

# Transport and Environment Committee

10.00am, Thursday, 3 November 2022

## Response to motion by Councillor Macinnes - Workplace Parking Levy

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 Transport and Environment Committee is asked to note that:
  - 1.1.1 Regulations and Non-Statutory Guidance supporting local authorities in Scotland to implement a Workplace Parking Levy (WPL) have been concluded;
  - 1.1.2 The WPL is one of a suite of measures and powers that are within the Council's control to support the delivery of objectives in the City Mobility Plan, and the City 2030 Climate Strategy;
  - 1.1.3 That an Edinburgh WPL could raise an additional £12.5 million per year. This revenue could also fund significant borrowing for capital investment in the city up to 10 times that value;
  - 1.1.4 The scope, including who is liable to pay, the boundary area to which it would apply, the value of the charge and what the revenue raised will fund are devolved for local authorities to decide; and
  - 1.1.5 There are further stages of work which would need to be undertaken by council officers to enable the Council to make an informed decision on the business case for WPL in Edinburgh.

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Executive Director of Place

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## Response to motion by Councillor Macinnes - Workplace Parking Levy

### 2. Executive Summary

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- 2.1 This report provides an update on the work to date and proposed next steps on an Edinburgh Workplace Parking Levy (WPL). This includes an update on the motion request to detail “appropriate options on which workplaces should be considered, what appropriate exemptions might be necessary, how we can encourage employers and workers to shift to sustainable means of travel and how revenues raised can be reserved to directly invest in continued improvements to the transport network.”

### 3. Background

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- 3.1 The Council has committed to investigate a Workplace Parking License scheme and to ensure the development of such a scheme is a workable option for the city, should the Authority decide to implement such a scheme.
- 3.2 The City Mobility Plan for Edinburgh, published in [February 2021](#), reported on WPL that: “following consultation, a workplace parking license will be designed and presented for consideration.” The draft [2030 Climate Strategy](#) also states that as a next step the Council will “engage with citizens and businesses on the potential benefits of introducing a WPL as part of a range of measures to deliver the City Mobility Plan.”
- 3.3 An update on the WPL scheme activity was reported to the Transport and Environment Committee in February 2021. The results of a city-wide parking survey were provided in a briefing paper in the Committee Business Bulletin on the [12 November 2020](#).
- 3.4 This suggested that a WPL in Edinburgh could raise up to £12.5 million in income annually if the city was to operate a similar charge per space and scheme design as the one in place in Nottingham.
- 3.5 In August 2021, Council Officers submitted a response on behalf of the Council to inform Transport Scotland in the preparation of the Regulations and Guidance

reports for the [Workplace parking licensing consultation on regulations and guidance](#).

- 3.6 The following motion by Councillor Macinnes on the Workplace Parking Levy was agreed at Council meeting on [30 June 2022](#). Council:
- 3.6.1 Agrees the existing Council commitment to continue exploration with the intention of implementation, of a Workplace Parking Levy as outlined in the agreed City Mobility Plan.
  - 3.6.2 Recognises that this proposal must be designed to meet Edinburgh resident's needs and, above all, to contribute to sustainable transport solutions in the city.
  - 3.6.3 Recognises that there is a clear need, in moving towards our 2030 net zero carbon goals, for significant additional investment in sustainable transport options, primarily active travel and public transport.
  - 3.6.4 Recognises that a Workplace Parking Levy delivering additional funding which is necessary to improve the transport network in the city, providing cleaner, sustainable options for all to choose and helping to eradicate existing transport inequalities.
  - 3.6.5 Requests that an update report on the work to date on an Edinburgh Workplace Parking Levy should be brought to the Transport and Environment Committee for detail scrutiny within two cycles; and that this report should include an updated position on:
    - 3.6.5.1 The Scottish Government's legislative progress on WPL;
    - 3.6.5.2 Appropriate options on which workplaces should be considered;
    - 3.6.5.3 What appropriate exemptions might be necessary;
    - 3.6.5.4 How we can encourage employers and workers to shift to sustainable means of travel; and
    - 3.6.5.5 How revenues raised can be reserved to directly invest in continued improvements to the transport network.

## **4. Main report**

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### **The Legislative position of the Workplace Parking Levy**

- 4.1 The discretionary power to introduce a Workplace Parking Licensing scheme comes from the Transport (Scotland) Act 2019. Regulations to support the Workplace Parking Licenses scheme came into force on [4 March 2022](#) and further Guidance was published by Transport Scotland on [30 June 2022](#).
- 4.2 The Regulations and Guidance help describe the processes of administration, operation, and the detail in the consultation and other requirements that must be undertaken by a Council ahead of implementing such a scheme.
- 4.3 The Act gives local authorities in Scotland the discretion to determine:
  - 4.3.1 The value of the levy to be charged per liable parking place;

- 4.3.2 The area within the authority boundary the levy would apply to; and
  - 4.3.3 The day of the week, the time of the day, the type of vehicle and parking premise a levy may apply to.
- 4.4 The Act also sets a series of national exemptions which include:
- 4.4.1 Parking places provided by an employer occupied by a blue badge holder; and
  - 4.4.2 Parking places provided by an employer occupied by NHS workers at qualified NHS premises and parking places at hospices.
- 4.5 It should be noted also that the nature of the WPL will not apply to the following other types of parking:
- 4.5.1 Customer parking;
  - 4.5.2 Visitor parking;
  - 4.5.3 Residential Parking and on-street parking;
  - 4.5.4 Parking places at home where home is the place of work;
  - 4.5.5 Parking at the workplace occupied by fleet vehicles;
  - 4.5.6 Parking for vehicles not used by employees for their journey to and from place of work at Garages and Car Lots;
  - 4.5.7 Parking places provided by an employer that are not occupied; and
  - 4.5.8 Parking places provided outside of the City of Edinburgh Council boundary, (these would only be included should the City of Edinburgh Council decide to partner with another local authority).
- 4.6 The Transport (Scotland) Act 2019 and the associated Regulations and Guidance place a few mandatory steps on local authorities before they can implement a WPL in their area. The authorities must:
- 4.6.1 Ensure an assessment on the impacts of the proposal is completed;
  - 4.6.2 Complete a formal consultation lasting a minimum of two months on the proposed scheme (this is largely in keeping with the approval process in relation to the LEZ procedure). The consultation will seek view from a variety of stakeholder including nearby residents and businesses who may be impacted by parking displacement and/or by investment in transport improvements funded by WPL revenue; and
  - 4.6.3 Finally, after the results of the formal consultation on the proposed scheme are published, there is a statutory eight-week examination period. The examination process will assess the extent to which the decisions made by the Council have complied with the procedures laid out in the regulations.
- 4.7 The new consultation and sign-off requirements mean that the quickest period of delivery for a WPL, from inception to implementation, could be no less than 18-months should examination proceedings not be raised within that eight-week examination period.

## Workplace Parking Levy Revenue

- 4.8 An Edinburgh Parking Survey completed in 2019 and 2020 estimated the number places considered to be chargeable as part of a WPL scheme. Using the active Nottingham WPL as a means of modelling revenue, analysis suggested a local Edinburgh scheme would generate around £12.5 million per year. Clearly, this would be impacted upwards or downwards by the rate of the charge or any local policy exemptions applied. Further illustrations of potential revenue estimates for Edinburgh, with a varied approach to local exemptions and value of charge, are provided in Appendix 1.
- 4.9 Leicester City Council also provides a further example, having concluded a public consultation on their WPL scheme in March 2022. They proposed a 10-year investment programme, ensuring that the £95 million raised from the WPL over that period would fund £450 million worth of investment into priority projects within their local transport strategy (such as bus services and rail station transformation projects and cycle network enhancements). This potentially demonstrates the additional value of a WPL revenue and the ability of the scheme to leverage investment up to five-times the revenue total raised directly.
- 4.10 The Transport (Scotland) Act limits the local authority to spend the revenue it would raise from a WPL on delivering the outcomes of the local transport strategy. The Edinburgh City Mobility Plan has three main objectives and also sub-objectives which are shown in Table 1 below:

*Table 1. Edinburgh City Mobility Plan Objectives*

Objective	Sub-objective
<b>To improve health, wellbeing, equality and inclusion</b>	Encourage behaviour change to support the use of sustainable travel modes. Ensure that transport options in the city are inclusive and affordable.
	Ensure that transport options in the city are inclusive and affordable.
<b>To support inclusive and sustainable economic growth and respond to climate change</b>	Increase the proportion of trips people make by active and sustainable travel modes.
	Improve sustainable travel choices for all travelling into, out of and across the city.
	Reduce harmful emissions from road transport.
	Improve the safety for all travelling within our city.
	Maximise the efficiency of our streets to better move people and goods.
<b>To protect and enhance</b>	Reduce the need to travel and distances travelled.
	Reduce vehicular dominance and improve the quality of our streets.

4.11 Further specifications were laid out in the associated Regulations and Guidance for a WPL that will support local authorities in Scotland in the operation and transparency over the WPL revenue. Together the legislative material for WPL confirms that:

4.11.1 Operational costs of the WPL scheme can be taken from Scheme revenue;

4.11.2 Underspends from one year of the WPL can carry forward to future years;  
and

4.11.3 Accounts for the WPL revenue must be published by the local authority.

4.12 Council officers will prepare a WPL revenue options paper, looking at the broad areas of spend, based on the objectives from the Edinburgh City Mobility Plan before the end of March 2023 for consideration by Committee.

### **Workplace Parking Levy in Edinburgh**

4.13 The WPL in Edinburgh is one of a suite of measures that could form an important transport intervention, supporting the delivery of key policy objectives in the city.

4.14 An Edinburgh WPL would support the implementation of projects which deliver improvements to sustainable travel, as set out in Edinburgh's City Mobility Plan and the associated Implementation Plan.

4.15 An outline project plan is provided in the Appendix 2. This outlines the stages of work that officers would need to undertake to support the Council to take a decision on and potentially implement a WPL in Edinburgh. The outline plan suggests that the earliest that a WPL could be implemented is 2025.

### **Encouraging employers and workers to shift to sustainable means of travel**

4.16 The Council already has an established programme of activity to invest in and improve active travel and public transport across the city to encourage all transport users to shift to sustainable means of travel.

4.17 An Edinburgh WPL could be utilised to further encourage modal shift away from the car by, for example:

4.17.1 Building on investment already made by the Council in the Business for Good programme, which delivers practical support and training for city businesses to transition to net zero;

4.17.2 Getting more businesses to sign up to the Edinburgh Climate Compact and the support and advice around employee travel provided;

4.17.3 Giving workers inside and outside of the city better access to direct public transport links to work and for park and ride sites; and

- 4.17.4 Giving workers, who can use alternative means of travelling to work, the encouragement to do so by better investment in active travel and public transport systems as laid out in the City Mobility Plan.

## **5. Next Steps**

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- 5.1 Further work is required to continue the consideration of a WPL in Edinburgh. The next meaningful activity would be for officers to develop the strategic business case and undertake initial stakeholder engagement to establish views, issues and opportunities relating to a WPL in Edinburgh.

## **6. Financial impact**

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- 6.1 All recommendations included in this report can be carried out within existing agreed workplans and budgets.
- 6.2 Should members now or in the future agree to undertake work to progress a WPL in Edinburgh, the phases of activity and associated costs have been estimated below:
- 6.2.1 Phase 1: Policy Development and research consisting of a strategic business case and WPL options appraisal with initial stakeholder engagement. This could be delivered within current service resources. If independent external support was utilised, then a budget of £50,000 would be required.
- 6.2.2 Phase 2: Formal Assessment or pre-consultation consisting of the statutory impact assessment work and development of the WPL revenue plan. This could be delivered externally with a budget of £120,000.
- 6.2.3 Phase 3: Public Consultation on the WPL Edinburgh proposal, consisting of a necessary three month engagement and consultation with all those impacted by a WPL proposal would then need to be undertaken. This could be delivered with external support for £20,000.
- 6.2.4 Phase 4: Implementation phase of the WPL would include the necessary commissioning and development of an online licensing system for WPL with the registration, collection of revenue, enforcement and general administration of the scheme. This would also include the appointment of an WPL operations team staff to help run the scheme and offer ongoing support and advice to businesses and residents at a cost of up to £300,000 per year.
- 6.3 Funding for Phases 1-3 would need to be secured as part of discussions on the Council budget or from approval of a potential 'spend to save' proposal.
- 6.4 Commissioning an online licensing system for WPL could cost up to £150,000, with an ongoing cost of £350,000 per year for the IT maintenance and appointment of additional staff.
- 6.5 Phase 4 (including commissioning) would be funded from the net proceeds of the WPL revenue, as stated in the Transport (Scotland) Act 2019 and associated regulations and guidance.

## **7. Stakeholder/Community Impact**

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- 7.1 If needed, future work would be developed on the expected stakeholder and community impacts; stakeholder mapping and pre and ongoing engagement plans.

## **8. Background reading/external references**

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- 8.1 Summary Briefing on Edinburgh Workplace Parking Survey 2020 – in Business Bulletin of Transport and Environment Committee Meeting, [21 November 2020](#).

## **9. Appendices**

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- 9.1 Appendix 1 – WPL revenue estimates for Edinburgh
- 9.2 Appendix 2 – Project Plan for Edinburgh WPL

## Appendix 1 – Workplace Parking Levy revenue estimates for Edinburgh

Figures are based on Edinburgh Workplace Parking survey concluded in 2020, an assumption reduction in liable parking places has been applied to the taking into consideration changes in behaviour to parking post-covid and up to implementation. This ranges between a low reduction of 12.5% in workplace parking spaces and a high reduction of 25% in workplace parking spaces.

Design Option (illustration only)	No. liable parking places (rounded to nearest 100)	Levy Charge (illustration only)	Estimated Annual Revenue
Area City Centre (City centre ward only)	2,500 – 3,000	£450	£1.14M - £1.33M
		£550	£1.39M - £1.62M
		£650	£1.65M - £1.92M
Area: Extended City Centre (City Centre, Leith Walk, Inverleith)	4,200 – 4,900	£450	£1.87M - £2.19M
		£550	£2.29M - £2.67M
		£650	£2.71M - £3.16M
Area: Edinburgh local authority boundary	25,000 - 29,110	£450	£11.2M - £13.1M
		£550	£13.7M – £16.0M
		£650	£16.2M – £18.9M
Edinburgh local authority boundary plus local exemption to small businesses (less than 10 spaces in workplace)	23,800 – 27,700	£450	£10.7M – £12.5M
		£550	£13.1M – £15.3M
		£650	£15.5M - £18.0M
Edinburgh local authority boundary plus local exemption to all schools and blue light service premises	22,000 – 25,700	£450	£9.92M - £11.6M
		£550	£12.1M - £14.1M
		£650	£14.3M - £16.7M
LA boundary local exemption to medium businesses (less than 50 spaces in workplace)	18,200 – 21,200	£450	£8.2M - £9.5M
		£550	£10.0M - £11.7M
		£650	£11.8M - £13.8M

Note: the number of liable places have already excluded spaces included in the national exemption: places reserved for Blue Badge holders; places for NHS workers at qualified NHS premises; and places at hospices.

