

# Transport and Environment Committee

10.00am, Thursday, 9 August 2018

## Parking Action Plan: Implementing the Parking Permit Diesel Surcharge

Item number	7.5
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	<a href="#">18</a> and <a href="#">19</a>

### Executive Summary

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At its meeting on [17 May 2018](#) Committee approved a report on the Parking Action Plan which included the results of the diesel surcharge public consultation. It was noted that a further report on more detailed proposals for the implementation of a resident permit surcharge to diesel vehicles would be submitted to Committee in August 2018.

The report provides further details on these proposals and gives indications of the likely timescales required to introduce such a charge.

## Parking Action Plan: Implementing the Parking Permit Diesel Surcharge

### 1. Recommendations

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- 1.1 It is recommended that the Committee:
  - 1.1.1 approves the introduction of the resident permit diesel surcharge as detailed in this report; and
  - 1.1.2 approves the commencement of the necessary legal process to implement the diesel surcharge.

### 2. Background

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- 2.1 In [June 2016](#), Committee approved the Parking Action Plan (PAP) to help deliver accessibility and transport improvements across the city in support of the Local Transport Strategy.
- 2.2 One of the Actions within the PAP (Action 9) was to comprehensively review all parking related charges and develop a Pricing Strategy to steer the approach of future parking prices, in relation to parking permits and public parking charges.
- 2.3 As part of the development of the Pricing Strategy, a report was submitted to Committee in [August 2017](#) proposing the introduction of a surcharge on residents' parking permits issued to diesel vehicles.
- 2.4 At that meeting, Committee requested that a three months public consultation be launched regarding the proposals to seek the views of residents. The results of the public consultation were reported to Committee in [May 2018](#). That report indicated that a further report would be submitted within one cycle providing more details on the proposed implementation of the diesel surcharge.

### 3. Main report

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- 3.1 As part of the PAP Pricing Strategy review, parking permit schemes in other similar sized local authorities were reviewed to help identify potential improvements. This process revealed that several such authorities had introduced a surcharge on residents' parking permits issued to diesel vehicles.

- 3.2 The benchmarking process revealed that these additional charges were applied in response to the negative impact on air quality that diesel-fuelled cars were having within UK towns and cities. These vehicles produce much more harmful emissions, such as particulate matter and Nitrous Oxides, than their petrol counterparts and this is not reflected in their CO2 emissions data.
- 3.3 Applying a separate permit charge for diesel-fuelled vehicles gives those local authorities another means of encouraging their owners to consider the impact of their vehicle choice on both the environment and on local air quality. Diesel vehicles produce lower CO2 g/km than their petrol equivalents but their higher emissions of particulate matter and Nitrous Oxides are not reflected in the Council's residents' permit price structure.
- 3.4 Applying national trends to Edinburgh's approximately 24,000 residents' permit holders suggests that there are around 8,000 permit holders with diesel vehicles in the city.
- 3.5 At its meeting in May 2018, Committee approved the introduction in principle of a diesel surcharge to residents' permits issued within Edinburgh and requested further detail on how such a surcharge would be implemented.

### **Proposal Development**

- 3.6 During Committee's discussions, concern was noted regarding applying such a charge to existing diesel permit holders who had purchased their vehicles in good faith at a time when the UK Government prioritised the reduction of CO2 and incentivised diesel vehicles.
- 3.7 That being the case there is scope to introduce the surcharge for new permit holders or existing permit holders changing to diesel vehicles but omit those who currently own a diesel car.
- 3.8 The introduction of any measure that would encourage a reduction in the number of diesel vehicles using our roads should be considered a positive step towards improving air quality. There is, however, no desire to penalise those drivers who have purchased their current vehicle in good faith. It is also recognised that many residents might be unable to afford to change their vehicle at short notice.
- 3.9 However, the introduction of an additional charge on diesel vehicles that allows permit holders more time to prepare for the changes may have a greater impact on people when considering their next vehicle choice and ultimately result in fewer diesel-fuelled vehicles using our roads.
- 3.10 Ultimately, the aim of the proposal is to reduce the number of diesel vehicles in Edinburgh and improve air quality, it is not to generate additional revenue. Should vehicle choices change, as hoped and expected, residents need not pay the surcharge.

## Detailed Implementation Proposal

- 3.11 Based on the results of the public consultation and Committee discussion, the following proposal has been developed and is recommended for implementation.

Table 1: Proposed Diesel Surcharge Implementation

Year/ Charge	Existing Permit Holders (same vehicle)	Existing Permit Holders (changing to, or replacing an existing, diesel vehicle)	New permit holders with diesel vehicles
Year 1	£0	£40	£40
Year 2	£0	£40	£40
Year 3	£0	£40	£40

- 3.12 The above table illustrates that the diesel surcharge would not apply to existing residents' permit holders with diesel vehicles. It is intended that this would continue for as long as they owned the vehicle and remained a permit holder.
- 3.13 Should permit holders move to another residential property but stay within the Controlled Parking Zone (CPZ) the exemption would still apply. However, should permit holders either allow their parking permit to expire without renewing or move out of the CPZ but return at a future date, then the diesel surcharge would apply as they become a new permit holder.
- 3.14 Existing diesel vehicle owners would see no change in their permit price for as long as they keep the same vehicle. The surcharge would only apply where an existing permit holder replaced an existing vehicle with a diesel one, whether new or used, or where a new permit holder was the owner of a diesel vehicle.
- 3.15 The table also indicates that the surcharge will apply from Year 1 to any new permit holders with a diesel vehicle.
- 3.16 This approach allows existing permit holders additional time to consider their next vehicle choice and change their vehicle without penalising them for previous decisions.
- 3.17 The proposal involves a "flat-rate" approach that applies regardless of whether the permit holder resides in a central, peripheral or extended zone or a Priority Parking Area. This approach recognises the indiscriminate impact on air quality, health and the environment of diesel vehicle ownership, regardless of where the permit holder lives.
- 3.18 Parking permits can be issued for two vehicles but only one vehicle can use the permit at one time. These parking permits are called merged permits. It is expected that such permits will follow the same conditions and the addition of a diesel vehicle will activate the surcharge. Should two diesel vehicles be added to a permit, only one surcharge amount would be applied per permit.

- 3.19 It is not anticipated that the surcharge will apply to permit holders who hold a disabled persons' blue badge as they are currently exempt from the permit charge.
- 3.20 Should the blue badge no longer be required then the same conditions would apply as any other permit holder, with the charge only being incurred should they change to or replace an existing vehicle with a diesel-fuelled one.
- 3.21 The charges in Table 1 apply to the issue of annual permits only. Surcharges on parking permits purchased for three and six months will reflect the differential applied to permits purchased for shorter periods as set out in the permit price structure.
- 3.22 The charge will not be automatically increased in line with RPI; as is the case with parking permit prices, however the price will be reviewed at the same time.

#### **4. Measures of success**

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- 4.1 The primary measure of success will be the reduction in the number of diesel vehicles being used by permit holders in Edinburgh.
- 4.2 In addition, it is expected that this measure will help contribute toward improving local air quality and reducing pollution within the city centre.

#### **5. Financial impact**

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- 5.1 The recommendations contained within this report are likely to require a development to the Council's permit management software and this will be met from within existing parking budgets.

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 It is considered that there are no known risk, policy, compliance or governance impacts arising from this report.

#### **7. Equalities impact**

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- 7.1 It is not proposed to apply the diesel surcharge to residents' permit holders who hold a disabled persons' blue badge and are eligible for permit free of charge.

#### **8. Sustainability impact**

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- 8.1 The recommendations within this report do not have any adverse impact on carbon impacts, adaptation to climate change or sustainable development.

- 8.2 It is anticipated that the proposal to introduce a diesel surcharge on residents' parking permits will have a positive impact in reducing harmful particulate matter and Nitrous Oxides, improving air quality in Edinburgh.

## 9. Consultation and engagement

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- 9.1 A three months public consultation on the proposals was conducted and the results were previously reported to Committee in May 2018.
- 9.2 The introduction of a diesel surcharge will require the processing of a Traffic Regulation Order. As specified within the governing legislation, any changes made by a traffic order is subject to a full, statutory consultation process, during which any interested party may comment on or object to the proposals. The traffic order process will also involve consultation with a wide range of stakeholders representing those likely to be affected by the proposals.

## 10. Background reading/external references

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- 10.1 None.

### **Paul Lawrence**

Executive Director of Place

Contact: Ewan Kennedy, Service Manager – Transport Networks

E-mail: [ewan.kennedy@edinburgh.gov.uk](mailto:ewan.kennedy@edinburgh.gov.uk) | Tel: 0131 469 3575

## 11. Appendices

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Appendix 1: Diesel Surcharge Option Development.

## Appendix 1: Diesel Surcharge Implementation Options

### Background

The results of the public consultation, reported to the Transport and Environment Committee in May 2018, identified that residents were concerned about the health impacts of poor air quality and that there is a desire for action to be taken to address this problem now.

Committee recognised that the introduction of a diesel surcharge would help to enhance local air quality in the city centre by tackling the emission of pollutants and harmful particulates produced by diesel vehicles. However, there were concerns, which also arose during the public consultation, regarding applying an additional charge to all permit holders with diesel vehicles. It was considered that many residents had purchased diesel vehicles in good faith at a time when government recommendations prioritised the reduction of CO<sub>2</sub> and incentivised the purchase of diesel cars.

A number of options were developed to enable the introduction of the surcharge but to take account of such mitigated factors as described above. It was also considered that permit holders should be allowed additional time to prepare for the implementation of the proposals.

Committee requested a further report outlining more detailed information on the possible implementation of the diesel surcharge. This appendix details a number of different possible structures that could be introduced and makes suitable recommendations based on these options.

### Options

A) New Only: the £40 surcharge would only apply to new permit holders who have a diesel vehicle or to existing permit holders who choose to change their vehicle to a new diesel powered one.

### Prices

Year/ Charge	Existing Permit Holders (same vehicle)	Existing Permit Holders (changing to, or replacing an existing, diesel vehicle)	New permit holders with diesel vehicles
Year 1	£0	£40	£40
Year 2	£0	£40	£40
Year 3	£0	£40	£40

Pros	Cons
<ul style="list-style-type: none"><li>• Doesn't penalise existing permit holders</li><li>• Greatest deterrent for permit holders considering a new diesel vehicle</li></ul>	<ul style="list-style-type: none"><li>• High price from the outset for new permit holders</li><li>• Doesn't change behaviour of existing diesel motorists</li><li>• Could encourage people to buy diesel vehicles now</li></ul>

B) New Only - Gradual: only applies to new permit holders who have a diesel vehicle or to existing permit holders who change their vehicle to a diesel powered one, but is introduced gradually over three years.

**Prices**

Year/ Charge	Existing Permit Holders (same vehicle)	Existing Permit Holders (changing to, or replacing an existing, diesel vehicle)	New permit holders with diesel vehicles
Year 1	£0	£10	£10
Year 2	£0	£20	£20
Year 3	£0	£40	£40

Pros	Cons
<ul style="list-style-type: none"> <li>• Doesn't penalise existing permit holders</li> <li>• Gradual price increase for new diesel permit holders.</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't change behaviour of existing diesel motorists</li> <li>• Reduced disincentive for people considering new diesel vehicles</li> <li>• Could encourage people to buy diesel vehicles now</li> <li>• More complicated to implement/confusing for drivers</li> </ul>

C) All - Gradual: applies to all diesel vehicles from start but charge level increases gradually over three years to the full charge level.

**Prices**

Year/ Charge	Existing Permit Holders (same vehicle)	Existing Permit Holders (changing to, or replacing an existing, diesel vehicle)	New permit holders with diesel vehicles
Year 1	£10	£10	£10
Year 2	£20	£20	£20
Year 3	£40	£40	£40

Pros	Cons
<ul style="list-style-type: none"> <li>• Encourages all diesel owners to consider changing their vehicle.</li> <li>• Treats all diesel motorists equally.</li> <li>• Gradual price increases allow additional time for all diesel permit holders.</li> </ul>	<ul style="list-style-type: none"> <li>• Surcharge applies to existing diesel permit holders</li> <li>• Reduced disincentive for people considering diesel vehicles</li> <li>• No disincentive for existing diesel permit holders to switch fuel-type as same charge applies.</li> <li>• More complicated to implement/confusing for drivers</li> </ul>

D) All - Gradual - Low/High: a lower charge for existing permit holders, a medium level for existing permit holders changing to a diesel vehicle and a higher charge for new diesel vehicle owners. All charges rise gradually over an initial implementation period.

### Prices

Year/ Charge	Existing Permit Holders (same vehicle)	Existing Permit Holders (changing to, or replacing an existing, diesel vehicle)	New permit holders with diesel vehicles
Year 1	£0	£10	£20
Year 2	£10	£20	£40
Year 3	£20	£40	£40

Pros	Cons
<ul style="list-style-type: none"> <li>• Allows more time to prepare for charge for all permit holders</li> <li>• One-year delay for existing diesel permit holders</li> <li>• Encourages all diesel owners to consider changing their vehicle</li> <li>• Gradual price increases for all diesel owners.</li> </ul>	<ul style="list-style-type: none"> <li>• Surcharge applies to existing diesel permit holders</li> <li>• May not allow sufficient time for people to prepare for changes</li> <li>• Reduced disincentive for people considering diesel vehicles</li> <li>• Very complicated pricing structure to identify relevant price</li> </ul>

E) All - Low/High - applies to all permit holders but at a lower cost for existing holders and a higher price for new diesel car owners.

### Prices

Year/ Charge	Existing Permit Holders (same vehicle)	Existing Permit Holders (changing to, or replacing an existing, diesel vehicle)	New permit holders with diesel vehicles
Year 1	£10	£40	£40
Year 2	£10	£40	£40
Year 3	£10	£40	£40

Pros	Cons
<ul style="list-style-type: none"> <li>• Greatest deterrent for people considering new diesel cars</li> <li>• Encourages all diesel owners to consider changing their vehicle</li> </ul>	<ul style="list-style-type: none"> <li>• Surcharge applies to existing diesel permit holders</li> <li>• No time allowed for permit holders to prepare for changes</li> <li>• Different price categories may be confusing</li> </ul>

For the avoidance of doubt, it is considered that when an existing permit holder, i.e. petrol or diesel, changes their permit to a different diesel vehicle the surcharge would apply regardless of whether that vehicle is new (registered for the first-time) or is a second-hand model.

### **Recommendation**

It is considered that Option A is the most suitable proposal that takes into account the previous decisions of existing diesel permit holders and also reflects the outcomes of the public consultation and the issues discussed at Committee in May 2018.

Year/ Charge	Existing Permit Holders (same vehicle)	Existing Permit Holders (changing to, or replacing an existing, diesel vehicle)	New permit holders with diesel vehicles
Year 1	£0	£40	£40
Year 2	£0	£40	£40
Year 3	£0	£40	£40

This option addresses these concerns whilst still encouraging a change in vehicle choices which will help to improve air quality in Edinburgh.