

Net Zero, Energy and Transport Committee 6th Meeting, 2022 (session 6), Tuesday, 22 February 2022

Evidence session on the Workplace Parking Licensing (Scotland) Regulations 2022

Note by the clerk

Introduction

1. [The Workplace Parking Licensing \(Scotland\) Regulations 2022](#) (SSI 2022/4) were laid in the Scottish Parliament on 12 January 2022. These Regulations are subject to the “negative procedure”. This means they will come into law unless, within 40 days, a motion to annul has been laid. If a motion to annul is laid, the instrument must be debated in by the lead Committee, which is the Net Zero, Energy and Transport Committee. Further information on the instrument is available in the [Policy Note](#) and the [Business and Regulatory Impact Assessment](#).
2. The regulations establish a new licensing system for workplace parking, giving local authorities discretion to apply levies. In view of the potential public interest in the new system, the Convener decided to take evidence on the instrument before formally disposing of it and invited the Minister for Transport and officials to answer Members’ questions on it at the [8 February 2022 meeting](#). [Read the official report for the meeting on 8 February 2022](#).
3. On 9 February 2022, Graham Simpson MSP lodged [motion S6M-03166](#) - that the Committee recommends that the instrument be annulled.

Additional information

4. On 17 February 2022, Jenny Gilruth MSP, Minister for Transport, provided further information on the instrument as requested by Members on 8 February 2022. The letter is available in Annexe A.
5. On 14 February 2022, David Thomson, Chief Executive Officer of the Food and Drink Federation Scotland submitted a letter to the Committee detailing their views on the proposed regulations. The letter is available in Annexe B.
6. On 17 February 2022, David Lonsdale, Director of the Scottish Retail Consortium also submitted a letter with the views of the organisation. The letter is available in Annexe C.

Procedure

7. A motion to annul needs to be taken and agreed no later than 40 days after the instrument was laid. This means that the lead committee has to consider the SSI and any relevant motion to annul within the same time period.
8. For this particular SSI, the 40-day period ends on Tuesday 1 March 2022. The Committee is required to consider the SSI and the motion to annul at its meeting on 22 February 2022. If this Committee agrees to the motion to annul, a subsequent motion to annul would need to be taken in the Chamber by close of business on 1 March 2022 at the latest.
9. At the 22 February meeting, there will be a further evidence session on the instrument. This is a final opportunity for a further discussion on the policy and detail of the instrument with the Minister and officials before the formal debate on the motion to annul.
10. If, at the end of the debate on the motion, the motion is pressed, the Committee will be invited to agree to it. If the Committee does not agree to the motion to annul then the Committee reports its decision to Parliament via a Committee report. This completes the procedure.
11. If the lead committee agrees to recommend to the Parliament that the instrument be annulled, the Parliament is asked to agree on a Bureau motion to that effect.

ANNEXE A

Correspondence from Jenny Gilruth MSP, Minister for Transport

17 February 2022

Dear Convener,

WORKPLACE PARKING LICENSING (SCOTLAND) REGULATIONS 2022

Following the Committee's consideration of evidence on the Workplace Parking Licensing (Scotland) Regulations 2022 on 8 February 2022, I am providing this follow up to questions asked by Members of the Committee.

Licensing charge

Section 70(2) of the Transport (Scotland) Act 2019 ("the 2019 Act") provides that local authorities must, in a workplace parking licensing scheme, determine the amount of the licence charge to be paid by employers under the scheme on the basis of the number of workplace parking places they provide. The amount of the licence charge is therefore a matter for local authority discretion and the 2019 Act does not give the Scottish Ministers the power to make provision in regulations either to set, or cap, the amount of licence charges.

At the time the 2019 Act was at Bill stage, with the introduction of the amendments on WPL, it was clear that the powers to make and operate workplace parking licensing schemes are discretionary power for local authorities. Setting or putting a cap on the amount of the licensing charge would go against the objective of supporting local decision-making and making a WPL scheme that supports the objectives of a local transport strategy.

To support transparent local decision-making and scrutiny in relation to schemes, including the proposed licencing charge, the 2019 Act creates rigorous requirements for consultation and impact assessment. Before making a scheme, an outline proposal of that scheme must be published and consulted on by the local authority. That proposal must specify the proposed licence charge, and also set out the objectives the local authority intends to achieve, as well as an assessment of how (or the extent to which) the proposal will achieve those objectives and how it intends to apply the net proceeds of the scheme. Through this process, the local authority will be expected to provide a justification for its proposed licence charge and it will be open to consultees to comment on this, and other aspects of the scheme as they see fit. Local authorities serve their local communities and their decisions will be underpinned by local democratic accountability.

The decision on the appropriate level of licence charge is a matter of local authority discretion and accountability. If they consider it appropriate, Scottish Ministers may initiate an independent examination of a proposal and specify the matters which

they consider the examination should consider, which could include the amount of the licence charge.

Modelling on driver behaviour change

On the issue of behaviour change based on whether employers choose to pass on the charge to employees, Nottingham City Council made a submission to the REC Committee as part of the Committee's evidence gathering at the time of the Stage 2 amendments. This included a summary of Nottingham's detailed evaluation.

Workplace parking licensing is expected to have an impact on employer behaviour as well as driver behaviour. In its evidence, Nottingham City Council showed that the supply of Liable Workplace Parking Places decreased by 17.5% prior to licensing being introduced as employers sought to limit their liability, with a more gradual reduction in the number of workplace parking places provided by employers since introduction. Nottingham City Council also provided evidence showing a number of major employers moved into, or consolidated to, city centre locations with good public transport accessibility in part to remove the need for the provision of parking and improve accessibility.

It is important to note that workplace parking licensing schemes are not intended to stand alone but rather must support the objectives in the local transport strategy and sit alongside the other measures and policies within the local transport strategy. This is supported by the evidence provided by Nottingham, which identified a small but positive impact on driver behaviour arising directly from workplace parking licensing but more significant indirect transport impacts arising from the increased investment in public transport.

The 2019 Act requires local authorities to make arrangements for the periodic review of the operation and effectiveness of the scheme.

As part of Scottish Government consultation and engagement on the draft 20% car km route map we will work with stakeholders to consider the value of monitoring and evaluating sub-measures within the overall package, and a full monitoring and evaluation plan will be set out alongside the final route map.

Licensing conditions

The Scottish Parliament determined that local authorities may make decisions about licence conditions: Section 76 of the 2019 Act allows local authority workplace parking licensing schemes to make provision about the imposition of licence conditions.

This means that local authorities in Scotland could decide to make their workplace parking licences subject to conditions either generally or depending on the circumstances of particular employers.

As this is a matter for local authorities, it is not considered appropriate for the Scottish Government to speculate on the conditions local authorities may choose to impose.

Local exemptions

We expect that local exemptions may arise in practice. In addition to the national level exemptions, local authorities may create local exemptions in their schemes, which would reflect their local circumstances. These could (but are not required to and not limited to) include, for example, an exemption for businesses with a small number of workplace parking places.

Compliance

Compliance with workplace parking licensing requirements will be a matter for local authorities and will be resourced by local authorities. Local authorities may use revenue from WPL schemes to support compliance and enforcement as this would be considered an operational expense of running the scheme.

Conclusion

I have set out above the detailed points that arose at Committee during its consideration of the Workplace Parking Licensing (Scotland) Regulations. The 2019 Act already provides these discretionary local workplace parking licensing powers to local authorities. The purpose of these regulations is to make detailed and technical provision to underpin the framework already provided by the 2019 Act. This will provide local authorities with the tools on workplace parking licensing, already held by councils in England and Wales and welcomed in Scotland by our local authority partners in COSLA. Councils in England and Wales have had these powers for over a decade since the Workplace Parking Levy (England) Regulations 2009 were made under the Transport Act 2000.

Jenny Gilruth

ANNEXE B

Correspondence from Food and Drink Federation Scotland

To: Members of the Net Zero, Energy and Transport Committee

14 February 2022

Workplace Parking Levy (WPL) Regulations

The Food and Drink Federation and our food and drink manufacturing members are very supportive of the Scottish Government's ambition to reduce Scotland's greenhouse gas levels to net zero. We were proud to launch our Net Zero roadmap (<https://www.fdfscotland.org.uk/dfd/resources/publications/guidance/net-zero-roadmap/net-zero---overview/>) setting out how food and drink manufacturers will achieve net-zero emissions by 2040. Our members have a long track record of reducing emissions associated with their operations including switching to low emission/electric vehicles and reducing food miles.

Introducing levies on parking will make little difference to vehicle emissions associated with our members operations due to:

- limited public transport from major population hubs
- 24hr operations and multiple shift patterns making public transport more challenging
- For food production staff, working from home is, of course, not possible.

We are concerned that allowing local authorities to place uncapped levies on Scotland's food and drink producers (who are 95% SME) will subsidise public transport links for other more centrally located businesses and organisations that do not operate 24/7. Whilst the net revenue generated by WPL schemes will raise revenue that could be used to improve public or active transport, our members are unlikely to see any benefits for their staff.

WPLs are therefore likely to become yet another financial burden on food and drink producers, diverting money from other investment in jobs/productivity. One of our members calculated implementation of the WPL could reduce their operating profit by more than 5% (Based on the WPL set by Nottingham council of £415 per parking space per annum) at a time when they are already under huge financial pressure.

Our members are strongly opposed to passing on any levies to their employees, especially as people face exponential rises in their cost of living. Our food and drink manufacturing staff who have kept the nation fed during the pandemic do not have the luxury of choosing to work in a "hybrid" way from home and should not be

penalized for working in manufacturing, where shift working and working away from areas well serviced by public transport is common.

In our recent response to the Workplace Parking Licensing Regulations, we suggested exemptions for WPL should be explored for “greener car spaces” - parking spaces for car sharing also known as High Occupancy Vehicles and electric/low emission vehicles.

We also stressed the need to review availability and safety of public transport alternatives ahead of any scheme being implemented.

Workplace parking levies should not be introduced where:

- Lack of credible public transport options are available to access a particular Business including at certain times of day/night.
- Where a business has safety concerns about employees commuting to/from work.
- A business has a car park that accounts for shift patterns: Large manufacturing sites need to provide “extra” spaces for shift changeover patterns. Therefore, at any one time, they may have a higher number of car parking spaces than the number of cars that will actually be parked during a shift.

Please get in touch if you would like to discuss the impact the regulations could have on our food and drink manufacturers in more detail.

Kind regards,

David Thomson
Chief Executive Officer
Food and Drink Federation Scotland

ANNEXE C

Correspondence from Scottish Retail Consortium

To: Mr Dean Lockhart MSP, Convenor of the Net Zero, Energy and Transport Committee

17 February 2022

Dear Mr Lockhart,

Workplace Parking Levies (WPL)

We thought it might be helpful to set out the Scottish Retail Consortium's position on Workplace Parking Taxes given that we understand the Committee will be deliberating the issue further at your next meeting on 22 February.

Firstly, retail is taking its environmental and net zero responsibilities seriously. Even prior to the publication 15 months ago of the industry's Net Zero by 2040 roadmap ([the roadmap is available here](#)), the sector was a leader in reducing the environmental impacts of its own direct operations and driving similar improvements through the supply chain.

More broadly, we have to be cognizant of the current economic context. The pandemic has been tumultuous for much of Scotland's retail industry. Retail sales remain lacklustre and lower than in the comparable period prior to the pandemic. Indeed, we estimate Scottish shops has missed out on £5.8 billion of revenues over the past 23 months. Shopper footfall remains 16% down, and one in every six shops lies vacant. Holyrood's Finance Committee recently acknowledged that retailers' accumulated debts, tax deferrals and loans have grown during the pandemic. Costs are rising, including public policy costs such as the reintroduction in April of full business rates and the increase in employers' national insurance contributions.

230,000 Scots are employed directly in the retail industry, some of whom drive to work. This employment can be at stores, distribution centres, customer contact centres, or a firm's headquarters. Many retailers financially support colleagues who opt for public transport to get to and from work (examples outlined in SRC's May 2019 submission to Holyrood's Rural Economy & Connectivity Committee as part of the Committee's inquiry into WPLs.). The numbers of staff parking at work can be more prevalent during shift times when public transport options can be less accessible or non-existent. We would therefore suggest meaningful alternative means of getting to and from the workplace are in place before levies are implemented.

As intimated in our Post-Scottish Budget submission sent to Ministers in late December, we remain concerned that workplace parking levies remain a recipe for extra cost and complexity. This is especially so as firms already pay business rates on the parking places they provide for staff, and so could be taxed twice for such parking spaces. This may lead some employers to consider whether they ought to

recoup some or all of the cost of the levy from staff, so this policy could well have a bearing on the cost of living and/or the ability of employers to retain or recruit staff.

The introduction of workplace parking taxes during the coming financial year could introduce fresh unpredictability into firms' budgeting. As such we continue to recommend that any implementation be paused over the coming financial year to aid firms' recovery from the pandemic and would ask Committee members to endorse this. More broadly, safeguards should be built into any future consideration of WPLs - including a Scotland-wide cap on the amount that can be charged so any levies are not punitive, a sunset provision on their longevity as is the case with Business Improvement Districts, consistency amongst councils implementing the levy, and clarity over what the receipts will be used for.

I do hope this assists with the Committee's deliberations.

Yours sincerely,

David Lonsdale
Director
Scottish Retail Consortium