



OFFICIAL REPORT
AITHISG OIFIGEIL

Rural Economy and Connectivity Committee

Wednesday 22 May 2019

Session 5



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RURAL ECONOMY AND CONNECTIVITY COMMITTEE

17th 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:

Chris Carter (Nottingham City Council)
Mairi Gougeon (Minister for Rural Affairs and the Natural Environment)
Jim Grieve (South East of Scotland Transport Partnership)
Professor Stephen Ison (Loughborough University)
Pauline McNeill (Glasgow) (Lab)
Councillor Anna Richardson (Glasgow City Council)
Richard Sweetnam (Aberdeen City Council)
Andrew Voas (Scottish Government)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Rural Economy and Connectivity Committee

Wednesday 22 May 2019

[The Convener opened the meeting in private at 08:49]

09:47

Meeting continued in public.

Subordinate Legislation

Welfare of Farmed Animals (Scotland) Amendment Regulations 2019 [Draft]

Code for the Welfare of Meat Chickens and Breeding Chickens (Revocation) (Scotland) Notice 2019 (SG/2019/65)

The Convener (Edward Mountain): Good morning, everyone, and welcome to the committee's 17th meeting in 2019. I ask everyone to ensure that their mobile phones are on silent.

Agenda item 2 is subordinate legislation. The committee will take evidence from the Minister for Rural Affairs and the Natural Environment, Mairi Gougeon. The motion seeking approval of the draft Welfare of Farmed Animals (Scotland) Amendment Regulations 2019 will be considered under item 3 and the motion seeking approval of the Code for the Welfare of Meat Chickens and Breeding Chickens (Revocation) (Scotland) Notice 2019 will be taken under item 4.

No representations have been made to the committee on the draft regulations.

Before I welcome the minister, as the item relates to agriculture and farming, I ask whether any committee members would like to declare any interests.

Peter Chapman (North East Scotland) (Con): I declare that I am a partner in a farming business.

The Convener: I declare that I have a farming business, but it does not involve chickens.

I welcome the minister, Mairi Gougeon, and her supporting officials from the Scottish Government. Andrew Voas is veterinary head of animal welfare and Grant McLarty is a solicitor.

Minister, would you like to make a brief opening statement of up to three minutes?

The Minister for Rural Affairs and the Natural Environment (Mairi Gougeon): Yes, please. Thank you and good morning to the committee.

I wrote to the convener on 29 March to let the committee know that the Scottish Government would be publishing new guidance on the welfare of meat chickens and meat breeding chickens on 1 April. The guidance replaces the obsolete code of practice for the welfare of meat chickens, which was published in 2005. The purpose of the draft regulations that we are discussing today is to amend the Welfare of Farmed Animals (Scotland) Regulations 2010 in consequence of the publication of that guidance.

Among other things, the 2010 regulations place requirements on those responsible for farmed animals in relation to codes of practice. In particular, the regulations require that a person who is responsible for farmed animals

"is acquainted with any relevant animal welfare code and has access to that code while attending to that animal".

The regulations also require that anyone who is employed or engaged by the person responsible is acquainted with, has access to and has received instruction and guidance on the codes. They make non-compliance with the requirements an offence.

The purpose of the draft regulations that are before us today is to create the same requirements in relation to Scottish Government animal welfare guidance documents, so that people who are responsible for farmed animals and anyone whom they employ will have a statutory duty to be acquainted with any relevant animal welfare guidance and to have access to that guidance when attending to an animal.

The draft revocation notice that we also consider today revokes the existing code of practice on meat chickens, to avoid confusion as to which guidelines should be followed by stock keepers and what they have a statutory duty to be acquainted with.

The combined effect of the documents will be that the old code of practice on meat chickens will no longer be in force and the requirements that were in force in relation to the code will now apply in relation to the new meat chickens guidance.

My officials and I will be happy to take questions from the committee.

The Convener: Thank you, minister.

Jamie Greene (West Scotland) (Con): I have two questions. First, what evidence led you to think that the previous guidelines were not sufficient? Is there evidence of malpractice? Did specific incidents spur the Government into making the change?

Secondly, what consultation took place prior to the drafting of the guidelines, including with chicken farmers?

I have no interest to declare in the matter.

Mairi Gougeon: The guidance was updated because, as I said, the code was introduced in 2005 and legislation has moved on significantly since then.

Let me give you an idea of some of the changes that have been made. Although some of the wording of the original code is carried over, the guidance has been completely rewritten, in particular to refer to new legal requirements in the Welfare of Farmed Animals (Scotland) Regulations 2010, which came into force following the 2007 European Union directive on the welfare of meat chickens. In essence, the directive introduced changes to health monitoring and to the reporting of results of post-mortem inspections at abattoirs, as well as technical requirements for ventilation and temperature control. To improve animal welfare, it was essential that we introduced up-to-date guidance.

Sorry, what was your second question?

Jamie Greene: What consultation did you undertake with the industry, including chicken farmers?

Mairi Gougeon: We consulted industry and animal welfare organisations on the guidance.

Jamie Greene: Thank you.

Gail Ross (Caithness, Sutherland and Ross) (SNP): Minister, you mentioned an EU directive. Will the guidance need to change when we leave the European Union, or will it continue if we agree the approach today?

Mairi Gougeon: In general, throughout the process of leaving the EU we will be looking to ensure that we keep pace with what happens at EU level.

We have already transposed the directive into Scottish law, and I do not imagine that what we are talking about today will change, regardless of whether we leave the EU.

The Convener: I have a couple of questions. First, as far as I can see, non-compliance with the animal welfare guidance can lead to a level 4 fine and three months in prison. How will a criminal conviction work in relation to the cross-compliance rules? How will the two work together? If someone is guilty of animal welfare guidance non-compliance, will they lose their cross-compliance status as well as being fined and potentially going to jail?

Mairi Gougeon: What we are looking at introduces no new offences. It is an offence not to

be acquainted with the code of practice of 2005. Outwith that, it will be an offence not to be acquainted with the guidance that is before us today. The guidance does not change the penalties; the offences will essentially stay the same.

We recently consulted on introducing fixed-penalty notices for animal welfare offences as part of amendments to the Animal Health and Welfare (Scotland) Act 2006, but we have no immediate plans to introduce such notices for farm animal offences, to which the cross-compliance system for penalties applies. I do not know whether that clarifies matters.

The Convener: Could somebody who is guilty of an animal welfare breach lose their single farm payment because they will have failed on cross-compliance? That seems to be a double punishment.

Andrew Voas (Scottish Government): The question is possibly not about the guidance. Are you suggesting that there is double jeopardy in the current position, as somebody could be convicted of a welfare offence as well as receiving a cross-compliance penalty?

The Convener: That is correct.

Andrew Voas: That is the current situation, but the argument is that, in most cases, the cross-compliance penalty applies, so further proceedings tend not to be pursued by local authorities or the Animal and Plant Health Agency. Technically, a cross-compliance penalty is separate from prosecution for a welfare offence. If somebody is guilty of a welfare offence, they are liable to prosecution. Separately, they could also be subject to a cross-compliance penalty—that falls under the cross-compliance rules and is not really connected with the welfare offence.

The Convener: The draft regulations refer to “A person responsible for a farmed animal”

having

“access to the guidance while attending to that animal”.

Does that mean that someone who is dealing with chickens must have the guidance for the welfare of meat chickens and meat breeding chickens in their pocket? Will you define what

“access to the guidance while attending to that animal”

means? That implies that people must have the guidance with them.

Andrew Voas: The same wording applies to the code at the moment, so it has been around for a long time. People understand that it does not mean having to carry a paper copy of the code with them at all times when they are on the farm; it means that they should be aware that the

guidance exists and perhaps have a copy in the farm office or some other way of accessing it.

People who are attending to chickens should not be able to claim that they do not know what the guidance says. That is the purpose of the provision.

The Convener: So having the guidance in the farm office, at home or anywhere else is sufficient to meet the requirement for access, as long as the person is able to look at it before dealing with an animal.

Andrew Voas: That is correct.

The Convener: I am a bit worried that some of the guidance on chickens is—in my humble opinion—vague. Paragraph 38 says:

“Culling training should be provided by a stockperson with appropriate experience”.

What is “appropriate experience”?

Andrew Voas: In some elements of guidance, we cannot be very prescriptive, because we want to allow for different situations on different farms. Typically, meat chickens belong to large companies that have experienced managers and stockpeople who can train new or less experienced staff. We do not want to prescribe a particular form of training; we want to allow reasonable flexibility for what is suitable in the circumstances.

Mairi Gougeon: I am happy for the committee to write to me if it wants to raise particular issues about the guidance for my officials and me to consider.

The Convener: My concern is how to quantify “appropriate experience”. It is suggested that there would be significant fines that could lead to imprisonment if someone did not comply with the guidance. I am unable to discover what “appropriate experience” might be for culling injured birds on a farm, because there is no particular course on that. I picked out that particular example because it has been brought forward. The guidance says “appropriate experience”, but I am concerned that that is not quantifiable and there are no courses that people can take to prove that they have appropriate experience. That rings alarm bells for me. Does it ring alarm bells for you?

10:00

Mairi Gougeon: I am happy to look into that if you think that it needs further clarification.

The Convener: We do not want the guidance to be too restrictive and we do not want it to be a millstone round someone’s neck when they have experience of 20 years’ work in a chicken farm, for

example. If that is the experience that it means, I would accept that.

Mairi Gougeon: I would also point out that, as I mentioned in my answer to Jamie Greene, we consulted on the guidance with animal welfare organisations and with industry. The Farm Animal Welfare Committee, which provides independent advice to the United Kingdom Government and the devolved Administrations, has also looked over the guidance. We have produced something that those bodies are generally content with. However, as I said, if there are particular points that the committee thinks that we need to address, we would be happy to consider them.

Jamie Greene: Thank you for your answers to my previous questions. If an inspection or spot check is made or there is an unannounced visit to a chicken farm and there is insufficient adherence to codes of practice, does the liability lie with the person who is handling the animal—as you described earlier—or does liability or the enforcement obligation rest with the owner of the premises? I am not clear on that.

Mairi Gougeon: It states in the Welfare of Farmed Animals (Scotland) Regulations 2010 that it is an offence not to be acquainted with the guidance if you are the person responsible for the meat chickens and if you are an employer it is your responsibility to ensure that your employees are acquainted with the guidance and have access to it. I am not sure whether that answers your question.

Jamie Greene: You have implied that both parties are responsible: the employer has the responsibility to make that information available to employees and it is the responsibility of the employee to seek out that information. Is that correct?

Mairi Gougeon: It is the responsibility of the employer to ensure that their employee “is acquainted with” the guidance and “has access to” it. That is how it is put in the Welfare of Farmed Animals (Scotland) Regulations 2010.

Jamie Greene: I see—thank you.

The Convener: If there are no further questions, we will move on to formal consideration of the motions.

Mairi Gougeon: I do not have any further comments to make.

Motions moved,

That the Rural Economy and Connectivity Committee recommends that the Welfare of Farmed Animals (Scotland) Amendment Regulations 2019 [draft] be approved.

That the Rural Economy and Connectivity Committee recommends that the Code for the Welfare of Meat

Chickens and Breeding Chickens (Revocation) (Scotland) Notice 2019 be approved.—[*Mairi Gougeon*]

Motions agreed to.

The Convener: That concludes our consideration of those items. Thank you, minister.

Road Works (Qualifications of Operatives and Supervisors) (Scotland) Amendment Regulations 2019 (SSI 2019/159)

10:04

The Convener: The next item is consideration of the Road Works (Qualifications of Operatives and Supervisors) (Scotland) Amendment Regulations 2019, which is a negative instrument. No motions to annul or representations have been received in relation to the instrument. Is the committee agreed that it does not wish to make any recommendation in relation to the instrument?

Members indicated agreement.

The Convener: I will suspend the meeting briefly to allow us to set up for the next item.

10:05

Meeting suspended.

10:06

On resuming—

Transport (Scotland) Bill: Stage 2

The Convener: The next item is our first evidence-taking session on the policy intentions of stage 2 amendments to the Transport (Scotland) Bill on the proposed workplace parking levy. Two panels of witnesses will give evidence today, with our questioning of the first panel conducted by videoconference.

Our first panel of witnesses will give evidence on Nottingham City Council's experience of the workplace parking levy, and I welcome to the meeting Chris Carter, head of transport strategy, Nottingham City Council; and Professor Stephen Ison, professor of transport policy, Loughborough University. Professor Ison has undertaken research on Nottingham's experience of the workplace parking levy.

Before we go any further, there is one declaration of interest to deal with.

Richard Lyle (Uddingston and Bellshill) (SNP): No representatives from Aviva are present at the meeting, but it is only right that I declare that I receive a small pension from Aviva, which manages my pension on behalf of a company that used to provide it.

The Convener: I should say to the witnesses that the committee members will question you in an order that I will determine, and when they come to the end of their time, I will wave at them to get them to stop. If I think that you are expanding beyond the remit of the question that you are answering, you might see me waving at you, too. Unfortunately, you are not in the room with us, so I cannot do what I threaten to do to those who continue to speak after I have waved a few times, which is to waggle my pen and then launch it across the room. I have never done that, and anyway, it would have no effect on you, as you are on screen.

Welcome to the meeting and thank you for agreeing to give evidence.

Mike Rumbles (North East Scotland) (LD): My questions are straightforward. Why did Nottingham City Council decide to develop a workplace parking levy scheme and, perhaps more important, why is it the only local authority in England and Wales to have introduced such a levy since the passage of the Transport Act 2000 19 years ago? Why is Nottingham City Council unique in this respect?

Chris Carter (Nottingham City Council): First of all, I will give a bit of background to why Nottingham set out on this course.

The city has been following integrated transport policies for a number of years, because, like many other cities, it suffers from congestion. We know that incentives on their own are not enough to influence behaviour change; plenty of research out there says that you need some sticks, too, if you are going to encourage modal change.

With that in mind, Nottingham looked at the legislation when it came in, in 2000, and it was influential in getting the workplace parking levy included, because we saw that the levy fitted the city's needs. We were being impacted by traffic from further afield coming into the city. Nottingham is a centre for commerce and jobs, with a lot of employment, and our problem is peak-time congestion.

We therefore saw the levy as the perfect tool for influencing behaviour and, importantly, for investing in high-quality public transport alternatives. We identified a package of measures including the expansion of our tram system; one line was opened in 2004, and the levy was seen as a way of providing a local contribution to allow the tram to be expanded into a much more comprehensive system across the city.

The levy was also used to invest in Nottingham station. Businesses had said that the station was not an attractive gateway into the city, and they felt it important that that was improved.

We also used the money to improve our bus services by investing in a fleet of electric buses that are used on tendered services. That is particularly important as they serve certain areas that are not served by the commercial network—for example, business parks, which traditionally do not have good bus services. It is very much seen as part of a package of measures.

Mike Rumbles: If it is such a success and such a positive thing, why, after 19 years, are you the only council that has done it?

Professor Stephen Ison (Loughborough University): Historically, when the legislation was put in place, quite a number of local authorities—close to 25 of them—were interested in either road pricing or the workplace parking levy. However, a number of things need to be in place before you can implement a policy, whether it be road pricing or the levy, that is not seen as very acceptable, because it acts as a disincentive.

Nottingham had a number of things in place that allowed it to introduce the levy. First, there was a stable political situation in the council, which I think is necessary. Secondly, it had a number of policy champions. I cannot understate the importance of having that kind of champion for any local authority or any Government that wants to introduce such a policy. Moreover, Nottingham needed to develop its tram network, and

hypothecation of the revenue was an important part of that. That is part of the reason why the levy happened.

The Convener: I am sorry, but time is short, and the shorter we can keep the answers and the more dialogue we can get going between us, the better. I will move on to John Mason, who has the next question.

John Mason (Glasgow Shettleston) (SNP): My understanding is that, in the first five years of the levy, you have raised approximately £53 million. I am interested in finding out where that money has gone. You used the word “hypothecation”. I understand that the tram network has cost £570 million, the railway £60 million and the buses £200 million. Obviously, the levy has not fully paid for all that. How, then, does it work?

Chris Carter: The total cost of the tram system, for example, is about £500 million, and the local contribution is about £100 million. Basically, it all goes into a financial model, because there are lots of different funding streams that pay for all these measures. The levy provides the city council's contributions to those programmes, and it is also important to point out that it levers in a lot of other investment to fund the total cost of those improvements.

10:15

John Mason: Would the improvements have happened anyway without the levy?

Chris Carter: No, definitely not.

John Mason: So, the levy has made a significant difference, even though it covers only a small part of the expenditure.

Chris Carter: That is correct. We would generally describe that money as our local contribution.

John Mason: That is helpful. Has the levy had an impact on traffic congestion?

Professor Ison: Yes. It is obviously very difficult to disentangle the impact of any one measure on traffic, but the figures suggest that, when compared with a number of comparator cities, there has been a reduction in the overall level of congestion following the introduction of the levy. You would expect as much with a change that aims to impact on demand.

John Mason: So, the levy has reduced not the amount of traffic but the growth of traffic.

Professor Ison: That is exactly right.

Peter Chapman: Good morning, gentlemen. You have outlined the huge investment that you have made in public transport, including your tram,

bus and train systems, and I imagine that that has led to greater use of that kind of transport. Indeed, simply making that investment would, in its own right, lead to public transport being used more frequently. What percentage of the increase in the use of public transport is due to the levy, and what percentage is due to the fact that you have invested a lot in the public transport systems?

Professor Ison: It is quite difficult to disentangle the impact of a particular measure on anything, but our work suggests that the public transport modal share has changed dramatically since the introduction of the levy, with an uptake in cycling across the board and bus patronage increasing over the period.

Of course, if, as has happened, you reduce the number of parking spaces from about 35,000 to about 29,000, there will be an impact, because of the impact on the termination point of traffic. A number of the people affected have taken up alternatives, including the tram, which has been developed in part through funding from the levy.

Chris Carter: Three elements are driving change, the first of which is the direct impact of the levy and the introduction of this charge. As that represents a relatively small amount of the total cost, the direct modal change resulting from the introduction of the levy is probably small.

Secondly, there is the behaviour of business. The levy is a tax on business, and it depends on the number of parking spaces that are provided. Therefore, if business reduces the number of spaces, that will have an impact.

Thirdly, there is the investment in public transport alternatives, which is probably the biggest element in driving modal change.

Peter Chapman: Do you have any evidence that the levy has encouraged more people to commute by bike or to walk to work?

Chris Carter: Yes. Over the past 10 years, we have seen about a 50 per cent increase in the number of cyclists. I do not have the figures for the number of people walking, but the behaviour change across all sustainable modes is encouraging.

John Finnie (Highlands and Islands) (Green): Good morning. You have touched on the issue of congestion. What impact, if any, has the levy had on local air pollution levels?

Chris Carter: The levy has been implemented primarily as a congestion measure. Although we have kept it separate from our air quality strategy, there clearly is a link. The levy and the public transport improvements have helped to contain traffic in Nottingham, which means that traffic growth has been lower than in many other areas.

As for air quality, Nottingham was predicted to be one of the areas that would be in excess of air pollution limits by 2020, and we conducted our own local modelling to look into that further. Because of the levy, the improvements that we have been making and other investments that have been made by local public transport operators, Nottingham has a plan, which has been agreed by the Government, and with the retrofitting of buses and the changes that we are making to our taxis, we will now comply with the air quality regulations. That has happened partly because of the levy.

John Finnie: You have mentioned a suite of measures. Are you able to identify what part the workplace parking levy has played in that?

Chris Carter: No, I cannot. It is just really difficult to isolate individual measures, particularly because the levy has been presented as part of a package. People's behaviour is influenced by many factors, such as fuel prices, and the levy is just one small fiscal measure that influences behaviour. It is therefore difficult to isolate an individual part.

John Finnie: I appreciate that. In that case, I will try another question. Are you able to comment on the levy's impact on business growth and inward investment?

Chris Carter: We have not been able to identify any particular business that has moved out of Nottingham as a result of the levy. Before the levy was introduced, there was a lot of discussion about its impact on inward investment, but we have not been able to find any evidence of people moving out specifically because of it.

When we have discussions about inward investment, the levy always comes up as a factor, but there is a trade-off in that businesses and offices want to come to the city centre because of the good public transport access. The tram is a good attractor for people to invest in the city. Different businesses have different needs and, depending on those needs, they will see a high-quality public transport system as being important or—if they are particularly dependent on cars or business travel—as less suitable. There are different needs in different areas.

Professor Ison: I would back that up. I do not think that there is evidence to suggest that the introduction of the workplace parking levy has led to any outward investment as a result of companies relocating. When the scheme was first introduced, people said that that would happen, but as Chris Carter has rightly pointed out, that does not appear to be the case. The public transport network is much improved, and businesses can see the benefits of that. There is no evidence to suggest that, in cities with similar

measures, there has been an adverse effect on investment.

John Finnie: Many thanks.

Richard Lyle: I have had the good fortune to be in Nottingham, and I know many of your politicians through the Association for Public Service Excellence. Do you agree that you need a majority council and the political will in a local area to drive the parking levy scheme forward?

Chris Carter: You need strong political leadership. Exactly what form that takes will be different in different areas, but it is essential.

Richard Lyle: Do you think that the levy could be introduced by a minority council?

Chris Carter: If you have agreed a clear vision of what you want to do and how the levy would form part of a strategy, there is no reason why you cannot introduce it. As long as there is agreement around a vision, it will work. However, leadership is the key.

Richard Lyle: What reaction did you get from the public when you first introduced the levy?

Chris Carter: There were different reactions from different people. City residents, who are predominantly impacted by congestion, pollution and all the other adverse impacts of traffic, generally support the levy, because they can see how the investments are beneficial to them, while people who are likely to drive into Nottingham from further afield will say that they have been negatively impacted. The levy impacts on different people in different ways.

Richard Lyle: I have another two questions. Your submission refers to exemptions for

“customer vehicles, fleet vehicles, disabled blue badge holders, and a number of employers who are 100% discounted from the charge such as Ambulance, Police, Fire and qualifying NHS premises.”

Do you suggest that anyone who considers introducing a levy should grant all the same exemptions as you have?

Chris Carter: The Nottingham scheme makes few exemptions; the exemptions relate more to operational vehicles than to those that involve commuter journeys. The only significant exemption is for national health service premises, which came about after discussion with the then Secretary of State for Transport.

The beauty of the workplace parking levy is that it is flexible and allows different exemptions to meet needs. However, another strength of the levy is its simplicity. If too many exemptions are introduced, it becomes too complicated and a lot of the benefits are lost.

Professor Ison: I agree. At least in the first instance, it is important for the scheme to be simple.

Richard Lyle: Your submission says:

“The scheme focuses heavily on compliance with officers working with employers to assist them in licensing their parking spaces correctly and”—

this is the interesting part—

“encouraging them to take advantage of the business support available.”

Will you explain that?

Chris Carter: We offer business support as part of the scheme. I have an officer who goes round and talks to businesses that pay the levy. We offer a grant scheme so that employers can provide facilities for their staff, such as cycle shelters, showers, car park management, travel planning information and, latterly, electric vehicle charging points. We provide grants to support businesses in reducing their liability.

Colin Smyth (South Scotland) (Lab): You mentioned that designated NHS premises are exempt, but is it the case that a police officer who parked at work or a teacher who parked at a school would not be exempt?

Chris Carter: That is correct. The exemption applies to front-line NHS premises, such as hospitals and other medical facilities. However, a separate administrative facility would not be exempt.

Colin Smyth: The cost of the levy in Nottingham is set at £415 per parking space, and the cost is often passed on to workers. That means that Nottingham City Council’s chief executive, whose salary is £170,000-plus a year, would pay exactly the same as the lowest-paid worker in the council, who receives the living wage. Is the levy the same, irrespective of income?

Chris Carter: That is not how the scheme works. The levy is a charge on the employer, which pays the charge. It is up to employers to decide how or whether they pass on the levy to their employees.

The city council charges different amounts for car parks in different parts of the city, and it changes the amount that people pay according to their salary. That is the employer’s decision; other employers have taken a similar or different approach. It is up to the employer to decide whether to pass on the levy.

Professor Ison: Some organisations allocate the charge to their workforce in a sophisticated way that is based on salary and vehicle engine size. They use a sliding scale that takes all that into account, so a person might pay an awful lot or

very little—that would depend on their salary structure and the vehicle that they used. If organisations implement such an approach, how they do it has been left up to them.

Colin Smyth: Allowing employers to charge everybody the same amount, irrespective of salary, is regressive. Why have you not issued guidance to all employers that pass on the levy to say that the approach should be more progressive and based on salary? Why have you allowed employers to charge everybody the same amount, irrespective of salary?

Chris Carter: The way that the scheme works is that we charge the employer; that is just how the scheme is set up. We advise employers on how they can pass on that charge if they choose to do so and we give them examples of how they can do that. We would probably advise that, if they adopt such schemes, they should vary the charge depending on the employee's salary. That is certainly in some of the examples that we give employers.

10:30

Professor Ison: Many organisations outside the levy have schemes where they charge their employees to park at the workplace. There is one such scheme at Loughborough University and there is no interference from the local authority in that charge.

Colin Smyth: The charge can be applied only within the Nottingham City Council area. Would it be fair to say that most of the travel-to-work areas in Nottingham are pretty much urban areas?

Chris Carter: The travel-to-work areas go beyond the urban areas. They go into neighbouring rural districts.

Colin Smyth: Is it fair that somebody in a rural area who does not have access to public transport has to travel into Nottingham using their car but their local authority has no say whatsoever on that levy because they live outwith the Nottingham City Council area? Is that fair, given that none of the funding raised by the council will go towards improving public transport in that rural area because it is outwith your boundaries?

Chris Carter: One of the particular features of Nottingham's public transport system is park and ride. It is an important component of the tram system in particular. There are over 5,000 parking spaces dotted around the urban area—all the motorway access routes have large park-and-ride sites along those main routes. People who are driving in from further afield have the option of driving to the edge of Nottingham, parking in a park and ride and then using one of the high-

quality public transport options to get to their destination in the city centre or elsewhere.

The Convener: Members are all being extremely good with their timing. I do not want to provoke you into doing something different, but that means that there will be time to bring in more questions at the end. I have Richard Lyle listed already and anyone else who wants to come in can start indicating that to me. I will go to Stewart Stevenson now and ask him to remember what I have just said.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I have just started my stopwatch, convener.

Mr Carter, you said that having limited exemptions keeps costs down. I want to explore that in more detail. Roughly what percentage of the money that you take in from workplace parking goes on the administration of the scheme?

Chris Carter: We are up to about £9.5 million of income, and about £500,000 per year goes into running the scheme, including the business support element.

Stewart Stevenson: So that is about 6 per cent.

Chris Carter: Yes, it is something like that.

Stewart Stevenson: Have you learned any lessons on that? You have been running the scheme for a considerable time. Have you cut the administration costs or have you found them rising? What is the trend?

Chris Carter: The running of the scheme has been pretty consistent since it began. We do a lot of compliance work. We could have spent money on enforcing the scheme but we have not needed to, because we do a lot of work with employers to ensure that there is a high level of compliance.

I would say that the lesson is that the more work you do on compliance, the more you can ensure that you are minimising the cost of administering the scheme.

Stewart Stevenson: So you are not spending much money on enforcement but you are spending money on ensuring compliance.

Chris Carter: Correct.

Stewart Stevenson: Have you had many issues with non-compliance and how have you dealt with them?

Chris Carter: We have had virtually no issues with enforcement. By having that repeated dialogue with businesses, we have a situation where they provide the required information and the scheme runs smoothly.

Professor Ison: One feature of the scheme in Nottingham is that the charge applies to premises with more than 10 spaces but not to premises with fewer spaces than that, which has cut down the number of employers who are subject to the charge. In the region of 500 employers are subject to it, although there are more than 3,000 organisations within the city boundaries. That made implementation easier.

Stewart Stevenson: Who finds the parking places that are liable to be charged? Does the district valuer do it or is it done in another way?

Chris Carter: We write to all employers and they are required to fill in a return. We have a number of tools that we can then use when we go out. That usually involves visits and having a look. We have the power to inspect car parks and we have a video car that can count vehicles in car parks. That is all part of compliance.

Stewart Stevenson: Finally—I am in my final 20 seconds so I need a very brief answer—I visited Nottingham to see the trams on 23 September 2004. Was that before or after the workplace parking levy started?

Chris Carter: The first Nottingham tram line was built in 2004, which was before the workplace parking levy. We extended the tram system in 2015, which was afterwards—the levy was introduced in 2012.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Have the taxation arrangements for the workplace parking levy had any effect on whether employers have chosen to pass on payment of the levy to employees? Do you have any idea of how it works with each employer?

Chris Carter: Generally, public sector employers have passed on the levy to their employees. When it comes to private businesses, probably half of the larger employers have passed it on, and fewer of the smaller employers. That is the broad picture.

Maureen Watt: How has that gone down with employees? It is a benefit in kind, I believe, so it will affect their taxes.

Chris Carter: I am not aware of that, because it is a tax on the employer not on the employee. It affects the business rather than the individual.

Maureen Watt: Are you saying that, if a business passes the levy on to the employee, it does not affect their taxes?

Chris Carter: That is how I understand it, yes.

Maureen Watt: Is that how you understand it, Professor Ison?

Professor Ison: It is indeed.

Maureen Watt: I want to go back to something that you said earlier, professor, because I am not sure that I picked you up correctly. You said that other businesses—Loughborough University, for example—have their own charging schemes. Is that right?

Professor Ison: Yes. You will find that across the country. A lot of employers charge their employees for parking at the workplace.

Maureen Watt: If we take Loughborough University as an example, do you know how it uses the money that it raises?

Professor Ison: I am not privy to how it uses that money. Across the country, organisations might well hypothecate the money to use for improvements in the provision of public transport or the car parking or lighting on their sites. Some will put it into their general pot. I do not think that it is used in any specific way.

Maureen Watt: From your research in the area, where that has happened with companies, does it make them less attractive to employees? Does it have any advantages or disadvantages?

Professor Ison: Charging someone to park at their workplace seems a bit odd, does it not? However, a lot of organisations are at constrained sites and may well implement a permit system—they just do not have the space for employees and a number of them introduce a charge for that reason.

Maureen Watt: Is that not discriminatory? For example, there may be people with childcare responsibilities who need to get quickly from their work to a nursery.

Professor Ison: Yes. I have done work in a number of organisations, including for hospitals and universities, that are not in Nottingham city. A number of them have sophisticated schemes for dealing with, for example, issues to do with childcare, working on dual sites and difficulties with looking after ageing parents. The levy is not a one-size-fits-all solution by any means. Of course, the more complex you make a scheme, the more difficult it is to administer it. However, I take your point and accept what you are saying.

Jamie Greene: I have heard a lot this morning about the financial benefits to the local authority of raising revenue from the levy scheme, but I have not heard a huge amount of evidence from you about any benefits to improving the air quality or environment of the city, nor any significant evidence to suggest that congestion has been reduced as a direct result of the measure. You said that the measure is primarily to tackle congestion, but all that I have heard is that it seems to be raising revenue. Will you enlighten me further?

Professor Ison: It is difficult to disentangle the impact that any scheme will have on congestion and the environment. Intuitively, if you think of a scheme in which there is a disincentive to use a private car in favour of public transport, walking or cycling, by definition, there will be improvement in the level of congestion and to the environment.

Jamie Greene: That is the theory. You have had experience of the scheme for a number of years, so can you evidence that with some numbers?

Professor Ison: We have, through our work, seen that the level of congestion has not increased as much in Nottingham as it has in comparator cities. I think that work is still to be done on the air quality aspect, to be fair.

Jamie Greene: I will move on to another line of questioning. My reading of the reports on your scheme is that many drivers, rather than suffer the consequence of the levy, park their cars in the suburbs surrounding the city centre, which is causing parking chaos. I could name a number of villages and suburbs where there is evidence of that occurring. What analysis have you done of the displacement of vehicles that used to be parked at a workplace but are now parked in the city's suburbs?

Chris Carter: Displacement is definitely one of the key issues that have to be addressed if an authority is considering a workplace parking levy scheme. We have paid a lot of attention to parking restrictions and the control of parking around employment sites. We have put in place a number of additional schemes around those sites—that might be in the form of restrictions to prevent parking around an employment site if a nuisance is being caused, or it might be in the form of providing more residents' parking schemes.

We have significantly increased the amount of residents' parking schemes for the reason that you said—that is, to make sure that residential areas are not impacted by displaced parking. That happens anyway. It was mentioned that many employers do not provide sufficient parking around their sites, so even without the levy there is displaced parking and parking in residential areas. Many areas suffer from that, as it is a common situation across the country. At least our scheme aims to improve public transport, address those issues and encourage people to use public transport instead of driving.

Jamie Greene: That is interesting. It sounds as if you have had to introduce measures to secure and guarantee residents parking spaces on their own streets as result of displacement because of the levy. Is that what you are saying?

10:45

Chris Carter: I am saying that that has been an important aspect. There are different reasons for introducing residents parking schemes—it is very common to protect residential areas from commuter parking—but it has been an important aspect in Nottingham because, due to the workplace parking levy, there has probably been more displacement than there is elsewhere. Therefore, it is important that any authority that is considering introducing a workplace parking levy scheme considers the impacts of potential displaced parking. That is definitely true.

Professor Ison: It is an issue in general. The large generators of traffic in hospitals are part of that, as I have said. There will be some off-site parking on residential streets, which has to be tackled by the use of double yellow lines, controlled parking or other measures.

Gail Ross: Does Nottingham use any other measures, such as low-emission zones or congestion charging?

Chris Carter: We do not have congestion charging and we are not introducing a low-emission zone. We were considering implementing a clean air zone, and we were originally going to be mandated to do so by the Government, but, following our more detailed work and local modelling, we are no longer required to introduce a charging zone to address air quality issues. We are addressing our air quality issues through bus retrofitting and taxi policies, which are the focus of our air quality strategy.

Gail Ross: What made you choose the workplace parking levy over a low-emission zone or congestion charge?

Chris Carter: As I said previously, the workplace parking levy fitted with our strategy. That was partly because of the administrative boundary—Nottingham has a very tight boundary and was suffering from commuter traffic coming into the city area from further afield, so the workplace parking levy fitted well with that. We were trying to identify a potential funding stream for our public transport improvements and the levy also fitted that. The other key factor was that workplace parking levy schemes are much simpler to put in and administer.

At the time, Manchester had tried to introduce a road user charging scheme, which went to a referendum and was resoundingly voted down. The only place that has put in a comprehensive road user charging scheme is London, but London is a very different city to provincial cities. The workplace parking levy was seen as a more suitable scheme for a city the scale of Nottingham. It is much simpler to administer and cheaper to

run, so it was much easier for a city that is the size of Nottingham to implement the scheme.

Professor Ison: I reiterate that point. Road pricing is difficult to introduce because it is a direct charge on the motorist for the use of road space, which the workplace parking levy is not. There has been an array of failed attempts to put such a scheme in place and referendums do not seem to be the right way to go about it, as was the experience some time ago in Edinburgh, as well as in Manchester.

The workplace parking levy took some time to introduce, but it is a simpler scheme and one that could be introduced more quickly than a road pricing scheme would have been.

Gail Ross: You mentioned earlier leveraging in other investment, and in your written submission you say:

“For every £1 raised the Levy helps to lever in at least £3 of external funding.”

What is that external funding?

Chris Carter: For example, in relation to the tram programme, we have to find about £100 million of the £500 million that is required for the tram network and tram extensions. The other funding comes from a cocktail of other sources, but Government grants are a significant part of it. For any project that the Department for Transport funds, it likes to see a local contribution.

That local contribution may range from about 10 per cent up to about 30 per cent. The same applied to the station improvements, where the fact that we could put in about £15 million of local money meant that we were able to lever in to those improvements another £45 million of national funding. That is how it works.

Gail Ross: I have one final small question. I find the charging of teachers to park at their workplace a bit of an anomaly, given that the school basically belongs to the local authority. Where does the charge come from? Does it come from the school budget or does the council pay the council?

Chris Carter: To some extent, in that case, the council pays the council although, there are also a lot of academies.

It is the same situation for the city council. The council will pay the levy but that money comes from the council and then goes into funding transport investment, so it is used for a different purpose. The council passes on those charges to individuals so those costs are covered by those individuals.

Gail Ross: So council employees pay—

Chris Carter: Council employees contribute, so that cost to the council is covered by the employees—that is correct.

Professor Ison: It is not just teachers who are charged but higher education institutions. The two universities in Nottingham also come under the scheme.

The Convener: I have a couple of questions. First, planning regulations used to stipulate that, once you built over a certain size, you had to have a set amount of parking spaces. Has the council changed those requirements to discourage parking at offices, so that if you are building offices, you do not have to provide a set amount of spaces?

Chris Carter: Nottingham has maximum parking standards, not minimum parking standards. We put a maximum limit, not a minimum limit, on our parking standards.

The Convener: So if you build more than a certain number of square metres, you would still be forced to have car parking spaces for that area.

Chris Carter: You would not be forced to do that. Because it is a maximum limit, you are not allowed to provide more than a certain amount of parking.

The Convener: Okay. Your figures show that the number of parking spaces that collect the levy has dropped from 32,000 to 25,000; 7,000 spaces have disappeared. What has happened to those spaces?

Chris Carter: That is one of the consequences of introducing the scheme; the first thing that any business that has parking spaces does is review the parking spaces that it has and then provide only the spaces that it requires.

It is important to say that the charge is only for spaces that are actually used so if a business has contracted and is only using half of its car park, it only has to pay for the spaces that it uses; it does not have to pay for the total number of spaces that are provided.

The Convener: I am sorry, but could you clarify that? You say that 7,000 spaces are no longer being used or charged for; I would say that those spaces are undeveloped areas. Do you encourage the owners of those spaces to redevelop the area for other uses? Are general permitted development regulations allowed to be used for redevelopment or do the owners have to go through the whole process again?

Chris Carter: Some employers have definitely redeveloped their car parks. Nottingham Trent University is a good example of that. It had a number of surface car parks and it decided that it no longer required them, which reduced the levy

requirement. It uses the space for other purposes. That could be a beneficial effect of the levy scheme. It makes businesses re-evaluate the use of land and put it to better use in certain circumstances.

The Convener: I understand that, but that is about wide open spaces. In more central areas of the city, if you throw out two spaces it is difficult to find an alternative use for them unless you rent them out for car parking to other people. They could be leased to a separate business.

Chris Carter: It tends to be smaller car parks of 50 to 100 spaces that are redeveloped and replaced by an extension to a building, for example. Companies re-evaluate the spaces that they have.

The Convener: In fairness, I am trying to get to a point about smaller car parks. You charge for car parks with 11 places, so closing one place would get an employer out of the whole thing.

Chris Carter: That has definitely happened. On the margins, in car parks that had 11 or 12 places, some places will have been repurposed as disabled or operational spaces, or a bit of landscaping might have been put in. We accept that that is part of the scheme.

The Convener: This is my final question before going back to other members. Do you have evidence about how the 7,000 spaces that have come out of the levy have been subsequently used or redeveloped?

Chris Carter: We could give examples of how spaces have been redeveloped, although I could not show what has happened to all 7,000. Some larger car parks have been redeveloped, and some marginal spaces are no longer used.

Professor Ison: Some spaces have become redundant.

Chris Carter: That is right.

The Convener: I am being naughty in asking another question but, as the convener, I can get away with that, because I can criticise myself afterwards. Business rates are based on property rental values. Have rental values reduced for properties that have large workplace parking levy liabilities?

Chris Carter: I am not aware of that.

Professor Ison: I am not aware of that.

The Convener: Has the assessor not revalued such properties? Are you not aware of any significant numbers?

Chris Carter: I am not aware of that.

The Convener: We will go back round committee members.

Richard Lyle: Your main bus operator is Nottingham City Transport, which is still in public ownership. Do you agree that a good public transport system must be in place before such a levy is introduced? Has introducing the levy in Nottingham helped you to improve your bus and tram routes and make public transport better?

Chris Carter: It is important to have in place high-quality alternatives, which the public demand. Does that all have to be in place? We argued that we had a good public transport system but that we wanted to make it better, which was why we had to introduce the levy. If a place already has an excellent public transport system, people would probably ask why a levy was needed. The investment was an important part of our case.

Richard Lyle: So you must have good public transport first.

Chris Carter: That was important for Nottingham.

Mike Rumbles: I compliment both witnesses on their evidence. It has been excellent, but it has left me somewhat perplexed. You have operated the scheme for seven years. It sounds good and you have given positive evidence about achieving the exercise's aims, but I am still perplexed. That goes back to a question that I asked earlier, when I did not get to the bottom of the issue, so I would like you to have another go at it.

You have operated the scheme for seven years, so why has not one single authority in England and Wales copied you? If the scheme was such a prime example, I would have thought that people would be falling over themselves to copy it.

Professor Ison: I totally agree—I am perplexed about why the scheme has not been copied. The same point applies to road pricing. The legislation for both measures was introduced in 2000, and bodies could go for road pricing, the workplace parking levy or both. Road pricing applies to one road in Durham, and attempts have been made to put in place road pricing schemes in other parts of the country, including Edinburgh.

Such measures are difficult and thorny. People must be brave and have the vision to introduce them, because it is not easy. To introduce a charge—some would call it a tax—is to implement a disincentive. We have discussed fairness and that sort of thing, and all such issues are important. Nottingham was brave—

Mike Rumbles: If I can interrupt, are you saying that only Nottingham is brave? I am not commenting on that, but what about all the other councils?

Professor Ison: The submissions to the committee show that a number of authorities, including London boroughs, are looking again at

the measure. It went very quiet after Nottingham, which I was quite surprised about—I thought that, after they saw the impact, others would look at the measure. It will be more widely implemented, but a number of things need to be in place before that happens.

I do not know why we are in this position. Perhaps Chris Carter knows. There has certainly been a lot of interest in Nottingham—we are not short of suitors and visitors.

11:00

Chris Carter: That is right. Lots of authorities have been in, had a look and are interested in progressing matters. The air quality requirements, and the clean air zones, which are basically road user charging in a different shape, are forcing many local authorities to go back to road pricing, and maybe some will consider the workplace parking levy as part of that. Things are changing, and I think that there will be much more interest in the WPL.

Jamie Greene: Have any businesses left Nottingham as a result of the levy?

Chris Carter: Not that we are aware of, no.

Jamie Greene: Does that mean that the BBC article that I am reading is incorrect? The article quotes a business director in Nottingham whose answer to the introduction of the levy was to move her organisation to Derby. She said:

“We’ve been in Derby ... and we’re very settled.

Nottingham has lost what we consider to be a very valuable talent pool, highly educated and intelligent people who are no longer part of the Nottingham scene.”

The local chamber of commerce seems to agree with that sentiment.

Chris Carter: You can probably find one example, but I am not aware that there have been any significant movements out of Nottingham as a direct result of the levy. I am not saying that the levy is not a factor in people’s inward investment decisions, but public transport and the provision of the tram are factors in such decisions, too. Different businesses have different needs. Lots of employers are looking to go back into cities, because public transport makes them more accessible. They consider that traffic and congestion are becoming big problems. There was a lot of investment in business parks around motorway junctions, but now people find that they are completely inaccessible. Businesses want to move back into city centre locations, because alternative transport modes are in place. That is how cities are changing and growing, is it not?

Professor Ison: It is sometimes very difficult to disentangle why a company has moved. That

reason was given in that case, but I do not know that case.

Jamie Greene: I will just have to take them at their word—that is the reason that they gave publicly.

Professor Ison: Yes, of course; that is fine.

Stewart Stevenson: I will turn that point around. What businesses does Nottingham have an opportunity to attract because of the substantial investment in an excellent public transport system and the relative lack of congestion? Congestion there is growing more slowly than elsewhere. What kind of businesses will find that attractive? Is there any evidence that such businesses are being attracted?

Chris Carter: Organisations with large offices, including headquarters and regional offices, are generally the sort of places that want to locate in cities. Obviously, locations close to the train station are attractive, so that the employers can get people from further afield. An example of an organisation moving in is Her Majesty’s Revenue and Customs—it is relocating a large regional office to a site close to the station, because it has very good accessibility from within the city and from further afield. That is the sort of employer who will want to invest in a high-quality city.

Stewart Stevenson: Roughly how many employees are you talking about?

Chris Carter: I think that, initially, there will be about 2,000, but I think that there will be space for 4,000 in the building under construction.

Stewart Stevenson: You will have to forgive me for my ignorance of Nottingham, but, to give a sense of scale, roughly how many people are in employment in Nottingham?

Chris Carter: There are about 300,000 jobs in the conurbation, of which 200,000 are in the city of Nottingham.

Stewart Stevenson: That is roughly a 1 per cent plus increase in employment as a result of a decision in which you think the issues that I mentioned were a factor, if not the decisive matter.

Chris Carter: I do not know. Decisions that businesses or employers make about where they locate are based on numerous factors, and transport is one of them. The quality of offices is a factor. There are a host of reasons why businesses locate where they locate, and transport is one of those reasons.

Professor Ison: I have to say that it can only be good for a relatively small free-standing city to have a highly developed public transport system—trams and bus networks and so on—if businesses are thinking about where they will locate their premises.

The Convener: I am going to take two more questions and then I have one to ask myself.

Richard Lyle: I contend that, as a motorist, I pay road tax, petrol duty and insurance. Do you not agree that the workplace parking levy is an unfair tax on me and other motorists?

Chris Carter: It is not uncommon to have to pay parking charges.

Richard Lyle: But this is over and above parking charges. I pay when I park in a car park, and I accept that, but this is something that has never been in place in our country and you are suggesting that I am going to have to pay it.

Chris Carter: It is inconsistent at the moment. Some employers charge employees to park, and others do not; you could say that that is unfair. A lot of employers pay a huge amount of money to provide car parks at no cost to the employees, and all the people who do not drive also bear the cost of that. In some ways, it is a fairer system because every employee who drives pays and it provides money and encourages behaviour change to more sustainable forms of transport, which is beneficial for everybody.

Richard Lyle: But you could just say to me, "Let's put your income tax up by 10p, Mr Lyle."

Chris Carter: You could do that. This is all about what could be described as nudge economics. It is about making small changes to encourage behaviour change.

Richard Lyle: Thank you.

The Convener: I am not sure from that whether Richard Lyle will move to Nottingham to work.

Richard Lyle: It is a lovely city. Tell the mayor and other members that I am asking for them.

The Convener: He might be coming. Maureen Watt gets another question.

Maureen Watt: I want to ask about business rates. Certainly, in Scotland, offices pay business rates on buildings and they might have to pay separate business rates for their car parking space. Is it the same in Nottingham? If it is, does the workplace parking levy go on top of that, or did they take away car parking business rates?

Chris Carter: I think that there is a component that relates to parking in the business rates, but I am not an expert on business rates. Obviously, the workplace parking levy is additional to business rates, but the charge could be passed on to employees. For example, an employer could make a profit out of the charges that they pass on, or they could raise more money by passing them on than the levy charges. Again, that is a decision for the individual employer.

The Convener: I am keen to take up that line of questioning. My understanding is that business rates are based on the rental value of the building, which will include the car parking spaces. Therefore, if there was a car parking levy, as a tenant of the building, I would argue that my rent would be too high and would have to come down by the value of the car parking charge. This is the question that I asked you earlier, and you suggested that there would be no change to business rates or reassessments in Nottingham. Are you convinced that that is correct?

Chris Carter: I might have to check the details of that. I am not aware that that is the case but I am perfectly happy to go away and check.

The Convener: I have another question. I am not sure whether you said that you had a choice between congestion charging, low-emission zones and the workplace parking levy and you plumped for the workplace parking levy because you thought that it was better than the other two. Is that what you said? Do you think all three of them could be imposed at the same time? There could be a congestion charge, a low-emission zone that, it is suggested, would mean a penalty for someone who does not meet the requirements, and a workplace parking levy. People could be taxed three times if that is what a city decides to go for. Do you think that is the way forward?

Chris Carter: In theory, you could do that, but why would a councillor want to go that way? It would mean creating a complicated and expensive mechanism to do it all.

In Nottingham in 2012, the options were the workplace parking levy and a road user charging scheme similar to the one that is used in London. Since then, the Government has introduced the concept of clean air zones, which are specifically designed to address air quality. That came in subsequently. When we were looking at the implications for air quality, we were not keen to go down the route of having a clean air zone and a workplace parking levy. That would be quite complicated and it would run the risk of double charges.

The workplace parking levy is aimed only at private car journeys, whereas a clean air zone can tackle other modes such as buses, taxis and vans, for example, and it does not necessarily have to include cars. The two schemes could be made to work together but you would have to think carefully about how to do it. We would not want the same people to have to pay twice; I do not think that that would be advantageous.

The Convener: I am going to push you on that. Your advice for a city that is considering such a scheme is that it should choose either the workplace parking levy, a congestion zone or low-

emission zones, but it should not combine all three.

Professor Ison: It would be almost impossible to get all three in place. Road pricing has a long history. You could fill your room full of papers that have been written on road pricing. It is a difficult thing to get into place, as you well know. There are very few schemes around the world.

There are benefits to a road pricing scheme because it charges directly for the use of the road space and can charge where the congestion is. The workplace parking levy means charging where the vehicles terminate and so it is a complementary measure. Could you get both? It would be difficult, even for the most stable political council, to put both of those in place at the same time.

The Convener: Okay, so you are saying it is one or the other.

That brings us neatly to the end of our time. Chris and Stephen, thank you for giving evidence. It has been extremely useful and, if I may be so bold, extremely clear—both what you have said and the reception on the monitors.

11:13

Meeting suspended.

11:21

On resuming—

The Convener: This is our second panel session on the workplace parking levy. I welcome Pauline McNeill, who joins the committee for this session. I also welcome Jim Grieve, interim partnership director of the south east of Scotland transport partnership—SEStran—and member of the Society of Chief Officers of Transportation in Scotland; Councillor Anna Richardson, city convener for sustainability and carbon reduction for Glasgow City Council; and Richard Sweetnam, chief officer for city growth for Aberdeen City Council.

There is a series of questions. For those witnesses who did not see the first panel session, I will allow each member a certain amount of time in which to ask their questions and then we will have more questions at the end.

John Finnie: I have two simple questions. Do you support the proposal to allow local authorities, acting individually or in partnership with other local authorities, to introduce a workplace parking levy? If you support it or oppose it, can you explain why?

Jim Grieve (South East of Scotland Transport Partnership): As a representative of a regional transport partnership that covers the

south-east of Scotland, including the city of Edinburgh, and as a representative of SCOTS, I am happy to say that we support the principle of a workplace parking levy. However, SEStran has concerns; we feel that there should be a regional perspective on such an introduction, due to the issue that was raised earlier by Mr Smyth when he was speaking to the representative from Nottingham City Council, which is that all the advantages of the WPL might apply in the city and the disadvantages might fall on neighbouring councils. Despite that concern, as a tool for an authority to use in a discretionary way, be that a local authority or an RTP, we are broadly in favour of it.

John Finnie: Do you acknowledge that there is nothing in the amendments that would preclude local authorities working collaboratively? For example, one authority might have a scheme that has implications for a park and ride in another local authority area.

Jim Grieve: I acknowledge that; I read about that element. However, where local authority partnerships are already established, there is already a vehicle to look at that collaboratively and ensure consistency if more than one authority is looking at such an introduction at a similar time.

Councillor Anna Richardson (Glasgow City Council): Glasgow City Council supports the principle of the power being passed to local authorities—last December, that was passed with a strong majority by committee. The main reason for that is that we are in the process of writing a new local transport strategy for the city and we are keen to have as many powers and as wide a toolkit at our disposal as possible, so that we can explore all the options and come up with the best strategy for our city.

John Finnie: Do you view it as a possible option, not necessarily a power that you would put in place straight away?

Councillor Richardson: At the moment, it is an option. We have not done the necessary analysis and work to decide whether we are in favour of implementing the policy. That work would come once the power was available to us.

Richard Sweetnam (Aberdeen City Council): Aberdeen City Council has a similar conclusion. Along with other Scottish cities, it has looked at powers to drive inclusive economic growth through the empowering city government initiative and there are many levers, including levies. However, its position is that, once the powers are devolved and there is legislative ability to implement such levers, the debate, analysis and decisions can then take place in response to local need.

John Finnie: Connected to the proposal to give the power to local authorities is a requirement for

consultation. Is the consultation robust enough? Do you have any concerns about the proposal?

Richard Sweetnam: From my point of view as a council officer, to date, there has been quite a quick turnaround in terms of the response time and therefore consultation at the local level, so further consideration is certainly needed with regard to the costs and benefits of any such scheme.

Councillor Richardson: We would be absolutely committed to doing as much consultation as possible as we developed a local transport strategy. With schemes such as the workplace parking levy, it is critical that we feed in everybody's views. For example, we have put consultation at the heart of developing Glasgow's low-emission zone policy. We have had huge amounts of engagement with different groups, including businesses, taxi drivers and specific representative organisations.

It is important to make policy alongside those who will be affected by it and to build in mitigation throughout the policy development, rather than consulting on a completed policy and then possibly having to amend it at that stage. If we got this power as a local authority, we would have those conversations with people across the board in the city and with all stakeholders throughout the process.

John Finnie: Could consultation go across authorities?

The Convener: You are cutting into other members' time quite considerably, John.

John Finnie: I beg your pardon.

The Convener: Anna Richardson—you missed what I said to the first panel, which is that I try to catch witnesses' attention when time is running short by wagging my pen, and the fear is always that if I get too vigorous with it, it will fly in their direction. I ask Jim Grieve to briefly answer the question that the other witnesses have responded to; we will then have to move on.

Jim Grieve: From the regional perspective, the regional transport partnership has a fundamental duty to provide a regional transport strategy. We suggest that initiatives such as a WPL should be part of that process, which carries with it very wide stakeholder engagement and consultation.

John Finnie: Thank you very much.

John Mason: I asked the first panel about the finances of all this. Nottingham had £50 million coming in over five years, which went to specific purposes such as for the tram, the buses and the train station. If you had that money coming in, would it be ring fenced?

Councillor Richardson: The amendment is clear that the expectation is for the money to be ring fenced, which is the approach that we would wish to take. With regard to the projects that it would be designed for, we would have to prioritise based on what the local transport strategy selected as the key priorities for the city. Sustainable transport is a key priority, which includes cycling, walking and public transport.

John Mason: I will press you on that. Nottingham seemed to have levered in quite a lot of extra money. It had that £50 million and ended up spending about £600 million, because it put in money and then levered in funds from other sources. If you had money coming in like that, would the same apply in Glasgow, Aberdeen or Edinburgh?

Councillor Richardson: Absolutely. That is the approach that we take when levering in additional funds, such as from the Scottish Government; we are very clear about where matched funds are from.

11:30

Richard Sweetnam: We have about 7,000 employer parking spaces in the city council boundary, so any proceeds that were ring fenced for transport measures would be fairly insignificant. The Nottingham evidence showed that £400 million of investment came in from the Department for Transport for the tram scheme, so it was part of a much wider package.

Jim Grieve: I also have a word of caution. The Government has £80 million available this year for active travel, which is much increased from previous years—it applied last year as well. Much of the money requires a match from a council or an RTP. If a council is able to earn additional money, such as from a WPL, it would have more money available to match what it might gain from the Scottish Government. Smaller councils could lose out on attracting additional funds for things such as active travel if they do not have that facility or a concentration of traffic that might demand a WPL.

John Mason: That would be an argument for basing more things on the RTPs.

Jim Grieve: Indeed.

John Mason: Does the bill need to be changed to underline that point?

Jim Grieve: At the moment, the bill focuses purely on local authorities having the powers, which applies generally to all items, such as LEZs.

John Mason: Do you favour changing that?

Jim Grieve: I do.

Peter Chapman: Can Mr Sweetnam clarify whether Aberdeen City Council has, in principle, come out against support for a workplace parking levy? I thought that it had, but that is not what you said in answer to a previous question.

Richard Sweetnam: I clarify for the committee that I am a council officer. The council has not made any decision about the levy. In 2016, the council approved the Scottish cities alliance framework of powers and levers in and around cities to drive economic growth—the parking levy was one such lever.

The council's position is that, if the powers were devolved to councils to make those decisions, it would look at that lever along with others. It has not discussed or debated it or made any decision about it.

Peter Chapman: Thank you for clarifying that. That is nearer to statements made by the leader of Aberdeen City Council to the effect that he did not think that it would be a good way to go. We will leave it there.

My question to all three witnesses is about how to assess whether any workplace parking levy would have a negative impact on inward investment or business development or, indeed, businesses deciding to exit the city totally. How can the possible effect of a levy be assessed?

Richard Sweetnam: The analysis of costs and benefits ex ante would need to be done. From the Aberdeen perspective, we would also need to consider the Aberdeen western peripheral route scenario, in terms of movement of vehicles in and out of the city. Without speculating about investment changes, it is worth bearing in mind that the Aberdeen city economy is driven by about 50,000 to 70,000 daily movements of people coming to work in the city, so the rural hinterlands of Aberdeenshire, Angus and Moray are important from an economic development perspective and would need to be included in the analysis. The impact on businesses of who pays, how that is accounted for and the administration would also need to feed into the analysis of the effect of any levy on the business community.

Peter Chapman: I agree that if Aberdeen City Council went down the road of charging, many of the people who would pay the charge would be from rural authorities, such as Aberdeenshire and Angus, yet the money would come to Aberdeen City Council.

Richard Sweetnam: The subject of who pays, whether that is an employer or whether the employer passes it on, is something that the analysis and the consultation will need to look at.

Peter Chapman: What are Anna Richardson's thoughts on the original question?

Councillor Richardson: We are doing a lot of work to make Glasgow as appealing as possible for inward investment. We have shown that we can bring big investments in, but we can improve the transport network further and having ring-fenced money such as a workplace parking levy, as one tool among many, would enable us to make the city even more appealing to employers coming in. I felt very heartened, listening to Nottingham's experience. From everything that it has put into its evidence, it appears to be a thriving place.

Jim Grieve: If you are trying to ensure that you do not lose business, how you approach the whole issue is fundamental. It has to be part of a strategy so that you can illustrate the advantages that may ensue from using the income from such a scheme. I hope that a consultation process that describes the potential advantages in the long term would help to ensure that you take people with you and do not chase them away from the city.

Peter Chapman: I will throw in one example. I have spoken to a major employer in Aberdeenshire who has several hundred parking spaces. He says that if the levy comes in, he will seriously consider moving his business. That was his immediate reaction—that it would be a step too far. Do any witnesses wish to comment on that?

Jim Grieve: I have a general comment. If you ask somebody as abruptly as that to pay for something that they did not previously pay for, you will not get a good reaction. Edinburgh suffered from that in relation to the congestion charge some years back. As I said, if you can describe it in the context of a bigger picture or strategy with potential advantages at the end of the process, the chances of success are much higher.

The Convener: I am afraid that we will have to move on. If Peter Chapman wants to come back in later, I am sure that there will be an opportunity.

Richard Lyle: I have four minutes and four questions that I want to ask.

The Convener: There will be no answers.

Richard Lyle: Jim Grieve—should the introduction of the proposed levy not be put to residents in a local referendum, similar to what happened in Edinburgh?

Jim Grieve: Yes.

Richard Lyle: Yes—I do not need anybody else to think about that. Councillor Anna Richardson, how much does Glasgow presently raise in parking charges, and would you not agree that the levy would give you millions of pounds of extra funding?

Councillor Richardson: I do not have that data with me, but that revenue certainly comes in and we spend it on transport.

Richard Lyle: Do you agree that Glasgow currently raises millions of pounds in parking charges?

Councillor Richardson: We do—

Richard Lyle: That is all I need to know. Does Richard Sweetnam agree that the workplace parking levy is an extra tax on motorists, who pay for petrol, car duty, car tax, tyres, insurance, running costs and servicing? It will require me, as a motorist, to pay an extra car tax.

Richard Sweetnam: It depends who pays. If the policy driver is to achieve low carbon and low emissions, the evidence from Norway shows that the lever it used was to waive VAT on low-emission vehicles. There are different ways of doing it, but if employees currently need to park in a city centre, it is not unusual for them to pay in some way.

Richard Lyle: I have one question for you all. I am sorry that I have rattled through, but sometimes the convener stops me in mid-flight. It is on exemptions. I have had emails from police officers, people from Glasgow airport, teachers and so on. If we are going to exempt NHS workers, which I agree with, in the two hospitals in the region where I stay the car parking will be exempt and staff can park there. However, what about a police officer who has to go and park in, say, Govan? The email that I had from one officer said that if he had to park outside, people would target his car. Teachers go to school every day and do a wonderful job—I compliment every one of them—and they park at the school and have designated car parks. Should we not, therefore, exempt police officers, teachers and others?

The Convener: Richard, I know why you did not look at me. Jamie Greene wanted to explore that area.

Richard Lyle: I said that I wanted to come in on it, too.

The Convener: I ask the witnesses to answer as quickly as they can on who should be exempt.

Councillor Richardson: The exemptions are one of the specifics that will be for local authorities to determine. It would not be appropriate for me to agree or disagree a list of exemptions to a hypothetical policy on which we have not yet had a robust democratic debate. I will not make any commitments today, but I agree that those are the types of conversation that we need to have during the consultation process.

Jim Grieve: As a starter, without naming specific professions, I suggest limiting the times

when the workplace parking charge applies, so that shift workers could be exempt.

Richard Sweetnam: We need to look at the analysis in more detail. The more exemptions there are, the more the administrative burden, which we will have to think about in relation to the cost of running the scheme. However, exemptions certainly need to be looked at, where relevant.

The Convener: Does Jamie Greene have a question?

Jamie Greene: Thank you, convener, I am furiously trying to make up a question now. I will touch on various areas and, with your permission, come back in at the end if anything comes to mind.

Does a workplace parking levy disproportionately affect small and medium-sized businesses? I appreciate that there might be exemptions for very small businesses with a limited number of parking spaces, as is the case in Nottingham, but it is perhaps those in the middle who are most likely to be affected by the charge and to want to pass it on to their employees rather than sink it into their operating costs.

Councillor Richardson: I do not have any analysis on that at the moment. We have not done that piece of work at this point, so I cannot comment on exactly who would be most affected.

Jamie Greene: Does anybody else want to comment?

Richard Sweetnam: As I said earlier, Aberdeen City Council has not undertaken any consultation, but I anticipate that the business response will be to ask how the charge will be levied and administered, who pays and how it fits in the context of tax, non-domestic rates and so forth. Aberdeen is an incredibly strong private sector city—there are about nine private sector jobs for every 10 working-age people—so the consultation with employers is absolutely key.

Jim Grieve: Much depends on the level of the charge, which will be a difficult thing to establish. In my view, it will depend on what the council or authority is trying to achieve. Is it trying to reduce congestion and pollution or is it trying to make money?

If the level of charge is £400, which is similar to the Nottingham charge, that is not a huge sum of money for someone who is earning a reasonable amount to pay to park their car for a year if they travel to work. A medium-sized company might choose to distribute that to their employees. Proportionately, it is not a major cost. The whole response will very much depend on the level of the charge and its purpose.

Jamie Greene: On that note, what does it mean to your city? What do you think is the fundamental purpose of the workplace parking levy? The narrative from Nottingham was very much that it was a revenue-raising opportunity, which is perhaps why the council chose to operate that scheme rather than congestion charging or a low-emission zone. Each of your cities is considering low-emission zones, but the evidence that we heard suggested that it would not be wise to operate an LEZ and a workplace parking levy—that was Nottingham's view. What would be the point of a levy in your city?

Councillor Richardson: A low-emission zone, which is already operating in Glasgow, is slightly different from a clean air zone, which is the English model that Nottingham would be working under. Clean air zones seem to involve a daily charge to go into the cities, whereas the low-emission zone involves a penalty notice and the expectation is that, by 2022, no vehicles that are not clean enough will come into the city. That is a different model from the workplace parking levy model, under which such vehicles are still able to come and go as they wish.

Glasgow City Council has a clear strategic plan to prioritise sustainable transport. That is what our local transport strategy will aim to achieve. It will be done through encouraging modal shift and reducing congestion to enable public transport to move more quickly and easily. That will complement the air quality work that is already going on.

11:45

Richard Sweetnam: From an Aberdeen perspective, the policy drivers are key. The city centre master plan, the regional economic strategy, H2 Aberdeen, Oil & Gas UK's vision 2035 and transport strategies all speak about low carbon, low emissions and energy transitions. The policy framework is clear, and the objectives of any scheme would need to align with that.

Jamie Greene: I hear lots of words but I still do not have any sense of what you think the levy is for. Is it to raise revenues? Is it to reduce congestion? Is it to improve air quality? Is it all of the above?

Richard Sweetnam: Aberdeen City Council has not developed a scheme—and therefore objectives—for a levy, but our existing policy framework is clear on low-carbon agendas. For Nottingham City Council, the levy might be about congestion charging.

The Convener: Anna Richardson, do you want to answer briefly? I want to push on with the next question.

Councillor Richardson: Glasgow City Council is looking to decarbonise as rapidly as possible, to improve air quality and people's health and to reduce congestion in our city. All those objectives are achieved through similar policy drivers. However, one tool cannot achieve all that; it must work in synergy, through a strategy.

Colin Smyth: I will come back to the point that was made about the levy being a local authority charge and not a regional charge, and the practical implications of that. Our economic system drives all the jobs into the most congested cities in Scotland. Lots of people cannot afford to live in the centre of Edinburgh, for example, so they choose, rightly, to live in the wonderful part of the world that is the south of Scotland—in the Borders or Midlothian—and travel into Edinburgh every day for work.

Is it not the case that the proposal means that none of my constituents will have a say on a workplace parking levy in Edinburgh? If they go into Edinburgh, they will have to pay that charge, but not a single penny raised from it will be spent on transport in the Borders or Midlothian. Is that not the practical implication of the proposal?

Likewise, my constituents from Dumfries and Galloway travel into Glasgow. Can Councillor Richardson tell me what advantage a parking levy in Glasgow will be to them in relation to public transport in Dumfries and Galloway?

Councillor Richardson: We need to look at these things regionally. Glasgow city cannot thrive without the areas around it that give us that wide travel-to-work area. Any benefits that come into Glasgow will enable us to offer a better transport network throughout Glasgow. We have to maintain a significant road network within the city, a lot of which has to be funded through local authority revenue and capital. Any further income or revenue enables us to make it easier for people, wherever they come from in the region, to move well around the city, with less congestion.

In the previous evidence session, there was a conversation about how Nottingham City Council is looking at park and ride and other ways for people to move from further out of the city, including multimodal journeys. Those are the types of conversation that we need to have on a regional level. That is an important part of this conversation.

Richard Sweetnam: I agree that it is important. If there was a workplace parking levy scheme, it would depend on there being a reliable public transport alternative.

In Nottingham, for example, the benefits to the people in the hinterland of investing in a tram network are reliability of journey time and time savings efficiency. The investment does not need

to accrue in the hinterland for those people to benefit.

Colin Smyth: I will come back on that point. The areas that have the biggest challenge in getting public transport are the rural areas, where bus services are being cut. You are saying that not a penny of the workplace levy will be spent on a transport initiative in areas outwith the cities. Bus services in the Borders will not be improved, because there will be no money raised for the Borders. Therefore, public transport, which we are supposed to be trying to improve, will not be improved as a result of a city-based scheme. Is that not a fact?

The Convener: Mr Sweetnam, I will let Jim Grieve come in first, as he has been waiting patiently to speak.

Jim Grieve: There is a reference in the Scottish Parliament information centre paper that was prepared for the committee to a potential concern that the levy

“will have the largest financial impact on the lowest paid car commuters.”

I share the concern that Mr Smyth is raising. It goes back to the need to incorporate the levy in an overall strategy, so that the investment is made equitably in areas around the city, not just in the city. In my view, Colin Smyth is right, in that the approach as proposed would potentially confine measures to one authority area.

Colin Smyth: I have a final point. Will the situation be made worse by Glasgow City Council's proposal to extend the levy beyond workplace parking to parking by any visitors to the city from, for instance, my constituency, who want to go to shopping centres, supermarkets and so on? If Glasgow City Council proposes to extend any levy to all non-residential parking, will that not have a double impact on people who live outwith the city?

The Convener: Mr Smyth, you are very good at looking the other way when I am trying to catch your eye to tell you that your time is up. Anna Richardson can answer the question very briefly, and then we need to move on to the next question.

Councillor Richardson: Colin Smyth is absolutely right. In the council committee paper that was submitted in December, we suggested that the power should be for a non-residential parking levy, rather than a workplace parking levy. That does not mean that we are necessarily in favour of that approach, it means that we want to explore all the options and, by doing so, perhaps make the scheme of interest to local authorities that do not have as strong a travel-to-work situation as Glasgow has.

Mike Rumbles: From what you have said, if not from all the other evidence, it is obvious that councils would like to have as many powers as possible, but having powers is quite different from using them. I refer to the question that I asked the previous panel. Nineteen years ago, in 2000, Westminster passed legislation to give local authorities in England and Wales the ability to introduce a workplace parking levy, and only one council across the whole of England and Wales has used that power. If the Transport (Scotland) Bill, including the workplace parking levy provisions, is passed, will the position in Scotland be different? I would like an answer from all three witnesses.

Jim Grieve: It depends on what the authority intends to do or what it wants to achieve. If it wants to reduce congestion and clean the air in an area, I suggest that it goes for an LEZ. The workplace parking levy has the potential to bring in additional revenue to invest in public transport, which makes sense. However, it all depends on what the authority is trying to achieve.

Mike Rumbles: From your perspective, why do you think that no local authority in England and Wales, apart from Nottingham City Council, has taken up the approach?

Jim Grieve: That is a difficult question to answer. Maybe it is very difficult to get the introduction of the levy over the line. Nottingham succeeded, but I do not know whether other councils have tried and failed to get it over the line. Sorry, but I cannot speculate on that.

Councillor Richardson: Something that should bring comfort to the committee is that, although the power has not been introduced, city councils such as Glasgow have said that they would like to explore such an approach. That is not a commitment to use the power, but councils are showing a very keen interest in considering it and exploring whether it would be feasible to use it.

Mike Rumbles: That is my point. No council will say that it does not want our legislators to grant it the power, so we have to decide whether to do so. Am I right in saying that although no council would say that it does not want the power, that does not mean that councils will use it? You have basically said just that, have you not?

Councillor Richardson: I cannot speak to what other councils might or might not do, but in Glasgow we have made a clear case that we are working on our transport strategy and, as part of it, we would like to be able to explore the workplace parking levy. I cannot be stronger in my commitment, based on what Glasgow City Council has said so far. Certainly, we would explore the option and, if it was appropriate to do so, we would make proposals either for or against it.

Richard Sweetnam: Aberdeen City Council's position is similar, in the sense that it will be up to the council to decide whether to use the power.

The Aberdeen economic policy panel, which is an independent panel of economists, supports the council on matters such as its bonds issue. In its first report, the panel made the observation that such powers are needed to drive local and regional economic growth. That remains the position. How the powers are used is for the council to decide.

Mike Rumbles: Have you any thoughts on why no other council in England has used those powers in 19 years?

Richard Sweetnam: There is also a shift in context between when the work was done in Nottingham in 2012 and now, in relation to low-emissions and low-carbon agendas.

Jim Grieve: The power is another tool in the box. My concern is that such tools will be available only to individual local authorities.

Mike Rumbles: It is all very well having tools in the box, but if you do not use them—

The Convener: I am sorry, Mike; we must move on to questions from Gail Ross.

Gail Ross: Anna Richardson, you have already stated that you cannot speak on behalf of other local authorities and I understand that, so my questions are for Jim Grieve. In rural areas, people have already expressed concern that a workplace parking levy will only really work if there are excellent public transport links. As Colin Smyth has already said, in certain rural areas, our public transport links could be improved. Is it likely that Highland Council, for example, which covers both urban and rural areas, would decide to implement such a levy in Inverness alone? Could you see that working?

Jim Grieve: My answer is my personal opinion. There is a nationwide problem with rural bus services, as we are all aware. Indeed, there is a wider problem, because, nationally, bus patronage is declining. Any initiatives that can start to reverse that trend would be positive for sustainable transport. There is no one-size-fits-all solution. The Highlands are unique in many ways. It is hard to imagine something that is confined to the city of Inverness having any benefit to the surrounding rural areas. It would have to be approached on a wider basis than just the city.

The witnesses from Nottingham referred to park and ride, which is a valid tool for intercepting vehicles as they come towards the city and getting people to use sustainable transport or active travel. The whole initiative would have to be considered as part of a bigger picture. We cannot confine the thought to just a workplace parking

charge to try to solve a problem in one particular city—we need to look at the bigger picture.

Gail Ross: It is a bit of a catch-22 situation in rural areas: investment needs to go into the public transport system first, but the money for that is raised by the workplace parking levy. The investment must come first.

Anna Richardson, in your submission, under the heading of resource implications, it says:

“Financial: None at this stage”.

Does Glasgow City Council envisage a big investment in public transport if it were to introduce the levy or do you think that the current public transport system is sufficient to provide for workplace parking?

Councillor Richardson: The point is that there are no financial resource implications in asking for the powers. Any analysis that has been done up to now has been done within our current staffing resources.

On public transport, the comments from the witnesses from Nottingham were very helpful: they said that Nottingham had a good transport system, but that it had to be better. Our aspiration for Glasgow is that public transport has to become much better. We are doing that already and not waiting for further powers. We are working more closely with the bus operators, investing huge amounts of money in walking and cycle infrastructure, and we also have the suburban rail and underground.

We have the beginnings of a very good system, but we also have higher aspirations for it. Having a power such as the workplace parking levy would give us another tool that could allow us to ring fence funds to make even greater investments or, more important, to match in even more significant amounts of money.

Gail Ross: Does Richard Sweetnam want to reply on behalf of Aberdeen?

The Convener: That was very delicately done—Gail Ross ignoring that I whispered to her that her time was up. Richard Sweetnam can come in briefly.

12:00

Richard Sweetnam: Jim Grieve used the phrase “tool in the box”. I am fortunate to live and work in a city region that includes a significant rural hinterland. Connectivity is key to attracting and retaining talent, and those infrastructure projects remain—road and rail connectivity and journey times between Aberdeen, Aberdeenshire and the central belt. That is still an important issue and a vital part of the city region deal.

Maureen Watt: I think I picked up Anna Richardson saying that the paper that was submitted as part of the written evidence to our committee was discussed in December. Was that by a council committee or by the full council?

Councillor Richardson: It was by a committee.

Maureen Watt: So at least any pronouncements coming from Glasgow City Council are as a result of discussion of the paper by its transport committee. What about Aberdeen? Perhaps Jim Grieve could talk about Edinburgh. Have similar papers been put to Aberdeen City Council and City of Edinburgh Council, or are the pronouncements so far just the views of those from whom they have been requested?

Richard Sweetnam: There has been no committee paper on the WPL itself. As I said earlier, Aberdeen City Council looked at the framework for powers and levers and the work done by the Scottish cities alliance in 2016 that was approved as a framework from which to develop the discussion on the devolution of powers.

Jim Grieve: The City of Edinburgh Council submitted some written evidence to the committee, and is clearly in favour of the workplace parking levy. It is looking at and consulting on a low-emission zone, as well as what it calls the “city centre transformation”, which is removing cars from the city centre. The council is pursuing those two initiatives in parallel, but not yet a WPL.

Maureen Watt: Anna Richardson, you called for the introduction of a wide-ranging non-residential parking levy. Could you explain more about that, and tell us why you think that it is preferable to a WPL?

We also heard from Nottingham this morning that a good working transport system, as well as park and ride, is essential to the working of the scheme. We have heard the aspirations of Glasgow City Council. Can the other councils tell us what they would put in place to make the WPL work, if they are going to use it?

Councillor Richardson: In terms of the committee paper, the issue came forward before the amendment was up for discussion. Our consideration of the non-residential parking levy took place simply because, should a power be asked for, we felt it was appropriate to ask for the widest possible one, to give the most local flexibility. That would apply not just to cities with significant travel-to-work areas such as Glasgow, but perhaps to other local authorities with issues that mean that they would like to de-prioritise private car use, although not in a commuting perspective. They might have other considerations. The non-residential parking levy

might also be useful to certain local authorities on a region-wide model, even within their own travel-to-work area.

Therefore, we put forward the paper, not to express a preference for applying WPL or the non-residential parking levy, but simply to ask for as wide-ranging a power as possible to enable us to do the fullest possible analysis of what the best option for Glasgow would be.

Maureen Watt: Do the others want to come in?

Jim Grieve: Maybe I can make a comment on Edinburgh and also the Lothians. Lothian Buses provides what is regarded as an excellent bus service and one of the best nationally, which is a big advantage for the urban area surrounding the city. However, the further out one goes, the less efficient the bus services are. That will have to be looked at as part of initiatives that are being pursued.

Richard Sweetnam: In a post-western peripheral route world, officers in Aberdeen City Council are looking at measures to deliver the transport objectives such as active travel and so on, in the city centre masterplan.

The Convener: I will try to bring Maureen Watt back in later if she wants to come in, but we have a series of questions from other members.

Pauline McNeill (Glasgow) (Lab): My question is for Anna Richardson. Do you accept that people cannot get a bus to many parts of Glasgow and that, for many thousands of Glaswegians, using a car is not a choice, because there is no public transport or public transport is more expensive than driving? I put it to you that, even if you were given the powers, as things stand, Glasgow is not ready for a tax on going to work. Do you agree?

Councillor Richardson: We know that we have certain issues with the way that people move round our city and we want to tackle those. We have very low per capita car ownership in Glasgow—I think that it is the lowest of all local authorities—so we have almost a contradictory situation in which, as you say, some people have to drive because they have no other option but, on the other hand, the majority of people in Glasgow do not drive at all and have to rely on public transport. When we are considering our local transport strategy, we will try to address both those issues at once. We want to ensure that people are better connected and, at the same time, that they are connected more sustainably.

Pauline McNeill: Is the city ready for a tax now?

Councillor Richardson: In considering our local transport strategy, we will look at all the levers that we have available and at—

Pauline McNeill: So you are not willing to answer that, then.

Councillor Richardson: To answer it, at the moment—

Pauline McNeill: Is the city's transport network ready now to have a workplace tax? Would it not be fairer to build up better transport links before you impose a tax on going to work?

Councillor Richardson: At the moment, we are working proactively with the bus operators to improve the services that they provide as well as improving other forms of sustainable transport across the city. That work is on-going, regardless of whether a workplace parking levy power were to be handed to us. We are committed to improving public transport within Glasgow. If we were to consider the workplace parking levy as an option, it would certainly be several years down the line. Our local transport strategy will set out all the different ways that we will improve public transport for the people of Glasgow.

Jamie Greene: Is it reasonable to ask certain groups of people to pay to park at their place of work when, demonstrably, they have no other choice but to drive to that place of work? That includes groups such as the lowest earners, key public sector workers, and those who are in receipt of work-related benefits.

Councillor Richardson: We need to have conversations about what will be appropriate exemptions. SPICe has pointed to Transport Scotland statistics that show that, generally speaking, those who drive to work are in the middle to higher earning households. We know that those who are more vulnerable or who have lower household incomes are more likely to use public transport, so we need to improve that and we need a way of investing to improve it.

Many of our own employees already pay to park at work. We have car parks that we charge our employees to park in, and others park in private car parks around the city. The principle of paying to travel to and from one's work already exists, and a workplace parking levy is simply another way of facilitating that.

Jamie Greene: So you think that it is reasonable to expect people to pay that charge. That was my question.

Councillor Richardson: If we are to implement such a policy—we have not yet committed to doing so—the levy would be on the employer and it would be up to the employer to decide what to do. For our employees, we would consider what would be the appropriate thing to do.

Jamie Greene: Do the other witnesses have a view on that? It is a very important point.

The Convener: Jamie, you have pushed that point quite hard and there are quite a lot of other questions so, in fairness, I would like to bring in other members.

John Finnie: My question is for Mr Grieve, who I understand is wearing his regional transport partnership hat. We are here to look at the specifics. We have had a lot of helpful evidence on the generality of workplace parking, but I have a question on the specifics.

One of the amendments would insert after section 58 a new section entitled "Power to make and modify schemes". I will read it to you, because I do not expect you to know it. Subsection (3) of that proposed new section states:

"Two or more local authorities may act jointly".

We have a mechanism for two or more local authorities acting jointly in respect of transport matters, and that is the regional transport partnerships. Do you acknowledge that there are opportunities for regional transport partnerships to take a lead in addressing the understandable concerns that people have, which I hope will be offset by the fact that moneys that are raised in one area could be applied in another?

Jim Grieve: I accept that, but I go back to the need to align whatever the two authorities in question might decide to do with a wider regional strategy. Everything would have to fit together. Therefore, for me, the starting point is a regional transport strategy. Thereafter, authorities can work within that to achieve what they want to achieve. More than one authority could do that.

John Finnie: Absolutely. A national transport strategy is being consulted on at the moment. It would fit in well with that to have regional transport strategies and for each local authority to have a transport strategy. Do you agree?

Jim Grieve: Yes.

Richard Lyle: Both panels have said that it is the employers that would pay the levy, but that is not the case. Let me put this scenario to you: "I was talking to my bosses yesterday. They say I need to pay this tax. I cannae get a bus to my work, so what do I do?" What would that person do? Would they have to walk?

Jim Grieve: First, it would depend on whether there was an alternative. We would like to think that there would be an option to use a bus at a reasonable cost. As I said earlier, it would also depend on the level of charge that was proposed and what proportion of the cost of an individual's journey to work it would make up. Obviously, that proportion would vary relative to what the person earned.

Richard Lyle: Parking in the St Enoch centre car park can cost me £5 or more, and if I go to the NCP car park, I need to take out a mortgage. I am sorry, but I do not agree with charging somebody who is on a low wage £400 a year.

Jim Grieve: The less someone earns, the more impact the levy will have. That is all the more reason to make sure that there are public transport or active travel alternatives.

Richard Lyle: So public transport is the answer.

Councillor Richardson: In its evidence, Nottingham City Council said that the levy represented a relatively small proportion of the costs of motoring. That is a significant point. The council also talked about its levy being implemented in a stepped way, which means that—perfectly reasonably—those who earn less pay a smaller amount if the employer has chosen to pass on the charge. That sounds like a very sensible way to proceed.

I welcome the proposed flexibility with regard to where the levy may be imposed. It could be imposed on a regional basis, it could cover an entire local authority area or there could be variation within the local authority boundary. There might be an argument for looking at those areas where there is already good public transport accessibility and those where there is not and which would therefore be less optimal for a workplace parking levy. That flexibility is exactly what we need to enable us to make a full analysis as part of our transport strategy work.

The Convener: Do you have another question, Richard?

Richard Lyle: I think that I have said it all. It is all about having decent public transport. Nottingham had decent public transport before it introduced the levy. I go back to Mike Rumbles's questions about why other councils in England have not introduced this. Like Nottingham City Council, the City of Edinburgh Council has its own bus company. Sadly, the buses in Glasgow were sold off—there are no Glasgow city transport buses—but Edinburgh has Lothian Buses, while in Nottingham, there is Nottingham City Transport. That is the catalyst. If you have a good transport system, you might be able to get away with having a workplace parking levy, but—and I am sorry to say this—people in other areas are going to say, "I ain't walking 3 miles to my work because I cannae afford your tax."

The Convener: I think that that was a statement, so we will push on.

Stewart Stevenson: It would be nice to get the same nine and a half minutes that Richard Lyle had, but I suspect that I will not.

The Convener: You will not get it now.

Stewart Stevenson: I have three fairly brief questions, the first of which is very simple. On your reading of John Finnie's amendments, do they seek to create a power to charge any individual for anything?

Jim Grieve: My understanding is that the employer would be charged.

Stewart Stevenson: That is fine—I just wanted to get that on the record. I do not want to suggest that you are suggesting that the proposal will not have consequences for employees. I am not trying to take you there—that is a different issue. I am simply establishing that the amendments do not seek to create the power to charge any individual and that they seek only to create the power to charge employers and businesses.

I think that I know the answer to my second question, but I want it to be clear and to get it on the record. Is it correct that, if Aberdeen City Council, for example, introduced a workplace parking levy, no company outside of the boundaries of the Aberdeen City Council area would pay anything? Is that your understanding of the amendments, Mr Sweetnam?

12:15

Richard Sweetnam: As was alluded to earlier, these kinds of measures—and the north-east of Scotland, Aberdeenshire and Aberdeen are fantastic examples of this approach—tend to be done on a regional collaborative basis. I guess that it would be a question for Nestrans—the north east of Scotland transport partnership. We do not know how such a scheme might be implemented.

Stewart Stevenson: Forgive me, but I am focusing only on what the amendments say, not on how they might be implemented. Is it your understanding that the amendments do not create a power for Aberdeen City Council—or Glasgow City Council or any other city council—to charge anyone or any business outside of their own boundaries?

Richard Sweetnam: Yes.

Stewart Stevenson: That is fine.

My final question is an important one. If lots of people come to work in a particular council area, it presumably costs the councils in question a lot of money to support people coming into their cities. Given the cost to councils of providing the infrastructure to support those who come into cities such as Glasgow, Edinburgh and Aberdeen, which is a problem that those councils have to address, is it not reasonable for them to control any revenues that derive from people and from businesses whose workers commute into their area? Is such a proposition philosophically reasonable? It would, of course, be equally

reasonable to collaborate or co-operate through regional transport partnerships, given the interactions between policies.

I should say that we have 50 seconds left of the four minutes that I have been given.

The Convener: Would you like to respond to that very briefly, Anna Richardson?

Councillor Richardson: Certainly. The city of Glasgow, for which our council has responsibility, offers investment opportunities that benefit employees who live outside the city boundaries, and our public realm work makes Glasgow a more liveable and sustainable place for everybody and will, we hope, attract inward investment. However, those are financial burdens on a local authority that represents a large city. We are doing those things in the city, but that work also benefits those who live in the wider area outwith the city boundary.

The Convener: John Mason and Colin Smyth have questions, and then I, as convener, will take the last 15 minutes for my own questions. *[Laughter.]*

John Mason: Continuing with the park-and-ride theme, which was a big issue for Nottingham, I would say that one of the most successful park and rides that I am aware of is at Croy. It was not planned by anyone; people just started parking next to the station, and it has grown and grown to become very successful. I think that I am correct in saying that Croy is in North Lanarkshire, and people travel from there to Glasgow or Edinburgh.

However, there are no other similar park-and-ride schemes elsewhere around Glasgow. Somebody travelling from, say, Dumfries might want to park in the south-east of Glasgow and then travel in on our fabulous train network, but there is simply nowhere for them to park. Would it be a priority for Glasgow—and for other cities—to feed the park-and-ride side of things into the existing, very good public transport system?

Councillor Richardson: As Jim Grieve has said repeatedly, that is where the regional aspect is so important. The regional transport strategy being developed by Strathclyde partnership for transport and the local transport strategy being developed by Glasgow need to work in synergy. We cannot achieve everything that we want to achieve if we do not have that regional focus and if those who come into our city do not have other options.

John Mason: Amendment 9 refers to “a local authority”, and I accept Mr Finnie’s definition of a local authority as meaning two or more. However, should we add the phrase “regional transport partnership” so that the amendment says that “a

local authority or a regional transport partnership may” do A, B, C, D and E?

Jim Grieve: I would certainly say yes, but I would be interested in hearing my colleagues’ views.

Councillor Richardson: The committee paper that we put to Glasgow City Council talked about the potential for a regional approach, so we certainly do not disfavour that.

Colin Smyth: In his question, Stewart Stevenson implied that, because it would be a levy on employers, organisations and businesses, it would somehow not impact on employees. Can we just be clear that, under the bill, the levy can be passed on to employees, as, indeed, has been the case in more than 50 per cent of the Nottingham examples? Is that your understanding?

Councillor Richardson: Passing the levy on is one of the tools to enable behaviour change. What is being passed on in the levy is the disincentive to drive, and the incentive in using more sustainable transport is that the money is reinvested in better options.

Colin Smyth: So is it clearly impossible to ban businesses from passing the levy on? If the levy were imposed on businesses and they were banned from passing it on, could they easily find a way around it by, say, introducing car parking charges?

Councillor Richardson: We would not want to ban its being passed on, because that is part of what leads to the behaviour change that we want to see as we become more sustainable.

Colin Smyth: As far as passing it on is concerned, do you think that one of the bill’s weaknesses is that it does not make it absolutely clear that the tax should not be regressive? After all, people on £100,000 should not have to pay the same as somebody on the living wage. Would you support putting into the bill something that made it clear that the levy should be more progressive, as it would be based on people’s ability to pay and would not simply be a flat rate for all businesses?

Councillor Richardson: I do not want to comment on what the exact wording of the bill should be, or whether certain wording should be in the bill or left to local authorities to determine. However, the conversation in the previous session about making the levy more progressive was about taking a positive approach, and it is one that we would want to encourage.

The Convener: We appear to have a follow-up question from Mike Rumbles, which I will allow, and then I will ask my questions.

Mike Rumbles: Reading the actual amendments does help. For example, amendment 17 refers to

“charges ... by the occupier of the premises, or ... in such circumstances as the Scottish Ministers may by regulations specify, by such other person as may be specified.”

That is a wide open door. If we pass this provision into law, it would give Scottish ministers by regulation—which we cannot amend—the power to charge the employee if they so wish. I have read out what the proposal says. Do you agree?

Jim Grieve: If that is what it says, your interpretation is correct.

The Convener: I have a couple of questions, the first of which is for Anna Richardson, who has obviously done some deep thinking on this issue in order to work out whether it is a good idea. What income might Glasgow derive from a workplace parking levy?

Councillor Richardson: We have not yet reached the stage of doing that analysis. Until we know whether the power will be available to us, all we can do is use our resources to look at what we can do to improve transport. We do not have any data on exactly how much money could come in from a levy.

The Convener: That seems an odd way to go about it. Would you not start with a cost benefit analysis and then home in on the issue? Glasgow, like most of Scotland, has encouraged workplaces to develop their sites and build in workplace parking, with their square meterage dictating how many car parking spaces they can have. Having forced businesses with bigger premises to provide more parking spaces, you now seem to be suggesting that it is appropriate to tax them on that past policy. Is that not a complete reversal?

Councillor Richardson: I must admit that I am not an expert on the planning policies on that side of council policy. We have different planning rules for the minimum and maximum parking spaces that are required for planning purposes. However, policy moves on, and what was deemed the right way of developing a city 20 or 25 years ago will have changed. I do not think that that is a negative thing.

The Convener: It is like the argument about diesel and petrol cars. People were encouraged to do one thing and then hammered for it later, and the whole thing has been quite difficult.

Before I ask my last question, I want to make a final point about planning. If the workplace parking levy is introduced, might businesses start to appeal their ratings values, which are, after all, based on rental values? If businesses are paying substantial taxes for parking places, they might look at reducing the rentals that they pay to

landlords. As a former surveyor, I know that I would have put that to the assessor immediately. Might that be a problem?

Councillor Richardson: I do not have expertise in that area, but the point is certainly interesting.

The Convener: Richard Sweetnam, would you like to come back on that?

Richard Sweetnam: I would observe only that that would be an inevitable consequence of any consultation. Indeed, there has been the same speculation in relation to the transient tourism levy. The impact of such charges on businesses needs to be looked at in the round.

The Convener: Finally, I have a single selection question for you. Bearing in mind that the purpose of the workplace parking levy is to improve the environment that we live in, which of the following measures would you place at the top of your list to get the best environmental results: low-emission zones; congestion charging; or the workplace parking levy? Each of you may choose one of those.

Councillor Richardson: We already have a low-emission zone, which we see as an air-quality tool. The aim of implementing the workplace parking levy would be to reduce congestion and improve traffic movement around the city, which is a different issue.

The Convener: That was a very good politician’s answer. What about Jim and Richard?

Jim Grieve: Without a doubt I would choose low-emission zones.

Richard Sweetnam: As far as city centre rather than city council boundaries are concerned, low-emission zones are pretty key to attracting global international talent to live and work in the city centre.

The Convener: This has been a very interesting evidence-taking session. I thank our witnesses for their evidence to the committee, which will go a long way towards informing our views on the amendments to the Transport (Scotland) Bill.

Meeting closed at 12:27.

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