

**Decision Session – Executive Member for
Transport and Planning**

15 November 2018

Report of the Corporate Director of Economy and Place

Changes to Permit Emission Charges

Summary

1. Following the Governments changes to the vehicle tax (VED) bandings, this report asks that a review and changes are brought in to update the councils parking discount criteria in line with these Government changes.
2. These changes are based on the emission rates (specifically CO2 emissions) of the vehicle the first time it is registered, where Ultra Low Emission Vehicles (ULEV) qualify for a reduced rate of VED.
3. In light of this a budget decision was taken at Full Council in February 2017 to raise the qualification threshold for the 50% discount from low emission vehicles (LEV), which emit less than 120g/km, to ULEV, emitting less than 75g/km. This will give full practical effect to that decision.
4. Currently the council provides a 50% discount on its parking permits for qualifying low emission vehicles based on the following
 - A light vehicle that has a low CO2 emission figure that qualifies for a reduced rate of VED
 - The vehicle is in between the tax bands A to C (CO2 emission up to 120g/km)
 - Vehicle is electric or liquid propane gas.
5. In turn these provide discounts for residents parking permits and car park season tickets.
6. This report seeks to align the council's discount rates for parking permits to the Government's specification for ULEV and proposed to simplify this based on the vehicle emission rate of up to 75g/km.

Recommendations

7. That the Executive Member:

- a) Approve the implementation of Option 3 - Update permit rates to align with VED bandings and change the discount threshold to 75g/km or less with implementation from April 2018 with acquired rights for existing vehicles/permits to end no later than April 2023.
- b) Approve the advertisement of the changes to the terms of the Traffic Regulation Order (TRO) with any objections reported back to a future Decision Session if required. Authorise the implementation of the changes if no objections are received.

Reason: To come into line with the Government changes to VED and update the council's outdated policy that in turn will seek to encourage ULEV car ownership and support the One Planet York initiative.

Background

8. Central Government has changed its policy for VED in response to the significant increase in vehicles that produce less than 120g/km of CO₂ and the desire to encourage further emission reductions by incentivising the purchase of ULEVs. The Government has identified ULEVs as those which produce 75g/km of CO₂ or less. For the City of York these national changes have been used to inform the proposed changes to the emission discount however it should be noted that the tax rate changes only apply to vehicles registered after 1 April 2017.
9. The Council currently charges for Residents Parking (Household Permits) and Car Park Season tickets on the basis of the emission rating and size of vehicles for the discount. Customers have to provide evidence of their vehicle's eligibility for discounts, such as the V5C, which are then checked against the criteria for the proposed permit. The permit charges are set to encourage residents and visitors to use vehicles which have a lower environmental impact.
10. Please see Annex A which lists the type and current number of parking permits where the discount applies.
11. In addition to the Government changes, the Council approved the reduction of the discount threshold to 75g/km or less in the Council Budget in February 2017 in line with these government changes to the VED. The timing and phasing of implementation however is not determined through the budget process.

Options

12. Option 1 - Update permit rates to align with VED bandings and change discount threshold to 75g/km or less – implement from April 2018.
13. Option 2 - Update permit rates to align with VED bandings and change discount threshold to 75g/km or less – implement from April 2018 with acquired rights for existing vehicles/permits.
14. Option 3 (Recommended) - Update permit rates to align with VED bandings and change discount threshold to 75g/km or less – implement from April 2019 with acquired rights for existing vehicles/permits to not later than April 2023.
15. Option 4 - Not implement any change but remove reference to A-L bandings in permit charges as they are no longer in use for vehicles registered after April 2017.

Analysis

16. Option 1: Will ensure the council's charging policy is aligned with the previous and new VED bandings and be in accordance with the Council's budget decision to change the discount threshold to vehicles emitting 75g/km or less. Implementation of this policy without a transition period will have an immediate impact (when the permits are renewed) on current permit holders who may have chosen their vehicle to meet the current discount emission level.
17. Option 2: Will ensure the council's charging policy is aligned with the previous and new VED bandings and be in accordance with the Council's budget decision to change the discount threshold to vehicles emitting 75g/km or less. Charges on an acquired ('grandfather') rights basis will mean that the impact on existing permit holders will be reduced.
18. Option 3 introduces 'grandfather' rights as an approach which will allow the discount period to be extending for all current discount holders for four years with their current vehicle but the new rules will apply if they change their vehicle. In practise this means that if they have a vehicle emitting between 76 g/km and 120 g/km of CO₂ they will continue to have the discount until they change their vehicle or the grandfather period expires. Whether they will continue to get this benefit following a vehicle change will then be based on emissions of the new vehicle. If the new vehicle has an emission rating of 75g/km or less then the resident will be eligible for the discount. This option would minimise the impact on existing permit

holders but may encourage the retention of older LEVs rather than the transfer to ULEVs.

19. The grandfather rights policy would allow a smoother a fairer transition to this policy change and be seen to reducing any potential penalisation of LEV owners and allow them to make an informed decision about their LEV vehicle ownership.
20. In detail this means that if a current vehicle owner changes their vehicle after April, 2019 (or as soon as the policy is implemented) they will be bound by this change. Similarly if a new permit (not a renewal) is bought.
21. For those who don't change their vehicle and renew their permit up to April 2023, they will still have the discount even though their vehicle isn't classed as a ULEV.
22. For Parking Services, any additions to permits, which the grandfather rights option will create, there will need to be a new permit template, however the use of the same coloured paper used for the LEV discount can still be used, which will keep the costs of the permit the same. However the new template for renewals will increase the complexity of an already complicated permit system that will be subject to a review in the coming months.
23. Option 3:- Will minimise the impact on existing permit holders but would also have an end date for the acquired rights to encourage the replacement of older vehicles by ULEVs. The proposed end date for the acquired rights will be no later than April 2023 – 4 years after the introduction of the change.
24. Option 4:- Will essentially not change the current arrangements but recognises the need to remove references to vehicle bandings for the discount (or premium rates), as they are no longer in use for vehicles registered after April 2017. This options will not meet the budget requirements of the decision by full council.

Implementation

25. To introduce any change to the eligibility for the discount both the York Parking, Stopping and Waiting Traffic Order 2014 and The York Off-Street Parking Places order 2013 will need to be amended. The TRO process requires the Council to advertise any amendments with a Notice of Intention, this has a 3 week consultation period, during which time residents are able to register their objection/representation with regards the proposed amendment. For comparison a simple change to the fees only requires the advertisement of a notice. Following the period of consultation a

report would be taken to the Executive Member to review any objections and make a final decision about any changes and their implementation.

26. The proposed change would affect approximately 1100 households in the city and 200 season ticket holders. In addition to the statutory advertisement of the TRO change Legal Services advise that all permit holders who would be directly affected by the change should be contacted in advance of any introduction.

Consultation

27. As part of the TRO process there is a statutory obligation on the Council to advertise any changes to the TRO and seek comments from the public on these changes. Following which a report has to be taken to the Executive Member for a review of the comments received and to make a final decision on the implementation of the TRO changes.
28. In addition the council's Legal Services have advised that given the impact these potential changes will have on current discounted parking permit holders that a letter be sent to these customers. This will summarise the changes, depending on the decision taken in this report and highlight the TRO consultation process where they can make comments. These will be summarised and brought back to the Executive Member for final consideration and adoption of the policy change.

Corporate Strategy

29. This meets the Council's sustainable transport policy within its Local Transport Plan by encouraging sustainable transport usage and ULEV uptake as well as the environmental benefits this has.

Council Plan

30. This report is supportive of the following priorities in the Council plan in addition to the One Planet York principles the Council champions:
 - A focus on frontline services
 - A Council that listens to residents
31. In addition to the One Planet York principles:-
 - Sustainable Transport
 - Zero carbon
 - Health and happiness
 - Culture and community
 - Equity and local economy

Implications

32. The following are the only identified implications.

- Financial –
The projected income received is dependent on the option chosen and could reduce significantly if fewer people purchased season tickets and is dependent on the number of current LEVs which could be eligible as ULEVs. If only 50% of the season tickets were sold and 20% of the existing vehicles were eligible for the discount the increased income would be approximately £50k. If there was no reduction in the number of season tickets and no existing LEVs were eligible then the increased income could be up to £170k. There will be a cost to writing out to all parking permit discount holders estimated to be approximately £1000, which will be absorbed in the general funds generated from parking permits.
- Human Resources (HR) - This will require Network Management and Parking Services resource to take forward the decision by the Executive Member for the review and implementation of this change. However resource is very finite and would need to be prioritised against other work.
- Equalities – For those on limited income, where they may receive the parking discount but drive a vehicle that emits over 75g/km of CO₂, they will not see an increase in their parking permit initially, if they change their vehicle on or after April, 2019 and they don't purchase a ULEV emitting 75g/km of CO₂ or less they will incur a 50% increase in their parking permit.
- Legal – Depending on the decision taken by the Executive Member from this report, there will need to be a review and consultation of the TRO.
- Crime and Disorder – None
- Information Technology (IT) – None
- Property – There may be implications for a forthcoming piece of work to develop a new TRO to allow for the use of councils parking enforcement service on Council Housing land.
- Risk Management – To reduce the impact on current discount parking permit holders, the grandfather rights proposal is suggested to allow this policy to bed in and for a period of

adjustment for customers, subject to the Executive Member decision.

If this change isn't implemented then the council would be out of step with changes to the Government road tax policy that the council bases its parking discounts on. As this is now out of date, including the reference to vehicle tax bands, this change needs to be implemented as soon as possible given the lack of national policy this is now based on.

Contact

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**Report
Approved**



Date 05.11.18

Wards Affected:

All



Specialist Implication Officer

Financial: Patrick Looker, Finance Officer, 01904 551633

For further information please contact the author of the report

Annexes:

Annex A Low emissions permits 01/04/18 – 30/09/18

Abbreviations

LEV - Low Emission Vehicles

TRO - Traffic Regulation Order

ULEV - Ultra Low Emission Vehicles

VED - Vehicle tax