

Transport (Scotland) Bill

[As amended at Stage 2]

Supplementary Financial Memorandum

Introduction

1. As required under Rule 9.7.8B of the Parliament's Standing Orders, this supplementary Financial Memorandum is published to accompany the Transport (Scotland) Bill, as amended at Stage 2.
2. This supplementary Financial Memorandum has been prepared by the Scottish Government to examine costs associated with amendments to the Transport (Scotland) Bill ("the Bill") after Stage 2. It does not form part of the Bill and has not been endorsed by the Parliament. It should be read in conjunction with the Financial Memorandum, published to accompany the Bill as introduced on 8 June 2018.
3. Where provisions have been removed from the Bill at Stage 2, the implications of this have been highlighted, as well as amendments that have been introduced at Stage 2. Amendments agreed at Stage 2 which are not covered in this supplementary Financial Memorandum are considered not to have any substantial cost implications.
4. The supplementary Financial Memorandum will address the new cost implications in each section of the Bill in turn.

Update on estimated costs – part 1: low emission zones (LEZs)

Overview

5. The low emission zone (LEZ) provisions in the Bill were amended at Stage 2. These changes did not fundamentally alter the approach or statutory framework and therefore do not present material cost implications for the set-up or running of LEZs. However, these amendments make some technical and administrative changes to LEZ

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management and application and therefore potential cost impacts are explored below.

Application of an LEZ Scheme

6. Section 2, as amended, allows regulations to prescribe alternative databases from which local authorities can obtain records on vehicle emissions.

7. Amendments to section 2 mean that LEZ detection processes will be more adaptable in relation to retrofitted vehicles. Therefore, the approved devices can capture the vehicle's details, which enables the emission standard at that point in time to be obtained from the Secretary of State, rather than the emission standard of when the vehicle was first manufactured, e.g. before the vehicle was retrofitted.

8. Sections 9 and 10 now allow local authorities to apply LEZ restrictions to certain types of vehicle, rather than all vehicles, from the outset of a scheme. This can also be done during any grace period. This approach provides flexibility to not include vehicle categories where their emissions would have a proportionally low environmental impact (or significance) compared to other vehicle types.

9. Section 12, as amended, allows local authorities to create a time-limited exemption for vehicles which are diverted into an LEZ as a result of a temporary road closure, providing they follow a signed diversion route.

10. Following amendments at stage 2, the provisions in section 18 now enable the temporary suspension of an LEZ for certain events to be carried out on part of an LEZ, rather than the overall area of the entire scheme. Such suspensions can also now take place for events of local importance, rather than being restricted to those of national importance. However, those which are to be more than seven days now need the prior approval of the Scottish Ministers.

11. The process for reviews of the operation and effectiveness of LEZ schemes in section 24 now allows for local authorities to be able to instigate them, in addition to the ability of the Scottish Ministers to give a direction that such a review must be carried out.

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12. With regard to the removal of approved devices used for LEZ detection purposes, section 15 as amended means that this can be done via a third party, such as a contractor, rather than just the traffic authority itself. This mirrors the provisions in the Bill at introduction for the installation and maintenance of such devices.

Grants and Revenue

13. In relation to grants, amendments to section 19 mean that the conditions of any central government grants for LEZs will be determined by negotiation between the Scottish Ministers and local authorities, rather than the Scottish Ministers alone determining the conditions. Additionally, the Scottish Ministers have the power to make grants to a local authority that would help towards meeting costs in revoking a scheme.

14. Regarding revenues, section 21, as amended, ensures that LEZ penalty charges received by the local authority will go, first and foremost, to meeting an LEZ scheme's objectives.

Reporting and Transparency

15. Section 23 has been amended to require a local authority to lay a copy of its LEZ annual report before the Scottish Parliament.

16. Section 23, as amended, now ensures that a local authority's annual report on the operation and effectiveness of an LEZ scheme must provide specific commentary on (a) the costs of proposing, making and operating the scheme, (b) the gross and net revenue gathered by the authority from the operation of the scheme, and (c) details of how the revenue has been used to facilitate the achievement of the scheme's objectives.

Costs on the Scottish Administration

17. In relation to the new powers for regulations to prescribe alternative databases from which vehicle emissions records can be obtained (section 2 as amended), there are potential cost implications depending on how such measures may be used. The costs for obtaining data from alternative databases are currently unknown.

18. There could be resource implications for the Scottish Government in terms of staff time to obtain records from other sources other than the

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DVLA. The precise costs for obtaining data from alternative databases are currently unknown.

19. In relation to new powers for the Scottish Ministers to make grants in respect of a local authority revoking a scheme (section 19(1)(b) as amended), this could have cost implications. However, these would depend on the nature of the scheme and are dependent on a number of variables which cannot be quantified explicitly at this stage. As a guide, revoking a scheme may entail removal of signs and approved devices in tandem with local inquiry administration. However as LEZs are new to Scotland, there is no precedent for revoking a scheme from which cost evidence can be obtained.

Costs on Local Authorities

20. In relation to LEZ penalty charges, section 21 as amended ensures that any monies received from LEZ penalty charges will be prioritised for meeting the scheme's objectives, which would see monies being utilised to improve air quality.

21. Regarding grants to the local authority, the provisions meaning that any repayments are determined by negotiation between the Scottish Ministers and local authorities do not have explicit costs. However, this interaction would allow local authorities to have a greater role in negotiations associated with repayment conditions.

22. The section 24 powers enabling a local authority to carry out a review of its own LEZ – rather than the Scottish Ministers solely having powers of direction in this regard – could lead to resource implications for the local authority concerned if it meant such activity was done more frequently. However, any local authority running a LEZ will be knowledgeable in aspects concerning the administration, maintenance and oversight of their scheme(s); as such, they will be equipped for such activity. Likewise, in relation to local authorities having a duty to lay a copy of their LEZ annual report before the Scottish Parliament, there was already a requirement in the Bill at introduction for such a report to be produced, submitted to the Scottish Ministers and published.

23. Regarding the removal of approved devices, the amendments to section 15 enabling this to be done by a third party such as a contractor may alter the cost of such activity. Yet this would be a decision for the

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local authority concerned, or the Scottish Ministers depending on whether the device was being removed from a local or trunk road, taking into account cost-effectiveness among other considerations.

24. Any grants made by the Scottish Ministers for the revocation of a scheme would benefit a local authority which was withdrawing an LEZ.

Costs on Other Bodies, Individuals and Businesses

25. The time-limited exemption for vehicles which are diverted into an LEZ as a result of a temporary road closure, providing they follow a signed diversion route, may lead to some motorists avoiding a penalty for an LEZ when they would have faced one previously. Likewise, provisions meaning that LEZ detection systems can better take account of retrofitted vehicles should lead to more accurate detection and stop some motorists being erroneously issued with a penalty charge notice. It is not possible to quantify these at this stage. Such considerations would impact on private vehicle owners and transportation used for commercial businesses, such as buses, taxis and freight/logistics.

Update on estimated costs – part 2: bus services Overview

26. Section 28 has been amended to remove entirely the restriction on local authorities in Scotland providing services for the carriage of passengers by road which requires a Public Service Vehicle operator's licence. This has the effect of enabling local authorities to consider operating such services, including local bus services, in any circumstances and not only those section 28 previously provided for. Section 28 of the Bill as introduced created a power for local authorities to provide local services only in circumstances where they considered it necessary to act to secure an unmet passenger transport requirement. New section 28A enables local transport authorities to control a company that provides local services. [Both amended section 28 and new section 28A have the potential to incur broadly similar costs, as those associated with setting up a municipal bus operation would not be expected to differ whether run directly or through a company.] It is the design and scale of any operation which would be the principal determinant of costs in either circumstance.

27. An amendment at Stage 2 means that new section 35A of the Transport (Scotland) Act 2001, as inserted by section 34 of the Bill, now

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allows local transport authorities to share information about bus stopping points with the Secretary of State through the National Public Transport Access Node (NaPTAN) system. As NaPTAN is a system managed by the Department for Transport, this amendment was necessary to ensure that data sharing could continue following the Bill receiving Royal Assent.

28. Amendments to sections 29 and 32 create powers to allow local transport authorities to require information from bus operators when considering, preparing for and implementing Bus Service Improvement Partnership (BSIP) plans or schemes or local services franchising frameworks. These powers are also available to local transport authorities when monitoring or considering variation or revocation of plans, schemes or frameworks. What constitutes relevant information for the particular BSIP and franchising purposes is to be set out in regulations by the Scottish Ministers. Where an operator does not provide the information which the local transport authority has required of them within the specified timescale the Traffic Commissioner for Scotland may impose a penalty under section 39 of the Transport (Scotland) Act 2001.

29. An amendment to section 31 of the Bill allows the Traffic Commissioner to investigate any action of a local transport authority in relation to the exercise of its duties to provide facilities or measures under a BSIP. The Commissioner will prepare and publish a report and issue that to the local transport authority, making any recommendations the Commissioner thinks fit, including taking remedial action. The report is to be shared with all parties in the BSIP and published.

Costs on the Scottish Administration

30. With regard to the ability of local authorities to run commercially competitive bus operations, this is an option rather than anything which is mandated by the Bill. Therefore, in the same manner as the options for bus provision in the Bill at introduction, it does not result in any direct funding implications for central government. The Financial Memorandum¹ outlines wider current public funding support in the

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[https://www.parliament.scot/S5_Bills/Transport%20\(Scotland\)%20Bill/SPBill33FMS052018.pdf](https://www.parliament.scot/S5_Bills/Transport%20(Scotland)%20Bill/SPBill33FMS052018.pdf)

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context of bus operations, some of which may be applicable in the context of municipal bus operations set up under the Bill's provisions in the future.

31. The new provisions on sharing information through NaPTAN are not considered to have any additional resource implications as both local transport authorities and the UK Government have established processes for managing and sharing data.

Costs on Local Authorities

32. It would be challenging to set out even indicative costs for a local transport authority setting up and running a competitive bus operation, whether directly or via a company it controls, due to the variables in any given scenario. The size or scope of any bus service created and the business model of any commercial bus operator potentially affected might vary dramatically. The Bill's original Financial Memorandum² references the report by Nottingham City Transport (2018) *The Cost of Municipal Bus Operation* by Mark J Fowles, Managing Director of Nottingham City Council, which offers some indicative costs of setting up a bus operation in a city similar in size to Dundee. This is considered useful in giving an illustrative example of potential future cost forecasts for a large scale operation. However, these cost estimates may make it more likely that any local transport authority would consider using these new powers on a much more limited scale, at least initially.

33. In relation to the Traffic Commissioner's powers of investigation into any action of a local transport authority in relation to the exercise of its duties to provide facilities or measures under a BSIP, this would be in the form of a report rather any financial penalty. Therefore there will be no costs regarding penalties for local transport authorities.

Costs on Other Bodies, Individuals and Businesses

Bus operators

34. There could be some loss of business or subsidy to bus and coach operators where a local authority chooses to provide competitive services itself, either directly or through a company it controls. However,

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[https://www.parliament.scot/S5_Bills/Transport%20\(Scotland\)%20Bill/SPBill33FMS052018.pdf](https://www.parliament.scot/S5_Bills/Transport%20(Scotland)%20Bill/SPBill33FMS052018.pdf)

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this would depend on the share of the bus market held by any such operator and the design and scale of any publicly run service established by a local authority. As such, it is not possible to give definitive cost forecasts for any given scenario at this stage. It should also be noted that, in relation to subsidies paid by local authorities to private bus operators to support or secure services, there is no obligation on local authorities to use private operators for this presently or for them to continue to do so.

35. The requirement to provide information to local transport authorities in relation to BSIP plans or schemes or franchising frameworks may have some resource implications for operators, although they are likely to already hold this data, so this is likely to be absorbed within existing operations. Additionally, local transport authorities are to require information to be provided in such form as is reasonable having regard to the manner in which the information is kept.

Traffic Commissioner

36. There are potential minor resource implications for the traffic commissioner in carrying out enforcement action on bus operators who do not comply with the new powers for local transport authorities to require information in relation to BSIP plans or schemes or franchising frameworks. However, as the administration of these penalties is a fairly minor addition to the Traffic Commissioner's enforcement functions in relation to BSIPs and franchising frameworks, it is anticipated that any resource requirement will be absorbed within existing operations.

37. Further, the powers of the Traffic Commissioner to investigate and report on a local transport authority in relation to the exercise of its duties in a BSIP is not anticipated to be used often. Although there would be implications for the Traffic Commissioner in preparing and publishing the report, such administrative costs are likely to be minor and in line with existing functions which the Traffic Commissioner's office undertakes.

Update on estimated costs – part 3: ticketing Changes

38. An amendment to section 37, agreed to at Stage 2, extends the functions of the National Smart Ticketing Advisory Board (NSTAB) to provide advice on the Scotland-wide 'strategic development' of smart ticketing. This is not considered to have any cost implications as it does not materially affect the

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size, composition or purpose of the board. It was always envisaged that NSTAB would provide a range of advice to the Scottish Ministers.

Update on estimated costs – part 3a: travel concession schemes

Changes

39. Under new section 41A, the Scottish Ministers must, within a year of the Bill obtaining Royal Assent, publish a report setting out the costs and benefits of extending local authority travel concession schemes to community transport services.

Costs on the Scottish Administration

40. The preparation and publication of the report will require administrative action by the Scottish Government and local authorities. It is anticipated that any costs associated with this will not be significant and will be met from within existing budgets.

Costs on Local Authorities

41. Any costs associated with the preparation and publication of the report incurred by local authorities will not be significant and it is anticipated that they will be met from within existing budgets.

Costs on Other Bodies, Individuals and Businesses

42. It is not anticipated that there will be any costs on other bodies, individuals or businesses.

Update on estimated costs – part 4: parking at dropped kerbs

Overview

43. Following an amendment agreed to at Stage 2, the Bill now includes a prohibition on parking at dropped kerbs, as well as the existing restrictions on pavement and double parking. Parking at dropped kerbs, particularly at pedestrian crossing points, can impede those with mobility considerations. The prohibition does not apply to dropped kerbs in relation to driveways or garages (both residential and commercial).

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44. The dropped kerb parking prohibition will be enforced under the same decriminalised enforcement schemes and by the same enforcement officers as the pavement and double parking restrictions.

Costs on the Scottish Administration

45. The Bill's original Financial Memorandum³ set out the cost implications for decriminalised parking enforcement regarding pavement and double parking. It also outlined the mechanism for central government funding to support local government on these measures. As the enforcement of dropped kerb prohibitions will be subsumed into this system, it is not considered that it will generate material additional costs. The engagement between the Scottish Government and partners, including local authorities, outlined in the original Financial Memorandum continues and will consider all duties created by the legislation ahead of commencement.

46. The implementation and enforcement of all three parking prohibitions will form part of the Parking Standards document, being developed by the Scottish Government in collaboration with a range of stakeholders, including local authorities. As such, no new costs are envisaged in this regard.

Costs on Local Authorities

47. Local authorities may have increased resource implications in relation to enforcement due to the addition of dropped kerbs. However the amalgamation of this duty into the decriminalised parking responsibilities which existed in the Bill before Stage 2 will help mitigate this.

48. Although it is not the principal policy intention behind the measures, the parking restrictions have the potential to raise revenue for local authorities through the collection of penalties.

Costs on Other Bodies, Individuals and Businesses

49. There may be costs to individuals who breach the prohibition by parking in front of dropped kerbs when the restriction is implemented.

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[https://www.parliament.scot/S5_Bills/Transport%20\(Scotland\)%20Bill/SPBill33FMS052018.pdf](https://www.parliament.scot/S5_Bills/Transport%20(Scotland)%20Bill/SPBill33FMS052018.pdf)

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However, this can be avoided by adhering to the law and widespread public information campaigns are planned on the parking measures in their entirety ahead of introduction. The expected costs of the planned national campaign are estimated in the original Financial Memorandum for the Bill as £500,000 and the dropped kerb information will be subsumed within this sum.

Update on estimated costs – part 4a: workplace parking Changes

50. Provisions on workplace parking licensing (WPL) were added at Stage 2 and form a new Part 4A of the Bill. The provisions introduce powers that enable local authorities to implement a parking licensing scheme in respect of places of work across their local area, and to charge persons who provide workplace parking. Local authorities will have the option to introduce a scheme within the framework provided by the Bill.

51. WPLs allow local authorities to raise revenues to align with strategic transport objectives in the local area. As such, a key element is the ability to raise funds and therefore any set-up costs would soon be offset as a scheme begins to function. Given local authority discretion, there is the potential for wide variation in how the costs of a scheme will be incurred and the level of revenue it may accrue over time. All schemes will be subject to a number of consultation requirements and procedural processes that ensure it is suitable for the area, with requirements in particular to consult on the area to be covered by the scheme, the charges payable on licences and any proposed exemptions. Since income will be dictated by a number of variables in individual schemes, the overall cost nationally – or within a specific local authority area – is challenging to quantify.

52. There are no WPL schemes in Scotland from which to draw financial evidence, and Nottingham is the only established example in the United Kingdom. Therefore, while it may not be possible to make quantifiable predictions on Scottish-specific future scenarios, the information below provides illustrative examples in order to explore such costs.

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Costs on the Scottish Administration

53. The Scottish Administration will have no responsibility for any WPL scheme which a local authority introduces and therefore bears no direct additional costs in that regard. It is envisaged that Scottish Government guidance will be produced to accompany any future Act containing WPL provisions. This will be undertaken by Transport Scotland officials with existing responsibilities in this area and it is envisaged such costs will be absorbed within existing staffing budgets.

54. In respect of its role as an employer, the Scottish Government would be liable for any costs regarding workplace parking it provides which was captured by a scheme, in the same way as any other employer. Therefore such considerations are subsumed in the *Costs on Other Bodies, Individuals and Businesses* section below.

Costs on Local Authorities

55. Local authorities will be required to fund the set-up costs of any scheme they choose to implement. Costs arising from a scheme will depend on how the local authority sets up the scheme. This includes geographical scope, the nature and number of employers captured and the manner in which the licencing scheme operates. Such a number of variables make it difficult to set out estimates of costs arising from the implementation of a WPL licencing scheme.

56. Nottingham City Council's WPL scheme was introduced in 2012. During 2009 and 2010, Nottingham specifically reserved £1.691 million to meet the development needs of the WPL in the city⁴. This was largely funded through Central Government contributions⁵. The scheme in

⁴ Nottingham City Council, Statement of Accounts, para 1.10.3, accessed on 29/07/2019 at

<https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=2ahUKEwjJoNfu3MjkAhUgTxUIHRWmAp8QFjABegQIBRAC&url=http%3A%2F%2Fcommittee.nottinghamcity.gov.uk%2FData%2FAudit%2520Committee%2F20100625%2FAGenda%2F%24SOA%2520-%252043925.doc.pdf&usg=AOvVaw3E5mjXv5kIRc7eqkc6HhsV>

⁵ Nottingham City Council, Statement of Accounts, para 1.10.3, accessed on 29/07/2019 at

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Nottingham has approximately 25,000 liable parking spaces⁶ and 500 liable providers, meaning set up costs average at approximately £67 per liable space or £3,392 per liable provider. Liable providers are those that provide 11 workplace parking spaces or more, and a liable space is one that is used by an employee or worker for the purpose of attending their workplace. These set up costs included the 'back office' system to manage the scheme, web portals to allow providers to apply and make payments for licences and staffing up to manage and enforce the scheme.

57. In subsequent years, the Nottingham scheme has been self-funding as the revenue raised by the WPL scheme covers the administration costs of the scheme. In 2017/18, the scheme raised £9 million and the administration costs were £0.5 million, meaning costs were approximately 6 per cent of the overall raised revenue⁷. The scheme was designed to raise less initially, with the cost of the levy increasing in line with inflation. Details of annual charges, revenue and parking places are detailed below in table 1⁸. By way of further context,

<https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=2ahUKEwjJoNfu3MjkAhUgTxUIHRWmAp8QFjABegQIBRAC&url=http%3A%2F%2Fcommittee.nottinghamcity.gov.uk%2FData%2FAudit%2520Committee%2F20100625%2FAgenda%2F%24SOA%2520-%252043925.doc.pdf&usg=AOvVaw3E5mjXv5kIRc7eqkc6HhsV>

⁶ Simon Dale, Matthew Frost, Stephen Ison, Mohammed Quddus, Mr Peter Warren, Evaluating the impact of a workplace parking levy on local traffic congestion: The case of Nottingham UK, Transport Policy, Volume 59, 2017, p.153-164, accessed on 29/07/2019 at <https://doi.org/10.1016/j.tranpol.2017.07.015>.

⁷ Naomi Clayton, Simon Jeffrey, Anthony Breach, Funding and financing inclusive growth in cities, Centre for Cities, December 2017, accessed on 29/07/2019 at <https://www.centreforcities.org/wp-content/uploads/2017/12/17-12-11-Funding-and-Financing-for-Inclusive-Growth.pdf>

⁸ Rural Economy and Connectivity Committee, Papers for Meeting, 22 May 2019, Nottingham City Council Submission, p.13 accessed on 30/07/2019 at https://www.parliament.scot/S5_Rural/Meeting%20Papers/RECC_20190522_Public_papers.pdf

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total revenue expenditure for Nottingham City Council was £472 million in 2017/18⁹, meaning WPL scheme costs are 0.1 per cent of overall Council expenditure for the year. Section 58L of the Bill allows local authorities in Scotland to fund the costs of running the scheme from receipts.

Table 1 WPL Revenue

| Year | Charge (£) | WPL Gross Revenue (£) | Liabile Workplace parking Places |
|-------|------------|-----------------------|----------------------------------|
| 12/13 | 288 | 7,773,406 | 26464 |
| 13/14 | 334 | 8,453,026 | 25302 |
| 14/15 | 362 | 9,274,009 | 25275 |
| 15/16 | 375 | 9,298,370 | 24895 |
| 16/17 | 379 | 9,401,084 | 24970 |

Source: Nottingham City Council

58. The revenue raised by the WPL - less the administration costs - is then available to be hypothecated into the local transport system. Nottingham, for example, has used the revenue to part-fund improvement and development works to their tram system, railway station and improving the Link bus service¹⁰. In Scotland, under the WPL provisions, a local authority which plans to introduce a WPL licencing scheme must develop a local transport strategy. Funds raised through the scheme can only be spent on scheme administration costs and to support activities identified in the local transport strategy. How funds raised are to be used must be outlined as part of the consultation on introducing a workplace parking licensing scheme.

⁹ Fraser of Allander Institute, Scotland's Budget Report 2018, November 2018, accessed on 29/07/2019 at <https://www.sbs.strath.ac.uk/economics/fraser/20181108/Scotlands-Budget-2018.pdf>

¹⁰ Rural Economy and Connectivity Committee, Papers for Meeting, 22 May 2019, Nottingham City Council Submission, p.3 accessed on 30/07/2019 at https://www.parliament.scot/S5_Rural/Meeting%20Papers/RECC_20190522_Public_papers.pdf

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59. The cost of drafting and publishing a local transport strategy, as well as local consultation and impact assessment requirements contained in the WPL provisions, will depend on the local authority concerned and the scheme being implemented.

60. Additionally, Glasgow and the City of Edinburgh councils have each carried out research on the potential costs and benefits of a WPL scheme. After a preliminary assessment, Glasgow City Council found that there are around 18,000 workplace parking spaces in the city centre. They have estimated that there is a revenue raising potential of around £7 million per year, or £4 million if similar exemptions are applied as are the case in Nottingham¹¹. A Scottish Parliament Information Centre (SPICe) paper on the proposed provisions suggests that Edinburgh has an estimated 39,000 liable spaces¹², and the City of Edinburgh Council used this figure to estimate a revenue potential of around £9 million per year¹³. The methodologies used to estimate the number of liable spaces is unknown, however given Glasgow is a more heavily populated city than Edinburgh, this demonstrates how different councils can interpret and implement a WPL scheme in varying ways. Actual revenue raised will depend on the extent of any scheme, exemptions applied, and the annual charge.

Costs on Other Bodies, Individuals and Businesses

61. Under the new WPL provisions, the costs charged by local authorities are levied against providers of workplace parking places, and this may include the Scottish Government if its premises were in an area

¹¹ Local Taxes Working Group, Report by Action Executive Director of Financial Services, Glasgow City Council, 15/11/2016, para 6.8, accessed on 31/07/2019 at <https://www.glasgow.gov.uk/councillorsandcommittees/viewSelectedDocument.asp?c=P62AFQDNDN2UZL0GDx>

¹² Alan Rehfisch, The Proposed Workplace Parking Levy, The Scottish Parliament Information Centre, accessed on 30/07/2019 at <https://spice-spotlight.scot/2019/05/10/the-proposed-workplace-parking-levy/>

¹³ Transport and Environment Committee, Workplace Parking Levy Scoping, Edinburgh City Council, 09/08/2018, para 3.3 accessed on 31/07/2019 at http://www.edinburgh.gov.uk/download/meetings/id/58076/item_77_-_workplace_parking_levy_scoping

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covered by a WPL scheme. The charge may be passed onto individual employees or workers should they choose to do so. In Nottingham, around half of employers pass on the charge to their employees¹⁴. This is done in a multitude of ways, including charging varying amounts depending on pay scale. There is no national amount at which the charge is set – or mandated procedure for employers to absorb or pass-on costs – and therefore specific costs on individuals cannot be forecast. The amendments introduced at Stage 2 requires a local authority proposing a levy to publish and consult on any proposed workplace parking scheme and associated impact assessments and therefore the cost to individuals will only become clear at this stage in the process.

62. The Bill provides for national exemptions for NHS properties, hospitals and hospices. This means these providers will not be liable for charges under any WPL scheme. Additionally, parking places used by individuals with a vehicle blue badge will be exempt. There is also scope for local authorities to introduce a scheme with additional exemptions that suit their local area. For example, Nottingham has a 100 per cent discounted rate for ambulance, police fire and qualifying NHS premises as well as exemptions for customer vehicles, fleet vehicles, and disabled blue badge holders¹⁵.

63. Providers outwith the national or local exemptions will be liable for charges under licences. In Nottingham's experience, the WPL charge amounts to less than 1 per cent of turnover for the majority of liable providers¹⁶.

¹⁴ Naomi Clayton, Simon Jeffrey, Anthony Breach, Funding and financing inclusive growth in cities, Centre for Cities, December 2017, p.14, accessed on 29/07/2019 at <https://www.centreforcities.org/wp-content/uploads/2017/12/17-12-11-Funding-and-Financing-for-Inclusive-Growth.pdf>

¹⁵ Rural Economy and Connectivity Committee, Papers for Meeting, 22 May 2019, Nottingham City Council Submission, p.3 accessed on 30/07/2019 at https://www.parliament.scot/S5_Rural/Meeting%20Papers/RECC_20190522_Public_papers.pdf

¹⁶ Rural Economy and Connectivity Committee, Papers for Meeting, 22 May 2019, Nottingham City Council Submission, p.10 accessed on

Update on estimated costs – part 4b: recovery of unpaid parking charges

Changes

64. Subsequent to agreement to an amendment at Stage 2, the Bill now includes measures that enable private car parking operators to recover unpaid parking charges from the keeper of a vehicle.

65. At present, private car parking in Scotland is generally governed by contract law. Therefore providers of such car parks can attempt to recover charges from the keeper of the vehicle but, as any parking contract is between the car park operator and the driver of the vehicle, enforcement of unpaid car parking charges can be problematic as there can be challenges in establishing who was driving the vehicle at the relevant time. Keeper liability allows penalty charges to be pursued against the registered keeper in certain circumstances. To avoid liability, the registered keeper can identify who the driver was, and the driver can then be pursued.

66. In England and Wales, the concept of keeper liability in this regard was introduced by the Protection of Freedoms Act 2012, but no equivalent provision has been introduced in Scotland until now. Keeper liability measures in Scotland also align with a wider package of UK-wide reforms to better regulate the private car parking industry, helping to give motorists more certainty over obligations, responsibilities and processes.

Costs on Other Bodies, Individuals and Businesses

Individuals

67. Given that there is already a mechanism and process for collecting unpaid parking charges, the keeper liability proposals do not create new charges. The measures shift primary liability to the vehicle's keeper. Therefore the measures do not create new cost implications for individuals as a whole. A parking charge notice is currently estimated to be between £60 and £100.

30/07/2019 at

https://www.parliament.scot/S5_Rural/Meeting%20Papers/RECC_20190522_Public_papers.pdf

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68. The measures could potentially mean that more vehicle keepers pay unpaid charges than drivers, but given that liability can be avoided by the registered keeper by identifying the driver at the time the vehicle was parked then the framework allows for this to be avoided. Additionally, offering more clarity over who is liable for unpaid parking charges could lead to cost savings for individuals. By reducing confusion the measures could lead to a decrease in the number of people allowing non-payment deadlines to elapse and for the charge to increase.

Businesses

69. There should be no additional costs to the private car parking operators who are members of Accredited Trade Associations. Given that liability should be clarified earlier, private car park operators may be able to collect money owed to them sooner, and the likelihood of having to resort to legal proceedings to recover unpaid parking charges may be reduced. Discussions by Transport Scotland have been held with the parking industry, including British Parking Association (BPA) and International Parking Community (IPC).

70. The Scottish Courts and Tribunal Service does not cover appeals for private parking as the industry already operates two appeals systems, these are the BPA's Parking on Private Land Appeals Service (POPLA), which is funded, through two sources. Parking providers are subject to pay a set fee to POPLA for appeals and any funding shortfall is bridged by BPA membership fees, with larger companies paying proportionately more. This system ensures that the parking company's own internal appeals service operates fairly as the companies themselves are liable for the cost of any appeal taken to POPLA. The second appeals service is the International Appeals Service (IAS), which is administered by the IPC. Drivers lodging "non-standard" appeals through the IPC's IAS are charged a non-refundable £15 fee. Both the IAS and POPLA now operate in Scotland. Private parking operators who are not currently members of a trade body would be impacted as fines issued from their car parks would not have the same legal standing. The costs of these existing appeals processes will not change.

Update on estimated costs – part 5: road works Changes

71. The road works provisions of the Bill were amended in two distinct areas during Stage 2. Section 62A modifies the existing duty placed on

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the Scottish Road Works Commissioner (“the Commissioner”) to make the Scottish Road Works Register (“the Register”) available for public inspection. The duty is modified to instead require that the Commissioner make publicly available information from the register about the timing, location, duration and purpose of works in roads, and such other information as the Scottish Ministers may by regulations prescribe, rather than direct access to the live register, which requires considerable training and industry knowledge to be able to navigate. Additionally, the Commissioner must provide all of the information in the Register to any person with authority to carry out works in roads and to others the Commissioner considers has a sufficient interest.

72. Section 65 of the Bill inserts section 61B into the Roads (Scotland) Act 1984 to require roads authorities to use qualified road workers and supervisors for works other than road works involving breaking up the road, tunnelling under the road, and in any subsequent reinstatement works. In effect, this also extends the requirement to use qualified operatives and supervisors to any roads authority works which require the placing of lights, fences, barriers or signs on the carriageway.

Costs on the Scottish Administration

73. In relation to qualified road workers and supervisors, the resource consideration in relation to the Scottish Ministers comes in their role as roads authority for the trunk road network. This would refer to operatives and supervisors working on the trunk road network by the operating companies and their agents. These were identified in the Bill’s original Financial Memorandum¹⁷, where the costing exercise already assumed that these works would be captured by the original definition. Therefore there is no change in the assumed costs for the Scottish Administration by providing this clarification.

Costs on Local Authorities

74. Again, with regard to qualified road workers and supervisors, the costs identified in the original Financial Memorandum were arrived at on the basis that roads authorities employ a certain number of staff to undertake all of the required operational activities associated with

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[https://www.parliament.scot/S5_Bills/Transport%20\(Scotland\)%20Bill/SPBill33FMS052018.pdf](https://www.parliament.scot/S5_Bills/Transport%20(Scotland)%20Bill/SPBill33FMS052018.pdf)

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maintaining a road network. Also, the costs assumed that the original definition of work being undertaken was sufficient for all of the operational activities a roads authority might reasonably carry out. Therefore no additional cost is envisaged.

Costs on Other Bodies, Individuals and Businesses

75. In relation to the changes to public access to the Register, the Commissioner currently publishes certain data from the Register in two ways: as Open Data and via a separate website which details planned and current works on the Scottish road network. As these regimes are already in place under current grant-in-aid arrangement, it is not envisaged that any significant alterations to the regimes or additional funding will be required.

76. Additionally, the requirement for the Commissioner to make publicly available certain prescribed information which is in the public interest, rather than to allow the general public direct access to the Register, is not considered to generate new funding requirements. The Commissioner already releases similar data sets as part of an open data regime, maintains a website which contains details of current and planned works for the road network, and also regularly releases information under freedom of information legislation. This includes a process of review and applying appropriate controls to the information such as redacting personal details, meaning the administrative costs of reviewing the data before releasing it are already in place.

Update on estimated costs – part 6: miscellaneous and general Changes

77. Under section 68A there will be a duty on health boards to have regard to community benefit in non-emergency transport contracts meaning consideration must be given to how the contract will improve the economic, social or environmental wellbeing of the health board's area. Section 68B imposes a duty on health boards, in providing non-emergency patient transport services, to work with community transport bodies and to publish an annual report on how they have done so in the preceding financial year.

Costs on the Scottish Administration

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78. The duties above are on health boards and therefore it is not anticipated that there will be any costs for the Scottish Administration.

Costs on Local Authorities

79. The duties above are on health boards and it is not anticipated that there will be any costs for local authorities.

Costs on Other Bodies, Individuals and Businesses

80. While these duties may entail some additional resource commitments for health boards, it is not anticipated that they will be material (for example a proportion of staff time required to produce a report). As such they will be capable of being accommodated within existing resources.

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Transport (Scotland) Bill [as amended at stage 2]

Supplementary Financial Memorandum

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