with some degree of detail about the proposals.

The previous panel said that they could not comment without knowing what the charge would be, and they were sort of right. People need to know what the proposed charge is before they can understand the economic impact.

**Richard Lyle:** I will make this my final question, because the convener is looking at me. Do you agree that, in order to make a good law, we need to have good consultation?

**Sue Flack:** Yes.

**Richard Lyle:** Thank you.

**The Convener:** John Finnie wants to ask a question.

**John Finnie:** I would like to hear the panel's views on paragraph 219 of the committee's report on the draft climate change plan. It says:

“The Committee is of the view that demand management measures such as low emission zones and workplace parking levies have potential to make a significant emissions reduction contribution. It therefore calls on the Scottish Government to consider whether these measures should be afforded increased prominence in the final CCP.”

**Alexander Quayle:** The idea of workplace parking levies has been around for quite a while

now and the levies have demonstrable positive impacts. My view is that they are a fairly small measure and I am not sure that they are actually as controversial as the debate in Scotland has suggested. I am not too surprised that they have featured in previous committee reports.

**Stuart Douglas:** Workplace parking levies are one of many actions that need to be taken, given not only the climate change emergency that we have but the obesity and air pollution issues that the country is faced with. We need to start somewhere.

**Sue Flack:** I agree.

**John Finnie:** Thank you.

**The Convener:** That brings us to the end of our questions. Thank you very much for giving evidence this morning.

That concludes the public part of our business. We are going to move into private session, so I would appreciate it if the witnesses and Pauline McNeill could leave as quickly as possible. I say to committee members that there will be no break.

11:57

*Meeting continued in private until 12:16.*



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