



OFFICIAL REPORT
AITHISG OIFIGEIL

Net Zero, Energy and Transport Committee

Tuesday 22 February 2022

Session 6



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NET ZERO, ENERGY AND TRANSPORT COMMITTEE
6th Meeting 2022, Session 6

CONVENER

*Dean Lockhart (Mid Scotland and Fife) (Con)

DEPUTY CONVENER

*Fiona Hyslop (Linlithgow) (SNP)

COMMITTEE MEMBERS

*Natalie Don (Renfrewshire North and West) (SNP)
*Jackie Dunbar (Aberdeen Donside) (SNP)
*Liam Kerr (North East Scotland) (Con)
*Monica Lennon (Central Scotland) (Lab)
*Mark Ruskell (Mid Scotland and Fife) (Green)

*attended

COMMITTEE SUBSTITUTES

Collette Stevenson (East Kilbride) (SNP)
Mercedes Villalba (North East Scotland) (Lab)
Brian Whittle (South Scotland) (Con)

THE FOLLOWING ALSO PARTICIPATED:

Heather Cowan (Transport Scotland)
Jenny Gilruth (Minister for Transport)
Elizabeth Hawley (Transport Scotland)
Graham Simpson (Central Scotland) (Con)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

Committee Room 2

Scottish Parliament

Net Zero, Energy and Transport Committee

Tuesday 22 February 2022

[The Convener opened the meeting at 10:48]

Decision on Taking Business in Private

The Convener (Dean Lockhart): Good morning, everyone, and welcome to the sixth meeting in 2022 of the Net Zero, Energy and Transport Committee. This week, we are conducting the meeting in hybrid format, with some members present in the room and others attending remotely.

Under agenda item 1, we will consider whether to take in private item 5, which is consideration of the committee's work programme. Do we agree to take that item in private?

Members *indicated agreement.*

Subordinate Legislation

Workplace Parking Licensing (Scotland) Regulations 2022 (SSI 2022/4)

10:49

The Convener: Item 2 is consideration of evidence on the Workforce Parking Licensing (Scotland) Regulations 2022. The regulations are subject to the negative procedure, which means that they will become law unless a motion to annul is lodged and agreed to within 40 days. We had a short evidence session on the regulations with the Minister for Transport and her officials on 8 February. On 9 February, a motion to annul the instrument was lodged by Graham Simpson, who joins us this morning.

Before we have the formal debate on the motion, I thought that it would be helpful to have a second and final evidence session with the minister and her officials on the instrument, which will give us a further opportunity to ask questions and seek clarification.

I welcome Jenny Gilruth, the Minister for Transport, and her officials Heather Cowan, Elizabeth Hawley and Elise McIntyre, who all join us remotely. I thank them all for joining the committee today.

I put on record the committee's thanks to the organisations that provided submissions to inform this session. Please note that some submissions were sent to the committee after the publication of the meeting papers and will be published later this week.

I invite the minister to make some brief opening remarks, which will be followed by questions from members.

The Minister for Transport (Jenny Gilruth): Thank you for the opportunity to make another opening statement, to provide further evidence in support of the Workplace Parking Licensing (Scotland) Regulations 2022 and to debate the motion to annul the Scottish statutory instrument that was lodged by Graham Simpson.

As I outlined during my evidence to the committee just two weeks ago, the power for local authorities to implement workplace parking licensing schemes was provided by Parliament under the Transport (Scotland) Act 2019, following an extensive evidence session by the committee's predecessor committee. Further regulations and guidance are now necessary in order for local authorities to implement such schemes.

The 2019 act reflects that the power to design schemes based on local circumstances, including setting the licensing charge, rests with local

authorities. The act also reflects the key themes of accountability and transparency. It specifies what a local authority must set out as part of any proposed workplace parking levy scheme. That includes the licensing charge that would be payable per workplace parking space per annum.

The 2019 act places robust requirements on local authorities to set out the scheme proposal, including the licensing charge, and to carry out consultation and an impact assessment before making any scheme. The act includes provisions for either the local authority or the Scottish ministers to initiate an independent examination of a proposed scheme if they consider that to be appropriate.

Workplace parking licensing schemes have the potential to encourage the use of more sustainable travel while raising revenue that will be used to improve sustainable public transport. Such schemes also support our commitment to reduce car kilometres travelled by 20 per cent by 2030 as part of our climate change goals, which were supported by all parties when the Climate Change (Emissions Reduction Targets) (Scotland) Bill was passed.

Councils in England and Wales have had such powers for more than a decade, during which time the Conservative Government has been content to retain the power for councils in England to introduce such schemes.

As I discussed two weeks ago, we have seen how workplace parking licensing schemes have supported climate change goals in Nottingham, which has among the highest rates of public transport use in the country, with an associated fall of 40 million car miles over the past 15 years. Other English cities including Leicester and Oxford are developing their own local schemes.

First, Mr Simpson's motion is attempting to deny Scottish councils the same powers that are provided to English councils by his Westminster colleagues. Secondly, his motion is at odds with his previous statement that

"decisions should be taken as locally as possible and that power should lie with politicians elected as locally as possible."

Thirdly, nothing in the regulations that are before the committee will have any impact on the level of licensing charge. That issue was raised during the evidence session two weeks ago. The decision to put that power in the hands of local authorities, following local consultation and assessment of impact, was made by the Parliament in primary legislation in 2019, and it cannot be changed by the regulations.

The motion to annul is misplaced, inconsistent and at odds with policy that was agreed by Parliament some three years ago. If councils

choose to develop their workplace parking licensing schemes as part of their transport strategies to reduce congestion and air pollution and to invest in sustainable transport, they will be accountable for that choice—not me, as the minister, or the Scottish Government. I urge the committee to give councils the appropriate regulatory tools to support such decisions.

My officials and I will be happy to answer any further questions that the committee has on the regulations.

The Convener: Thank you, minister. We will move to questions, and I will start with a procedural one. If the committee agreed to the motion to annul, could you simply take away the draft instrument and reflect on the important concerns that have been raised by stakeholders such as Scottish Chambers of Commerce, the Confederation of British Industry, the Scottish Retail Consortium and the Food and Drink Federation Scotland, address the defects that those organisations think are inherent in the instrument and bring it back at a later date, improved and corrected?

Jenny Gilruth: I will defer to officials on that. If the motion to annul was agreed to and the instrument was looked at again, the primary legislation would still be on the statute books, and it could be overridden only by another form of primary legislation. I will pass to officials to clarify that technical point.

Heather Cowan (Transport Scotland): I can confirm what Ms Gilruth has set out. The regulations that are before the committee provide a framework for local authorities to implement workplace parking levy licensing schemes. On the motion to annul, there is nothing in the regulations pertaining to the points that the committee has raised. The matter would have to go back to primary legislation. In the absence of the regulations, local authorities would still have the power to implement workplace parking levy schemes; there just would not be the additional framework in relation to transparency and the consultation requirements on local authorities that are in the regulations that are before the committee.

The Convener: I think that we will come back to that matter later, because further clarification is required in relation to that response. However, before we do that, I will bring in Fiona Hyslop.

Fiona Hyslop (Linlithgow) (SNP): Good morning. It would be helpful if the minister could clarify the difference between what is in the Transport (Scotland) Act 2019, which was passed by the Scottish Parliament some years ago, and the SSI that is before us. Clearly, if there were defects in the SSI, we would have been alerted to

that. The main concern seems to be about timing. Have any technical aspects of the SSI been brought to the Government's attention?

The instrument is primarily about the mechanism. Indeed, it specifies quite a lot of safeguards for communities in relation to the consultation process, the setting out of charges and the point about a reporter, which the minister referred to. Perhaps she could also expand on that a bit.

It is also important for us to have an indication of whether we expect every single local authority in Scotland to use the powers, or whether it will just be the local authorities in the two major cities, as was the case back in 2017, based on the manifestos of different parties in those two cities.

On consultation, as my constituency lies between Glasgow and Edinburgh, I am familiar with the issues for commuters who travel to Glasgow and Edinburgh. We now have city region deals, which have transport aspects, particularly for commuters, including park-and-ride schemes. Surely any consideration by the City of Edinburgh Council should consider the impact on Midlothian, East Lothian and West Lothian. The spend might be best placed in park-and-ride schemes on the outskirts of Edinburgh that connect to bus lanes into the city. Obviously, Edinburgh has a very good public transport system, although it could always be improved. The same applies in relation to going into Glasgow. I am campaigning for a park-and-ride scheme from Whitburn into both cities. Those are the types of things that people are looking for.

I ask the minister to expand on her thoughts and understanding in relation to some of those matters. I am happy for her to bring in her officials to differentiate between what is in the 2019 act and what is in the instrument. I am always open to SSIs being brought back but, unless something else has been brought to the minister's attention, the key issue seems to be about timing.

Jenny Gilruth: There is quite a lot to unpack in that. First, on the legislation that was passed in 2019, I discussed that in my response to the convener. I might bring in my officials on the specifics of the SSI, but my understanding is that it will give local authorities the power to enact the legislation.

On the timing, it is worth pointing out that this is not going to happen overnight. Glasgow City Council suggests that it could take up to three years to establish a scheme, so it will not happen quickly. There have been criticisms of the measure, given the situation for businesses at the moment, but that provides a level of safeguard. We do not know where we will be in three years' time, but it is important to have a sustainable

recovery that takes cognisance of our climate change obligations. We must not shy away from that in recovering from the pandemic.

11:00

Ms Hyslop asked about the reporter's role. The 2019 act sets out that either the local authority that proposes the workplace parking scheme or the Scottish ministers may appoint a reporter to examine the proposal. It would not be routine for ministers to do that, as it might delay schemes unnecessarily—it would slow the process, because a local authority could not proceed until examination of any scheme was complete.

However, it is important to say that ministers could initiate an examination by appointing a reporter if a concern arose. Two weeks ago, we had a conversation about the level of charging. If the feeling in a community was that the charge was too high, the reporter could address that in the examination of the scheme. That safeguard has been built into how the system will operate.

The regulations set out a process for conducting the examination that is heavily based on regulations that govern the examination process for low-emission zones. We expect that the reporter would be sourced from the planning and environmental appeals division—I think that I mentioned that in my evidence to the committee two weeks ago, if not in my letter.

I am trying to cover every point that Ms Hyslop raised. She made an important point about consultation. It is essential to the local requirements for local authorities to be responsible and accountable for schemes. Local authorities have an obligation and a responsibility to consult their communities on how a scheme would operate.

Ms Hyslop gave examples of park-and-ride schemes and talked about the impact of city region deals. Local authorities would absolutely be required to look up and look out at how their schemes would impact on other local authority areas and, equally, to tie their local transport strategy plans to what they want to get out of a scheme.

Workplace parking schemes will give local authorities additional revenue to invest in their local transport strategies. That is hugely important, because it empowers local authorities. I hope that the committee will vote to support the regulations, but I appreciate that we will debate that.

I do not know whether my officials want to speak about the specifics of the technical detail.

Fiona Hyslop: I cannot tell whether an official wants to speak.

Elizabeth Hawley (Transport Scotland): I am happy to speak on the question about what is in the Transport (Scotland) Act 2019 versus what is in the SSI. To go back to what the minister said, I will quickly run through the key elements to consider in the SSI.

The act sets out a robust requirement for local authorities that propose schemes to consult people who are likely to be impacted by schemes. The SSI places further detail on the framework of the act—for example, it sets out where the consultation must be published and how people can respond to the consultation. That level of technical detail is needed to ensure transparency and carry out the act's intention for the consultation.

The act sets out the option for ministers or the local authority to initiate an examination, and the regulations set out the exact process for initiating an examination, how the reporter who conducts the examination will consider direct representations that have been made and how the reporter will decide how to conduct the examination.

The act sets out that the liability for charges sits with the employer that provides parking on its premises, and the regulations expand on that—for example, to cover situations in which several employers share one car park, which the committee's predecessor discussed at stage 2 of the Transport (Scotland) Bill in 2019.

The SSI sets out a process for appealing licensing decisions to the sheriff. The act sets out that there should be an appeals process, and the SSI sets out how that process will be conducted by summary application to the sheriff.

The act sets out that there will be enforcement by way of a penalty charge. The regulations set out exactly what must be in penalty charge notices, how they will be issued and what the time constraints are, to ensure that the process is fair. There is also a route of appeal to the First-tier Tribunal for Scotland and to the Upper Tribunal, if that is appropriate.

Finally, the act also sets out that any revenue from the WPL scheme after operational costs must be spent on supporting the objectives in the local transport strategy. The SSI supports that approach by placing accounting requirements on local authorities to ensure that those accounts are published in a transparent and fair way. I hope that that answers your questions.

I would also note that, when we reviewed the submissions to the committee that were published in the committee papers, we concluded that the concerns expressed relate primarily to decisions that were taken in the act. We did not see any

concerns about the instrument that is before the committee.

Fiona Hyslop: Thank you for those very comprehensive remarks on the history of and context for all of this. The issue is not necessarily the SSI itself but the original act, which was passed some time ago.

I am happy to pass back to the convener.

The Convener: I call Liam Kerr, to be followed by Jackie Dunbar.

Liam Kerr (North East Scotland) (Con): I will just fire a number of very quick questions at you, minister, if I may. First, what, according to the modelling, is the minimum charge that will drive the behaviour change to use of public transport that you want?

Jenny Gilruth: I think that I answered that question in my letter to the committee—to which I direct Mr Kerr. We say that,

"On the issue of behaviour change based on whether employers choose to pass on the charge to employees",

we looked at Nottingham City Council with regard to modelling. That council also made a submission to the previous session's Rural Economy and Connectivity Committee as part of that committee's evidence gathering for stage 2 of the Transport (Scotland) Bill. As I said in my letter,

"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".

I appreciate that Mr Kerr asked the same question two weeks ago, but on the broader point, I say that it is quite difficult to model a scheme that has not yet existed in Scotland. I therefore think that the best way that local authorities can learn is by modelling with regard to what happened in Nottingham City Council.

My letter covers some of the specifics in relation to Mr Kerr's question, but I note that one of the submissions that the committee received ahead of today's meeting—I think that it was from Transform Scotland—contains statistics on the need for traffic demand management. I do not know whether that goes some of the way towards explaining, or giving more context to, the rationale behind the policy, the increase in costs associated with public transport compared with driving and the need, therefore, to encourage that behaviour change.

Mr Kerr will appreciate that I was not in post when the Transport (Scotland) Act 2019 was being

debated. My officials might want to say more about the specifics of the modelling, but it was addressed in my letter to the committee just two weeks ago.

Liam Kerr: Thank you for that full answer, minister, but I am just looking for a figure. What is the minimum charge that will drive the behaviour change? If that is in the letter, perhaps you can point it out to me.

Secondly, in its final business and regulatory impact assessment, Transport Scotland has said that the Scottish Government will need to produce guidance and regulations to ensure “national consistency” and success in the scheme. Has that guidance been produced?

Jenny Gilruth: The guidance has not yet been produced; it will be produced once the Scottish statutory instrument is—as, I hope, it will be—passed by the committee. It is dependent on that.

On the figure that Mr Kerr is looking for, no such figure has been identified, at this time. It is for local authorities to carry out the modelling and, essentially, to look at their own local circumstances. It is not for me to direct them—the power is for local authorities to use and depends on their local circumstances.

Liam Kerr: As I made clear in my question, however, Transport Scotland would like ministerial direction.

I wonder whether you can help me with something that I genuinely do not understand. I believe that businesses already pay tax on parking spaces through the business rates scheme. Has the Government taken advice on whether it is legally competent to double tax the same piece of property under two separate taxes?

Jenny Gilruth: I think that Mr Kerr’s question refers not to the regulations but to the legislation itself. I wonder whether one of the officials can pick up his specific question about perceived double taxing of businesses.

Heather Cowan: I am happy to come in on that. The matter would be part of local authorities’ impact assessment requirements under the 2019 act. Authorities are required to take into account the impact on the people who would be affected, which would include taking into account the impact on businesses within the scheme parameters that are set out.

Liam Kerr: I have no further questions.

The Convener: Just to clarify that second point, I note that the point about the impact assessment is slightly different to the subject of the question from Mr Kerr, which was about whether the Scottish Government has sought legal advice on the potential impact of double taxation. It was not

so much about a consultation or an impact assessment; it is about whether the Scottish Government sought legal advice on the issue.

Jenny Gilruth: Officials might like to come in on that specific point.

Heather Cowan: I am not aware of any issues in that regard. The 2019 act was passed by the Parliament and the SSI went before the Delegated Powers and Law Reform Committee. No issues were raised at the DPLR Committee with regard to the instrument and its drafting.

Jackie Dunbar (Aberdeen Donside) (SNP): Good morning, minister. If you do not mind, I will ask a few questions about the process for exemptions. We have had responses from people who feel that their businesses should be exempt. Could you give us some clarification on, and perhaps an explanation of, exemptions? Can you give us examples of exemptions? Who will be responsible for setting out exemptions? What would the process be for putting exemptions in place?

Jenny Gilruth: [*Inaudible.*]—specifically, as we have discussed, the workplace parking levy is a discretionary power for local authorities, so it will be for the local council to decide whether it wishes to use the power, and to determine the shape of the proposals that it judges to be appropriate for its local circumstances. It will need to decide whether to implement its own WPL locally, and it will need to undertake a public consultation—which, I think, we touched on earlier, in response to another member’s question. That public consultation will have to consider an impact assessment before a scheme is implemented, which is hugely important. Local authorities may use the revenues that they generate from the levy to support policies in their local transport strategy.

On the specifics of Ms Dunbar’s question on exemptions, the only national exemptions that currently exist under the regulations are for blue-badge holders, for healthcare workers at NHS premises and for parking places at hospices. Those three exemptions exist at the national level. Consideration of any other exemptions would be for local authorities, in the context of their local environment. That is important in empowering local authorities to take decisions that best suit their local area.

As we discussed in some detail two weeks ago, people who are on lower incomes are less likely to travel by car, so revenue that is raised by WPL funds will be used to support local transport strategies, which I touched on. The money can support greener transport choices and more affordable public transport, which lower-income households often rely on. That is a hugely important point.

We are talking about exemptions for healthcare workers and for parking places at hospices, for example, but that does not curtail local authorities looking wider. They will be able to exempt any groups or premises based on local circumstances, which is really important. The timing of the scheme is also a decision for local authorities. I know that the City of Edinburgh Council's mobility plan sets out how the income from the workplace parking levy will be used to deliver public transport improvements by 2025.

The schemes will not happen overnight, but it is really important that local authorities have responsibility for, and choice in, how they pursue relevant exemptions for the communities that they serve.

Jackie Dunbar: Thank you very much for your answer, minister.

11:15

Monica Lennon (Central Scotland) (Lab): Good morning. Minister, we all acknowledge that you were appointed to your post only last month. It must be challenging to take on a brand new brief, so I think that we all want to cheer you on in that, because the issues that you are grappling with are so important.

However, it is apparent to me, and possibly to others that—based on the questions that we have asked you this week and last week and your letter to the committee—you are struggling to give us some basic answers and are relying on your officials, who are, I appreciate, working hard behind the scenes. It is really important that we get this right. There is a cost of living crisis, and although the public in Scotland absolutely get that we have a climate emergency, they want to be taken on a journey that is fair and just.

The Scottish Trades Union Congress represents more than half a million workers in Scotland and, in the past week or so, it has said that Scotland's public transport is not up to scratch. It is very concerned about the cost of living crisis and believes that the workplace parking levy will penalise workers. Those are the genuine concerns of trade unions, which want climate change action to happen and better public transport. What discussions have you had directly with the STUC, in your new position, about its concerns? What reassurance can you give workers today that the workplace parking levy will not push them further into poverty, amid a deep cost of living crisis?

Jenny Gilruth: I thank Ms Lennon for her question and the sympathy in her intonation. However, we are talking about the regulations, not the legislation, which happened back in 2019. I will bring in officials on consultation of unions back in 2019. In the past two weeks I have had no

conversations with the STUC about the regulations. Ms Lennon might appreciate that I have met the unions to discuss a number of other issues, but not the specifics of the regulations. I will wait for officials to confirm this, but I imagine that my predecessor would have discussed that issue with the unions.

Ms Lennon made relevant points about public transport and the cost of living. It is important to remember that liability for the workplace parking levy sits with employers, not with employees. It is for employers to decide whether to pass on that cost to employees. It is not a tax on workers, per se.

We spoke this morning about local authorities' responsibility for designing schemes that suit local circumstances. As Ms Lennon highlighted, we know that people in lower-income households are less likely to have access to a private car, and that people who live in more deprived areas are disproportionately affected by the negative impacts of car use, including pollution and road danger. Our aim is to move away from the status quo of car dominance that already negatively impacts on people on lower incomes. Supporting the just transition is key to our route map for reducing car kilometres in Scotland by 20 per cent by 2030, which includes other interventions to ensure that there is a just transition.

Ms Lennon spoke about some of the challenges around public transport. She might be aware of the Government's important fair fares review, which is looking at joining up journeys on different modes of public transport. She might also be aware that, three weeks ago, we introduced free bus travel for under-22s. That is another hugely important policy that is, I think, welcomed by the trade unions. There is also the national roll-out of a programme of free cycles for people who cannot afford them.

I previously mentioned the exemptions, but I hope that that reassures Ms Lennon about the importance of protecting poorer workers from some of the challenges of which she spoke.

I answered Ms Lennon's question about the STUC, but my officials might have dates and details of when previous ministers met the STUC to discuss that issue.

Monica Lennon: I was asking about the discussions that you have had with the STUC in the past month or so. Colleagues have hinted that it is important that we get this right. We have an opportunity to take a beat—to pause and to ensure that we get this right. The workplace parking levy will directly affect workers. You are trying to change the behaviour of workers, so I am concerned about the fact that you have not discussed the issue with the STUC.

I welcome other work that you are doing, for example making public transport safer, particularly for women.

What is your message today to women who do not feel safe using buses or trains, or who cannot get on a bus or a train? I live in Hamilton. People felt really safe using the X1 bus express service to Glasgow, but that service has gone. I spoke to your predecessor about that. The service has not been brought back by anyone—not First Bus, Strathclyde Partnership for Transport, South Lanarkshire Council or the Scottish Government. People in my area might be able to swallow a workplace parking levy if there was a bus that they could get on.

We have all got examples, minister. What is your message to people who are worried, do not feel safe or do not have a bus to get on? They will have to take their car anyway, and possibly bear the cost of the measure because their employer might well pass that on. I believe that to be what has happened in eight out of 10 cases in Nottingham, which is the model that you are so keen on.

People are worried, minister. What is your response? They do not want to know about the difference between the legislation and the regulations. You are the brand new transport minister. What are you doing to listen to people's genuinely held concerns?

Jenny Gilruth: Ms Lennon has raised a number of points. I will try to unpack all of them. There is quite a lot to cover, convener.

I go back to our original point about impact assessments—which, I think, Ms Lennon mentioned. That is a power for local authorities to make local decisions, dependent on their area. It is not for me to direct or to interrupt.

This is about local accountability, which is really important. I know that Ms Lennon was a councillor prior to her election to Parliament. It is important that we empower local authorities and give them greater opportunities to raise revenue, so that they can take better cognisance of their population and invest in public transport in their area.

Ms Lennon asked about women's safety. That is a broader challenge that is not specific to the SSI. I discussed the matter in a statement on the operator of last resort, which was in the week prior to the February recess, when I mentioned our plans to consult women and women's organisations about women's safety on public transport. That hugely important issue is not just about trains or buses; it is also about places where women wait to get on to public transport and about their journeys to public transport hubs.

We need to have a much broader conversation about women's safety. I do not want to narrowly siphon that off to the SSI; I am not necessarily sure that that is the place in which to have the conversation. The detail of the instrument is that it will give local authorities the power to enact legislation that was passed three years ago. We are talking about historical legislation. The measures have not been taken forward before now due to Covid—the pandemic slowed down many things in Government, as Ms Lennon will understand. We have now laid the SSI, which will empower local authorities to take the measures forward.

Ms Lennon mentioned a concern to do with the STUC. I have met all the rail unions. I have to say to her that that issue—we discussed broader issues at the meetings—was not raised with me. On the last Thursday before the February recess, I spent a long time—nearly three hours—with the unions. We specifically talked about rail, but we also talked about some of the wider challenges of women's safety. The workplace parking levy was not raised with me. I want the member to understand, and I want to reassure her, that I have made quite a lot of time to meet the unions. However, that issue has not been raised with me.

The member's third wider point about how ministers previously engaged with unions on the issue is fair enough; I said that I would ask officials about that. I might bring in Heather Cowan on that point. I suspect that that would relate specifically to the 2019 act, but I would be happy to be corrected.

Heather Cowan: I am happy to come in and confirm that ministers also met rail unions regularly during 2019 and the passage of the Transport (Scotland) Bill. At that point, they would have engaged with the unions according to the agenda that was set. Therefore, if WPL was on the agenda, the STUC would have been engaged with that.

There was also exchange of ministerial letters. The STUC and other unions wrote to ministers and ministers responded. There was, of course, also the predecessor committee's evidence session on WPL at stage 2 of the bill, which enabled unions and other stakeholders to offer evidence and perspectives on the issue.

In general, as we have set out, much of the stakeholder comment has either been on the Transport (Scotland) Bill and so was heard and considered as part of the evidence and the process of the bill through the committee and through Parliament at stage 3, or on the individual schemes of local authorities. Such schemes will be dependent on the geography that is set by local authorities for WPLs, so there are no specific scheme details on which to engage with unions or

other stakeholders. Those details are the responsibility of the local authority as part of its setting out a scheme and undertaking the related consultation and impact assessment.

The Convener: Let me bring in Mark Ruskell to be followed by Natalie Don. We have a lot of ground to cover, so can we have brief questions and answers, please?

Mark Ruskell (Mid Scotland and Fife) (Green): I will do my best, convener. I appreciate that we are going back to a lot of the fundamental arguments of the scheme that were debated back in 2019, but where will the funding go? Will it be in addition to the funding that councils have already allocated to public transport schemes to make people's journeys to work easier? Some people will look at this and think, "I might have to pay more money to get to work. How will my travel to work be easier as a result?"

I can see concrete additional benefits such as the acceleration of existing programmes and schemes that councils are considering or bringing in new initiatives such as park and rides or better public transport facilities to make it easier for people, rather than having people think, "This is just another tax that I will have to pay."

Jenny Gilruth: Mark Ruskell might have raised that point in a previous evidence session, but I can confirm that the levy will form additional funding for local authorities. The funds that they raise from the workplace parking levy will be used to implement their local transport strategies. The member talked about some examples. In the most recent conversation that we had two weeks ago, I cited the example of what had been done in Nottingham. The Nottingham scheme costs people less than £2 a day and, since it was started in 2012, the city has generated around £75 million of new revenue, which has supported the expansion of Nottingham's successful tram system and the redevelopment and enhancement of Nottingham station, which I mentioned two weeks ago.

It is important that any money that is raised goes back into the local area. If people are contributing to the scheme, that money should be spent locally on improving public transport or transport priorities for the local authority. Fundamentally, the local authority is accountable to its local population, but equally, if people are paying into such a scheme, that will allow for greater development and enhancement of the local transport infrastructure.

Mark Ruskell: Thanks for that further reassurance. My other point is about something that was in your letter to the committee. You made the point that we might see employers starting to shift away from out-of-town locations and back into city centres. It is clear that our city centres have

been gutted because of Covid and the economic downturn, which have also affected small businesses. Is there evidence for that? Are there promising signs from Nottingham or other places that our town centres might be revitalised as a result of the workplace parking levy? That would benefit everybody, particularly small businesses. Would that add another lever to encourage the regeneration of our high streets that we desperately need?

Jenny Gilruth: Absolutely. It is important that we encourage regeneration of our high streets. We know that the pandemic had a huge impact on high streets, which even prior to the pandemic had arguably been decimated by the increase in online shopping. It is hugely important that those schemes help to drive inward investment.

On Mr Ruskell's points about challenges for smaller businesses, there is an opportunity for local authorities to introduce their own exemptions, as I said in my response to Jackie Dunbar. For example, businesses in Nottingham with 10 or fewer parking places are exempted, so smaller businesses are not hit to the same extent, because they have fewer employees. It is important to recognise that, because in Scotland we have a larger number of small and medium-sized enterprises than other parts of the United Kingdom. Encouraging people to walk or cycle to work, if they can do so safely, is absolutely essential to driving the revitalisation of our high streets.

We have broader plans to drive sustainable recovery, allow our high streets to recover, and encourage modal shift. We have to get folk out of their cars. I think that I said in my response to Mr Kerr that there are some good stats in the Transform Scotland briefing on the costs of driving compared with the costs of public transport in the past 10 years. People from poorer backgrounds were most adversely affected by the impact of the widening gap between average wages and the cost of living, including the cost of public transport. We in government have a challenge there, I spoke to Ms Lennon about how we might be able to work on that through the fair fares review, which is hugely important.

Equally, driving is becoming much more affordable, and we need to get folk out of their cars. I am perfectly prepared to be corrected on this, but I think that transport accounts for 40 per cent of all emissions in Scotland. It is the largest polluter among the Government portfolios, and we need to take direct action.

11:30

The regulations are one way in which Government can empower local authorities to take

that action, to raise revenue to invest locally in their own transport priorities, and equally—as Mr Ruskell noted—to drive the revitalisation and regeneration of Scotland’s high streets.

Natalie Don (Renfrewshire North and West) (SNP): Thank you for your comments so far, minister.

From what I have heard today, I believe that, in order for local authorities to carry out those tasks in the best possible way, the regulations should be passed. They are essentially about empowering local authorities to create and implement a system that best works for their communities; we have talked a lot about that already.

Do you agree that empowering local authorities in that regard is a wholly positive move? Can you elaborate on the position of the Convention of Scottish Local Authorities? I understand that COSLA broadly supports the regulations. Although we are talking about empowering local authorities, there has not been much discussion this morning about what they actually think. Can you provide any information on the support in principle from local authorities and leaders, perhaps cross-party leaders, across the different council areas?

Jenny Gilruth: As the committee will know, the only such scheme is in Nottingham. It was introduced by a Labour council and approved by a Labour Government. Councils in England and Wales have the power to bring in their own workplace parking levy schemes, and the regulations give Scottish councils the exact same power. It is about giving local authorities in Scotland powers that are equivalent to those of their English and Welsh counterparts. That is quite important.

Conservatives in the United Kingdom Government have had more than a decade in which to withdraw the power in England and Wales, but they have not done so. That speaks volumes about the importance of empowering local authorities, which is something that I am sure every member of the committee would agree with.

COSLA has been very supportive of the workplace parking levy. Back in 2019, Councillor Heddle commented that COSLA strongly supported the principle of the levy “as a discretionary power” whereby local authorities are granted the maximum amount of flexibility to shape a scheme that supports their

“wider transport and climate change strategies.”

Some of the tension that we have heard expressed at today’s meeting and at our meeting two weeks ago is about that flexibility. As the minister, I am not here to dictate to local authorities. If the regulations are passed today, local authorities will have the power to set their

own workplace parking levy and set up their own scheme, consultation and impact assessment depending on the situation in their local area. It is not for me to direct that.

I will be perfectly honest—some local authorities might say, “It is not for us.” For example, some might say that such a levy would not work in a rural setting, but it will work well for other local authorities. We have the Nottingham example to draw on and learn from, and it is important that we do so, because it is currently the only scheme in existence in the UK.

Ms Don is right to say that COSLA has supported the proposal. On her point about empowering local authorities, it is, in my view, a really positive move to give local authorities another opportunity to raise revenue to invest in their own local transport priorities.

Natalie Don: On my last point about support from local authorities themselves, have you had discussions with local authorities in Scotland?

Jenny Gilruth: I have not had direct discussions with local authorities on the matter. Consultation with local authorities would have taken place during the passage of the 2019 act, under my predecessor. Again, I defer to my officials on the specifics of consultation with local authorities directly.

Heather Cowan: I am happy to come in on that. On the point about consultation with local authorities, I confirm that we convened a working group to inform the development of the regulations in which there was local authority representation, including from City of Edinburgh Council, COSLA and the Society of Chief Officers of Transportation. There has therefore been local authority consultation, including specifically on the development of the regulations that are before the committee today.

The Convener: Liam Kerr has a brief supplementary question.

Liam Kerr: It is brief. Mark Ruskell asked about modelling, but I am not sure that we got an answer, so I will ask it again. What modelling has the Scottish Government done about when employees refuse to use a staff car park to avoid the cost and instead decant to the surrounding streets? Does the modelling show that that is a possibility and, if so, to what extent? What will the impact be on local residents if that happens?

Jenny Gilruth: The specifics of decanting to surrounding areas is a matter for local authorities, which will have to consult in their local areas and consider a range of opportunities and impact assessments in relation to parking availability, for example. It is not for me to direct such modelling; it is absolutely for local authorities.

Mr Kerr raised this point two weeks ago, and I sent him a letter with details of the Nottingham scheme, which I cited in my response to him earlier. Ms Lennon has also spoken about it. It is the only scheme in existence in the UK. The modelling that the Government has largely learned from has been based on the Nottingham example. However, it is for local authorities to do the modelling. We do not want folk decanting to surrounding areas to park to try to avoid the charge, but we also have to trust local authorities.

My question to Mr Kerr is therefore: if we trust local authorities in England and Wales to do it, why do we not trust them in Scotland? It is important to have equivalence of opportunities for local authorities across the United Kingdom. We should trust our local authorities to do this, taking into cognisance their local circumstances. Fundamentally, it is about empowering them to raise extra revenue that can then be invested back into the local community to benefit the people whom they serve.

Liam Kerr: That is not a question to put to me, minister. We are not talking about trusting local authorities; we are talking about the Scottish Government bringing in a scheme and apparently failing to model its impact. I think that you have just confirmed that the modelling has not been done. Unless you are confirming that it has been done by the Scottish Government, I will hand back to the convener.

Jenny Gilruth: I do not agree that we have not modelled it, but we cannot model something that does not exist—

Liam Kerr: You have not modelled it. You either have or have not modelled it.

Jenny Gilruth: How can we model something that does not yet exist?

Liam Kerr: You just said that it did exist.

Jenny Gilruth: We have 32 local authorities in Scotland and we could have 32 different approaches to the matter. It is not for me to tell them all how to do it. This is a power for local authorities. The only way in which the Government can learn from other parts of the United Kingdom is by looking at the Nottingham example. I laid that out in my response to Mr Kerr previously and in the letter that I sent to him. We cannot model in advance of the schemes taking place. We have to trust our local authority partners to do this and to get it right for their local communities.

Liam Kerr: That is extraordinary.

Graham Simpson (Central Scotland) (Con): I have just one quick question, and possibly a follow-up question, depending on the answer. I feel that we have already had a full debate, even though the debate is yet to come.

Minister, can you confirm that, under the 2019 act, you have powers to set out in regulations further exemptions beyond those that already exist?

Jenny Gilruth: I am prepared to be corrected by officials, but I think that I have those powers.

Graham Simpson: As a follow-up, why have you chosen not to use those powers and set out further exemptions?

Jenny Gilruth: I responded to Ms Dunbar on that point. The only three national exemptions that exist at present are for health workers, people visiting hospices and people with a blue badge. It is for local authorities to decide on other exemptions. It is for local authorities to look at their circumstances and decide what the exemptions should be. It is not for me as a Government minister to direct that.

Officials can come in on this if they wish, but the member is correct that there is provision in the legislation for us to look again at the national exemptions. However, at the moment, those are the only three exemptions that we are considering.

Graham Simpson: I am aware of those three. You have just completely contradicted yourself—

Jenny Gilruth: In what respect?

Graham Simpson: You said that it is up to local councils to set out exemptions, and then you agreed with me that you could do it in regulations, which you can but you have chosen not to.

Jenny Gilruth: I said that there is a power, but we have chosen not to use that yet. Therefore, it is for local authorities to consider the matter. I do not know whether Mr Simpson is suggesting that we look at further exemptions.

Graham Simpson: We will come to that in the debate.

Jenny Gilruth: Okay—I look forward to it.

The Convener: That brings us to the end of our questions. The next agenda item is consideration of motion S6M-03166, which asks the committee to agree to recommend that the Workplace Parking Licensing (Scotland) Regulations 2022 (SSI 2022/4) be annulled. I will shortly invite Graham Simpson to speak to and move the motion. I will then invite any committee members who wish to contribute to the debate to do so. I will then invite the minister to respond to the debate. Finally, I will invite Graham Simpson to wind up the debate and to press or withdraw his motion.

Graham, will you speak to and move the motion?

Graham Simpson: I will try not to take up too much of the committee's time but, clearly,

committee members are very engaged with the issue. I will take any interventions, including from the minister, if possible. I know that she is joining us remotely but, if she wants to intervene, I will allow her to do so, if I can, because we need a proper debate.

The minister said that the reason why the instrument has only just been developed and brought before Parliament is because of Covid—those were her words. That is exactly the reason why it is wrong to introduce the measure now. Businesses are still recovering from the pandemic. The committee has heard concerns from several organisations, including the Food and Drink Federation Scotland and the Scottish Retail Consortium, and we know that Scottish Chambers of Commerce, the CBI and a number of other organisations have concerns. Businesses have made it absolutely clear that this is the wrong time to introduce the measure.

To go back to what Ms Hyslop said, timing is important. Indeed, it is crucial. Businesses are struggling, and they need to recover. The last thing that they need now is an extra tax, and this is an extra tax.

Fiona Hyslop: Is it just the timing that you have a problem with, or are you fundamentally opposed to the measure that was approved by the Parliament and enacted three years ago?

On timing, do you recognise the minister's point that any scheme will not be implemented immediately? That will take time, and the minister said that it could be a number of years. Arguing about the situation now could prevent local authorities from doing anything for years to come.

Will you respond to those points, please?

Graham Simpson: I certainly will. I have a concern about timing. I have to say that I am fundamentally opposed to the scheme, but I accept that there are members and parties in the Parliament who do not share that view. However, they might share the view that the timing is wrong. Therefore, the timing is important.

Ms Hyslop and the minister have referred to Glasgow City Council's view that any scheme could take three years to implement, but I am not sure what that is based on. It seems to be a figure that has been plucked out of thin air. Clearly, implementation would take time, but three years sounds like a long time to me. I have not seen any justification for that timeframe.

Timing is important. The Scottish Retail Consortium's director, David Lonsdale, has said:

"Workplace parking levies are a charter for extra cost and complexity".

He went on to say that the schemes will

"see firms taxed twice for the parking places they provide for staff, on top of the business rates already paid on those spaces",

which goes back to the point that Mr Kerr made. That is crucial, as companies with car parks pay business rates on those spaces. The scheme would be introducing an extra layer of tax on top of what companies already pay.

11:45

The Scottish Chambers of Commerce has also come out in opposition. Liz Cameron, the chief executive, said that

"businesses across Scotland will now face a postcode lottery"

as different councils take different decisions. She fears that some

"local authorities ... may now seek to implement this levy as a revenue stream rather than for purely environmental reasons."

The parent act says that councils must have "a local transport strategy" and that the car park tax must go towards helping with that strategy. That means that the policy does not have to be about reducing motor vehicle travel, and it does not have to be about improving public transport; the levy could be used for absolutely anything in the strategy. That means that it is, or could be, purely a money-making scheme. That is the concern that has been shared by Liz Cameron. It is all rather woolly. It is not, as Mr Ruskell would like, money that could be used to improve public transport. We would all like to see public transport improved, but that is not specifically what the levy would be for. It could be used for absolutely anything in the local transport strategy.

The other point made by David Lonsdale is that the levy is a tax on top of another tax. Firms are already paying once. Why should they pay twice?

Two weeks ago, I raised a question about there not being a cap on what councils could charge. The minister gave the entirely accurate answer that there is no cap, but she has not yet said what level she thinks would be a reasonable charge. I do not know whether the minister wishes to come in at this point—she is speaking, and I am happy to let her in now.

Jenny Gilruth: I am happy to come in. We covered this two weeks ago, and I also responded in a letter to the committee. I am not setting a limit. It is for local authorities to decide on the limits for their local areas. It is not for me to direct; this is a power for local authorities.

Graham Simpson: Okay. It would have been useful to hear from the minister what she thinks would be an acceptable level. She seems to think that she has the power to call in schemes—I will

take her word for that. If she does have that power and if she were to call in a scheme, what does she think would be an acceptable level per parking space? I will let the minister in again if she wants to respond.

Jenny Gilruth: I am not giving Mr Simpson a number. It is not for me to direct; it is for local authorities to consider. I gave the example of Nottingham, which has the only scheme in existence in the United Kingdom, where I think the charge is around £2 per day. However, I am not here to give a number, because that would be me overriding local authorities and their local democratic accountability. That is an important point about the regulations that we are dealing with today. This is about empowering local authorities; it is not about me directing them.

Graham Simpson: Far from the minister saying that she will be prepared to, or could, call in schemes or direct councils on what the charges should be, she is clearly not prepared to do that.

She mentioned Nottingham, which is a very interesting example. Nottingham is about to increase what it charges companies. The reason for that—the minister, probably, and Mr Ruskell, certainly, will rejoice at this—is that the money that is taken in by the Nottingham scheme has gone down, because fewer people need parking spaces. Mr Ruskell will think that that is a good thing. However, in order to fill the gap, the council is increasing the charges. That leads us to the conclusion that, in Nottingham, the example so lauded by some people around this table, the charge is actually a money-making scheme.

If the minister wants to press ahead with the scheme, she should at least fix the cap element of the regulations. I am sure that she could do that.

Exemptions have been mentioned, and the Scottish Police Federation made some very strong comments about that. Calum Steele, its general secretary, fears that the charge could be passed on to rank-and-file police officers. However, if it were not to be passed on to them, it could hit overstretched police budgets.

Unions have come out against the scheme. Keir Greenaway, senior organiser for GMB Scotland, said that the lowest-paid workers would suffer at the worst possible time, with the rising cost of living. He is absolutely right.

As I pointed out two weeks ago, more than half of the employers in Nottingham have passed the parking levy, which is set to be nearly £500 a year per parking space, on to their staff. Some of those staff will be low paid. The scheme is a regressive tax.

Monica Lennon: You have been honest in saying that, in principle, you are opposed to a

workplace parking levy. If the Parliament voted for the motion to annul the regulations, to create a bit of space for the scheme to be reconsidered and for improvements to be made, what would you like the minister to consider, who would you like her to speak to and what practical differences would you like to be made?

I know from our shared time in local government that you and I both want to empower not only local authorities but people throughout Scotland to make the best choices for themselves. Would you, for example, want the minister to consider the everyone aboard campaign, which calls for free public transport by bus to be extended to everyone under the age of 25 as well as to people on low incomes and benefits? Is that the kind of measure that the Parliament should consider so that there can be a place for a workplace parking levy in the future?

The Convener: Be brief, please, Mr Simpson.

Graham Simpson: I will draw my remarks to a close, convener. I know that you are up against time, but Ms Lennon asked me a direct question, which I will try to address.

I want public transport to be improved for everyone. That should come first. It would encourage people to use public transport, not their cars, I hope.

I have real concern about the regulations. If we accept that the parliamentary numbers appear to mean that the regulations will go through, the minister should try to fix the flaws in them. She should introduce exemptions, which are not in the regulations. She has the power to do that. She also probably ought to set out in guidance what an acceptable level of charge would be.

I do not want the scheme to be introduced at all, but the parliamentary numbers are what they are. Ms Gilruth and Mr Ruskell can get the regulations through. If Ms Gilruth decides to go ahead with the scheme, there are things that she could do to improve it.

This is the wrong time to introduce the scheme. It is an attack on employers and bad for employees, jobs and the recovery from the pandemic. It is the wrong time for businesses and staff. The scheme should be stopped.

I move,

That the Net Zero, Energy and Transport Committee recommends that the Workplace Parking Licensing (Scotland) Regulations 2022 be annulled.

Fiona Hyslop: Graham Simpson might not be aware of this, but the committee is currently conducting an inquiry into how local government can work with partners to deliver the net zero

target, and a reduction in car use is clearly part of that.

The question that we are faced with in this SSI is not whether we should revisit the scheme—indeed, Graham Simpson has been very up-front about not wanting a scheme at all—but one of timing. Are the charges being introduced this year, or is there some time for preparation?

There is also the question of whether the SSI will address some of the issues that have been raised today. However, those issues will be addressed not by the minister but by local authorities, and the choice for us is whether we empower local authorities in that respect.

Graham Simpson: I am not sure whether the member has the 2019 act in front of her. I do, and the minister herself has confirmed that she has the power—if she chooses to use it—to create further exemptions in regulations. Does the member think that the minister should do that?

Fiona Hyslop: The local authorities can, in putting forward their schemes, use their own powers under the act to decide what exemptions might be needed. Each city might be different in that respect. Realistically, we are talking about cities, not rural areas.

As for putting a cap in place, local authorities themselves can do that. In fact, they will need to do so as part of the impact assessment report that they will have to put together. Similarly, with regard to the modelling, they will need to identify what can and cannot be done with displacement. I do not know whether other members have tried to park in Edinburgh city centre for any length of time, but the permits there are for local residents, not for anyone coming into the city to use car parking spaces. The reality is that, in both our major cities, times have changed with regard to the transport issues that they face.

What it comes down to is local authorities being able to make their own decisions. I know from city leaders that they are very involved with local businesses and what they might or might not need, and I very much welcome the funding that the Scottish Government has given for city centre regeneration and recovery. They are being supported in that respect.

Mr Simpson referred to Nottingham, but the whole point of that scheme was that the council wanted fewer people to use their cars. It is therefore not surprising that there are fewer cars going into Nottingham. I found it a bit odd that that was highlighted as a problem with the scheme.

It is absolutely clear that public transport needs more funding. Yes, we need more funding at a national level, and others might want to say something about the efforts that are being made to

increase money for transport in the budget that we have just considered. However, that can happen at a local level, too. I also point out that the need for consultation and the report that, as a result of this SSI, local authorities will have to produce will address a lot of the concerns that have been raised.

Finally, as this is a debate, I think it is worth pointing out that the Conservatives' manifesto for the 2021 Scottish Parliament elections said:

“Councils should lead post-COVID reviews of changed travel patterns in their area and be encouraged to create more low traffic neighbourhoods, bus and bike only roads, school streets and low emission zones where they would be beneficial.”

I also note that, in the Scottish Conservatives' manifesto for the 2017 local government elections, Graham Simpson said:

“We need to empower councils and give them a renewed sense of meaning and purpose. They can and must be the engines of growth. ... We believe that decisions should be taken as locally as possible and that power should lie with politicians elected as locally as possible.”

The nub of the matter with this SSI is: do we or do we not trust local authorities to make their own decisions? I do not expect every local authority to implement the regulations. It is clear that the two major cities are interested in doing so, but, before they can, they will have to produce a report and carry out an impact assessment. Moreover, they—or, indeed, the minister—can appoint a reporter to examine the propositions.

With that, I will end, convener. I thank everyone for giving an airing to this important subject.

The Convener: I call Liam Kerr, to be followed by Jackie Dunbar.

Liam Kerr: Two years ago, the Parliament passed the Transport (Scotland) Bill, which contained the power to levy a car park tax. I and my colleagues tried to amend the provisions to make them more equitable by exempting the police, care workers, shift workers and so on and by ensuring that those who did not live or work close to public transport would not be caught. As Graham Simpson has rightly pointed out, the Government at the time was not with us on those amendments or the final form of the bill, and the legislation was therefore passed. We have now been presented with these regulations and Mr Simpson's motion to annul.

12:00

I have listened very carefully to the evidence that has been given by the minister to the committee recently. I have read the letter that she sent to us last week, and I have listened to her answers this morning. What strikes me is the lack of detail that persists in the scheme, to the

potential detriment of so many people. I find that particularly concerning given that, as I mentioned earlier, only five months ago, Transport Scotland specifically acknowledged the requirement for guidance and the minister acknowledges that such guidance does not exist. We have heard that there will be no cap on what might be charged, and nothing will prevent employers from passing on the cost to employees. Indeed, the evidence that the committee has received suggests that employers will do that.

The Government wants to drive behaviour change, but it could not give me a figure as to what it thinks might achieve that change. I listened to the minister's response to Mr Simpson's remarks. The minister can call in an unreasonable charge, but she has no idea, or is not prepared to set out, what she believes an unreasonable charge to be. What is the definition of that?

We heard that no modelling has been done on the impact of decanting on to surrounding streets or, as my friend Ms Lennon pointed out, on the impact on lower-paid workers. There have been no clear answers on how the funds that are generated will benefit rural areas and/or the areas in which those who pay live but do not work. I am thinking about, for example, people commuting from a rural town into a city. It also appears that no one has checked whether it is legally competent to tax the same piece of land twice under two separate heads.

The regulations do not address those significant concerns, nor do they address many of the others that we have heard today. The lack of progress in addressing those issues is highly concerning. Fiona Hyslop rightly made the point about timing. I have no doubt that doing the work during the pandemic would have been challenging, but I cannot understand the urgency of forcing through what appears to me to be an undercooked and underprepared scheme in such a hurry.

The committee has heard at some length about the deposit return scheme, which has been significantly delayed due to the underlying lack of detail and rigour. As Graham Simpson said, some members of the committee will welcome the car park tax, but no one welcomes bad legislation.

I ask the committee to heed the convener's question right at the start of the meeting, to which I am afraid I did not hear a proper answer. What happens if we vote for the motion to annul today? Voting for the motion will allow the minister to take the project away, have a rethink, address the significant concerns that she has heard about, find answers to the questions that the committee has posed and come back with a scheme that works, that does not risk destroying businesses and that does not penalise the lowest-paid workers. My

view is that we should get it right rather than get it rushed.

For those reasons, I shall vote for the motion to annul.

Jackie Dunbar: I was not an MSP when the bill that became the 2019 act was passed; I was, and still am, a serving councillor at Aberdeen City Council. I want to say how exciting it is that local authorities will be empowered with more decision-making powers. Everybody, on a cross-party basis, has been welcoming that for years, so it is disappointing to hear that some people think that local authorities should not be empowered to make the choices that affect people in their local communities.

We have heard a lot today. I thank the minister for answering my questions on exemptions, because I was keen to hear about that. I heard that exemptions would be made on a case-by-case basis and that decisions could be broken down within local authorities. For example, an exemption in my Aberdeen Donside constituency might not be appropriate in Aberdeen Central or Aberdeen South and North Kincardine, because there are different areas within local authorities where—

Graham Simpson: Will the member take an intervention?

Jackie Dunbar: Of course.

Graham Simpson: I thank Jackie Dunbar for taking an intervention. She has focused a lot on exemptions. We have established that the minister could make exemptions at a national level—for example, for teachers and police officers, who have to park outside their work. Is that the sort of thing that she would like to see?

Jackie Dunbar: Are you asking me whether I would like the minister to make that decision?

Graham Simpson: Would you like the minister to make that sort of move?

Jackie Dunbar: I think it is up to local authorities to make that decision. I am still a serving councillor—I will be until May—so I am going to say that. You mentioned the police, but in my patch—in my ward, as well as my constituency—we have a police station in Mastrick that does not have a parking place. The police park in the area around the police station. People say that the police, teachers or whoever would be pushed out, but that is not necessarily the case.

It should be down to local authorities to make those decisions. They should be empowered to decide what is appropriate for their areas and what the impact would be. The minister said in her answer to a question that Nottingham has exempted places with 10 parking spaces or fewer.

Our local authorities would have the ability to choose that approach, which would protect small businesses. Our councillors are very good at listening to their local communities. They are at the coalface of politics and they are the ones who hear when things are right and when things are being done wrongly. I have every faith in them being able to make those decisions.

I will not be a serving councillor by the time the regulations come in, but I think that they are the right thing to do.

Monica Lennon: We need to have this discussion in the context of the pandemic, Covid recovery and the cost of living crisis, and we must show that the Parliament and the Government are listening to the people who will be directly affected. For me, the starting point is the workers who the levy is aimed at. We do not know how many workers would pick up the cost, but we can see that business is also very concerned.

Graham Simpson has been very honest in saying that he is opposed to the levy no matter what. I would like to get to a place where I could support a workplace parking levy in the future, but I agree that, as has been said, we have to be able to demonstrate that public transport is affordable, accessible and safe for everyone who needs to use it. I am concerned that discussions have not been taking place in recent weeks with the STUC and workers on the front line.

I do not agree that the decision today is a judgment on the ability of local government to make good choices for local communities.

I believe that we should be trying to take action in this Parliament that does not exacerbate inequality, so we should take a rights-based approach.

On the points that have been made about exemptions, it would be unfair if police officers in Glasgow were exempt but police officers in Edinburgh were not. There are some basic things that we should get right at a national level. I wonder whether the Government should reflect on that and set guidance nationally so that some broad principles are agreed. That would help local authorities in future if they think about delivering such a scheme.

I have some trouble with the discussion about modelling. My understanding is that modelling is about looking at events, including ones that have not happened yet, and at different scenarios. For me, the Scottish Government should have looked at the Scottish context, including the policies and infrastructure that we already have, and done some modelling to examine behaviour change.

I think that we are focusing too much on the Nottingham experience—Nottingham is a city that

I know very well through family connections—but I would like to know more about what analysis has been done of possible scenarios in Scotland.

We have to recognise that bus fares and train fares are rising, that cycling infrastructure is not good enough, that people—particularly women—do not feel safe walking through the streets to work. The National Union of Students will, in 50 minutes' time, arrive at Parliament to stage a protest about the poverty that students face, and it has also raised concerns about the workplace parking levy. It would be remiss of us as legislators and parliamentarians to turn our faces away when people express those concerns and simply say, "Well, that legislation was passed a couple of years ago." We have to take responsibility now.

I agree with the motion to annul the instrument. We should take time to try to get this right. All the discussions that we have had around the climate emergency and what should happen after the 26th United Nations climate change conference of the parties—COP26—have shown that people want a just transition and bold action, but that they do not want those who have done the least to cause climate change to bear the burden.

One of the things that came up during COP26 that sticks in my mind concerns Prestwick airport, which the Government owns. People can fly into that airport on their private jets for business meetings and park there for free, but we are potentially asking low-wage workers and people on the minimum wage and zero-hours contracts to pay to park at work, and we cannot give them straight answers in that regard.

Those are some of the inequalities that I would like to be addressed, so I will support the motion to annul the instrument.

Mark Ruskell: I really fear that this debate has been a complete waste of time. I totally respect that Graham Simpson has an ideological opposition to the workplace parking levy. He is entitled to have that, and he was entitled to challenge the provision of the workplace parking levy in the 2019 act—I cannot remember if he did, but the Tories certainly tried to get it struck down during the passage of the bill. However, we are beyond that point now, and the motion that he has moved today will not remove that provision from the statute book. If he wants to remove it from law, he is more than welcome to bring forward a member's bill and make the issue a defining campaign of this parliamentary session, but his motion to annul will not do that.

It is telling that a similar provision remains in UK law. Some councils have made use of it and others have chosen not to, but there has been no attempt by the UK Government to remove it. If Mr

Simpson wants to remove the provision from Scots law, he is more than welcome to try to do that, but that is not the effect of his motion—it might be his intention, but it is not the effect.

I know that, after the passage of the 2019 act, virtually all local authorities in Scotland had detailed discussions about whether they wanted to introduce the levy—I remember engaging in those discussions with local authorities in my region. Some of the councils that were more rural in nature discussed the issue with local businesses and major employers in their towns and cities and decided that either the time was not yet right or that it was not a provision that they wanted to pursue. We need to empower local authorities and trust them to make those decisions. Jackie Dunbar made the key point: we need to ensure that that discussion happens locally, and the decision about whether to push forward with the levy should be taken at that level.

What has changed since 2019? Well, we have a climate emergency—

Liam Kerr: I am listening carefully to what you are saying, Mr Ruskell. Earlier, you asked the minister a good question about the modelling that had been done about whether businesses would come back to town and city centres. However, we did not get an answer on the modelling. Instead, we heard about an aspiration.

You have listened to the session this morning. Many questions were asked about the modelling and data that is relied on. Surely, you can accept that that data is lacking and that it would be better to work out what the impact on lower-paid workers and on the rural communities looks like and come back later once the data has been corrected.

12:15

Mark Ruskell: You are getting hung up on the word “modelling”. This is not a simple input-output spreadsheet, in which one puts the cost of WPL in and then gets a kind of output from it. All councils need to consider the experience of places where workplace parking levies have been introduced and need to have detailed discussions with employers that operate in their areas, and with communities, about how the scheme might work.

It is only through doing that work that we will understand the aspirations of employers and whether they might wish to move back to city centre locations that would benefit the local economy and might have lower numbers of parking spaces. We will not put all that data into a spreadsheet and suddenly get an answer. The process requires that discussion with individual employers—that local democratic process—to work out how a workplace parking levy could be introduced.

We have good evidence from places where the scheme has been introduced in England. The quicker we can introduce WPL in Edinburgh and Glasgow, the quicker we will have a solid base of evidence to empower other local authorities and decide whether the scheme is the right thing for them. We can only get to the end of the process by learning through doing and implementing the workplace parking levy on the ground.

I come back to what has changed since 2019. The climate emergency has accelerated, and we in the committee all know how hard it is to bring down transport emissions. The low-hanging fruit is gone; we have to make decisions. The Parliament decided in 2019 to put the levy in as an option for local authorities to deliver.

We also know that congestion is not coming down in our cities, which is damaging not just to our health but to our economy. Seven billion pounds were lost to the UK economy this past year through congestion, which does not benefit anybody—neither the businesses that have concerns about the workplace parking levy, nor any part of our economy or society.

Monica Lennon talks about the decline of bus services. We share some concerns in that area. I see the scheme as a way of investing additional resources and funding to give everybody a much better alternative to the car. That process needs work, and the existing programmes of local councils will not be enough to meet the 20 per cent vehicle reduction—

Monica Lennon: Will Mark Ruskell give way on that point?

Mark Ruskell: Yes, if I have time.

Monica Lennon: I go back to the example of the X1 bus—an express service between Hamilton and Glasgow which was well used in the local area. The company did not share its modelling and its data said that the bus route did not make enough profit. There was much sympathy across the political spectrum, and the community has fought hard, but that bus route has not been returned. Many of my constituents—although not all—say that they now drive or car share to get to work in the city.

Is there anything in the workplace parking levy scheme that will make it possible for that bus to come back? The debate is not theoretical—people have to make those choices when they get up in the morning and come home from work and sadly, in the example that I have given you, people who had used the bus regularly now use the car. Will the workplace parking levy change that situation?

Mark Ruskell: It can. I share your concerns—I had a similar issue with the X53 bus, which I brought to a members’ debate. There has been a

lack of transparency from the companies about why they are pulling certain services, and Covid has had an impact on that situation as well. It comes down to the imagination of councils to devise local transport strategies that put in place local bus partnerships, which could include municipal bus companies, that ensure that we can make services viable. If that work were part of a local transport strategy, I do not see why we could not see additional investment—I stress the word “additional”—in those kind of initiatives, under the legislation.

It is for us to push the boundaries, use WPL to incentivise investment in public transport services and ensure that those services are in place when WPL is rolled out. The case is stronger now, particularly given the cost of living crisis, for bringing in a measure that can drive that investment and give ordinary families the public transport systems that they deserve and need.

I take exception to what Mr Simpson is saying. I do not think that we will see councils spending workplace parking levy income on building motorways. That is not what the levy is for. It is an anti-congestion measure, and a measure for investment in the alternatives that people desperately need. It would be bizarre for councils—

Graham Simpson: Will you take an intervention?

Mark Ruskell: I need to make a bit of progress, Mr Simpson.

Graham Simpson: Oh, come on.

Mark Ruskell: The purpose of the local transport strategies, which will have to link into the national transport strategy, will be to drive down congestion to meet the 20 per cent vehicle mileage reduction target. The investments that WPL will be used to fund have to be able to meet that target and work with that direction of travel. It is not a money-making scheme, Mr Simpson. It is a tramline-building scheme. It is a cycle lane-building scheme. It is a bus priority lane-building scheme. That is what WPL is for. It is about investing in the future, and it is high time that we got on and delivered it.

Natalie Don: This morning, we have heard legitimate concerns about the proposal, but we have also heard legitimate responses to those concerns. I do not think that we should delay the proposal any further.

There has been a lot of emphasis on the cap on charges, and we have heard examples of extreme circumstances relating to the implementation of the levy, but I have lost count of the number of times that the point has been made that it will be for local authorities to decide what happens in

their areas. As my colleagues Jackie Dunbar, Fiona Hyslop and Mark Ruskell have pointed out, those opposed to the levy seem to have very little faith in the ability of local councils to implement the levy in a way that works for their areas. As a councillor, I find that shocking. Councils are best placed to know what is going on in our local areas and what would work in those areas. The consultation, and the regulations that have to be implemented in line with the levy, back up even more the point that local authorities are best placed to take the levy forward.

I do not understand the idea that local authorities in Scotland should not have the same powers as those in England. We have seen that the levy has been effectively used in England and Wales.

The levy will not happen overnight—we have heard that it will take years. Local authorities have to go through a due process and consultations to find the way that, in the end, works best for them.

Achieving our 2030 target of a 75 per cent reduction in emissions will require significant changes to behaviour. This is a tool for local authorities to support that. I am absolutely behind it. It is extremely positive that the revenue that will be raised by the levy will be used to support the objectives of local transport strategies.

I completely understand members' sentiments about the cost of living crisis that we are experiencing, but transport improvements that could come about as a result of the levy could be hugely beneficial to people in poverty and on low incomes, who are disproportionately affected by poor public transport services. Again, it will be for councils to decide what is best in their areas.

I concur with what we heard about Mr Simpson's 2017 comments about empowering local councils to take decisions. I am wondering what has changed. This morning, there appears to have been more interest in playing party politics than in empowering local communities to follow through and tackle climate change.

The levy will be hugely beneficial for some areas. There are areas where that will not be the case, but councils, which know their areas best, will have the option whether to implement the levy. They will be able to shape the scheme, set fees and, as we have heard, provide exemptions. Again, councils will be able to decide whether the levy is right for their area.

We talk about localism and handing more power to local authorities. We should continue with the proposal and I will vote against the motion to annul.

The Convener: Thank you. I call the minister to respond to the points that have been raised.

Jenny Gilruth: Having listened to the debate, I come back to the point that most of the issues that have been raised were decided by the Parliament during the passage of the 2019 act some three years ago or relate to the details of specific schemes that are subject to local authorities' discretion, empowerment and local accountability as part of the requirement in the act to set out schemes—[*Inaudible.*—]—and carry out impact assessments.

There has been discussion about the regulations introducing a cap on charges but, if the motion to annul is agreed to, I cannot make such a change; it has to be done through primary legislation. Members need to understand that. We need to be very clear that we are voting on the regulations, and I cannot unpick them to introduce a cap. As I have said, that would have to be done via primary legislation.

The regulations give local authorities the powers that they have already been provided with under the 2019 act. That is hugely important. As we have heard in members' speeches and in the question-and-answer session, that power already exists in England and Wales. The Labour administration in Nottingham and the Conservative Government have been perfectly happy for the power to exist and operate. Likewise, we have heard that certain local authorities in England and Wales have not chosen to use it.

However, that is in the gift of local authorities; it is not for politicians or ministers like me to direct these things. The power was given by the Parliament on the basis that local authorities would be able to design schemes to reflect local circumstances. There are robust requirements on local authorities to consult the people who are likely to be impacted by local schemes as well as requirements on those authorities to undertake impact assessments. Fundamentally, however, this is about trusting our local authorities—

Graham Simpson: Will the minister give way?

Jenny Gilruth: Absolutely.

Graham Simpson: You said in your opening comments that the instrument had been delayed because of Covid. As I have pointed out, businesses are still struggling. Why do you think that now is the right time to introduce the instrument?

Jenny Gilruth: On the first point, I make it very clear that the delay related to resource in Government. We had to redirect vast swathes of civil servants because they had to deal with the emergency legislation that, as the member will recall, we had to pass back in 2020, not because this was a bad idea.

I am going back to my previous role for a moment but, on the issue of businesses and whether this is the right time to introduce the regulations, Mr Simpson will recall that the UK Government decided not to extend the transition period during the worst excesses of the pandemic and instead ploughed ahead with a hard Brexit, which impacted on and devastated many businesses across Scotland. I therefore find it quite difficult to take lessons from the Conservatives on what would be the right time to introduce legislation such as this that will have an impact on businesses.

To some extent, the Conservatives have hidden behind Covid with regard to some of the impacts of Brexit, and I very much hope that they are not suggesting that we hide behind Covid with regard to the climate emergency. We have heard from Mr Ruskell about the need for urgency on this matter. We have to get on, and the workplace parking levy is a way of working with local authorities to achieve our climate change ambitions.

Graham Simpson: Will the minister give way?

Jenny Gilruth: No—I would like to make some progress.

As for the concerns that have been raised about the impacts on different types of businesses and workers, they will be for local authorities to consider, consult on and assess. The 2019 act gives authorities the power to shape their own schemes by specifying, for example, the time of day when they will apply. That is actually quite important. Monica Lennon referred to vulnerable workers, and we need to look at what types of workers are working at which times of day—for example, women who might be working in night-time industries, hospitality and so on—geographical boundaries and local exemptions to ensure that councils have the flexibility and discretion to support positive outcomes. As the committee heard two weeks ago in my response to Ms Hyslop, two or more local authorities might want to work together to create their own scheme.

We have skirted around the climate change emergency today, but I do want to come back to it.

Liam Kerr: I want to go back to a question that I asked earlier. You are pushing a lot of this on to local authorities, and I understand why, but Transport Scotland has said

“Supporting regulations and guidance will be necessary to provide national consistency on key elements of the scheme”.

You told me earlier that work on the guidance has not even been started. When can local authorities expect it to be finalised and produced?

Jenny Gilruth: I do not think that I said that work has not started. That is not accurate. We

plan to publish guidance in the first half of 2022, if the Parliament does not annul the regulations. In our guidance for local authorities, we will outline the themes that emerged from the public consultation, which was undertaken to inform the regulations and guidance. That will include issues that were outwith the scope of the regulations but that local authorities might want to look at in their consultations. The guidance will also include reference to the support that is already available to local authorities in existing guidance on best practice in their consultations.

12:30

Before I took an intervention from Mr Kerr, I mentioned the climate change emergency, and it is important that we link back to that. All the parties in the Parliament supported the ambitious and legally binding emissions reduction targets in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. Workplace parking licensing schemes have the potential to encourage the use of more sustainable travel while also raising revenue that will be used to improve public and sustainable transport. That is the key point that Mark Ruskell made. Now is the time to support the climate change legislation with real actions and not just words.

We have heard much today about the Nottingham example. I again make the point that it is the only scheme in operation in the United Kingdom. I point to the positive outcomes that were outlined in evidence to the committee's predecessor by Nottingham City Council, which is a Labour-run council. Of course, Nottingham has among the highest public transport use in the country, and there has been an associated fall of 40 million car miles over the past 15 years. The revenue from the workplace parking levy has supported the expansion of Nottingham's successful tram system, which I mentioned. Nottingham has also made grants available to support employers to implement sustainable transport measures such as cycle parking. Again, that is a hugely significant investment.

I am pleased that the Government has introduced the regulations so that local authorities in Scotland can make use of the new discretionary powers that the Parliament provided to them. I do not support Graham Simpson's motion to annul the regulations, which are technical and necessary in order for workplace parking licensing schemes to be implemented effectively and transparently. I urge Mr Simpson to withdraw his motion. If he does not do so, I urge members of the committee to oppose it.

The Convener: I invite Graham Simpson to wind up the debate.

Graham Simpson: It has been a very full debate, so I do not intend to delay the committee for much longer. I will simply make a couple of points. The first is a point that nobody has really addressed—the minister did not address it when I intervened on her; instead, she wanted to talk about Brexit. This is not the right time to introduce the instrument, because companies and employers are suffering. We need to be building back from the pandemic. The wrong way to do that is to impose extra taxes on employers, which could potentially be passed on to employees—that could well happen.

The matter of exemptions has been raised. The minister has the power to introduce exemptions, but it seems that she does not want to use it. That could cover people such as shift workers. I used to be a shift worker and I had to work in a city centre. There was a concern, particularly for some of my female colleagues, about having to walk through a city centre late at night. What about people who work in an industrial estate at night where there is no public transport? Their employer could well decide to pass on the parking levy to staff.

Fiona Hyslop: The member is addressing one of the key points about exemptions, which local authorities could introduce. Local authorities that have big tourism and hospitality interests, such as Edinburgh, might want to consider that. There are very few industrial plants in the centre of cities. However, the member's point about shift workers is well made, but he seems to be saying that the minister needs to make that decision. Why does Mr Simpson think that the local authorities in the cities that are seriously considering introducing a scheme do not have the capability to understand shift working and where the industrial estates are within their city centre boundaries? Why does he not trust those local authorities?

Graham Simpson: It is not a matter of not trusting local councils. Fiona Hyslop helpfully mentioned our previous local government manifesto. I was the author of that, so I agree with every word of it. We will wait and see what transpires for the next local government elections.

It is not a matter of not trusting local councils. The minister has the power to introduce exemptions, and she could set those out. I actually made that point during the passage of the 2019 act. I tried to get an exemption into the act for shift workers and people who do not live or work near public transport. Unfortunately, I was unsuccessful. That will be a real concern if the measure goes through.

I will end there, because we have probably spent long enough on this and we have explored all the issues. I will press the motion to annul.

The Convener: The question is, that motion S6M-03166, in the name of Graham Simpson, be agreed to. Are we agreed?

Members: No.

The Convener: As we are in a hybrid meeting, we will vote by roll call. I will invite members to vote in alphabetical order, with my vote being cast at the end. The choices are to say “yes”, “no” or “abstain”.

For

Kerr, Liam (North East Scotland) (Con)
Lennon, Monica (Central Scotland) (Lab)
Lockhart, Dean (Mid Scotland and Fife) (Con)

Against

Don, Natalie (Renfrewshire North and West) (SNP)
Dunbar, Jackie (Aberdeen Donside) (SNP)
Hyslop, Fiona (Linlithgow) (SNP)
Ruskell, Mark (Mid Scotland and Fife) (Green)

The Convener: The result of the division is: For 3, Against 4, Abstentions 0.

Motion disagreed to.

The Convener: The committee will produce a report on the instrument, reflecting the evidence and the votes cast. Is the committee content to delegate to me, as convener, responsibility to agree the report on behalf of the committee?

Members *indicated agreement.*

The Convener: That brings us to the end of the session. I thank the minister and her officials for their time.

12:36

Meeting continued in private until 12:52.

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