

Highways & Transport Committee

25th January 2024

**Appendix 6:
Staff and Member Parking
Permit Scheme**

Proposals for Consultation

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Purpose of Report

- 1 The purpose of this report is to set out the background to and the current issues with the staff and member permit scheme and to provide recommendations on future changes to the scheme.
- 2 The report includes recommendations that respond to, and improve alignment with, the following Corporate Plan strategic aims and objectives:
 - (a) Open, by addressing issues with the current permit scheme through our recommendations and working towards the council's ambition to become net zero in its operations by 2025;
 - (b) Fair, by maintaining business continuity (allowing services to continue as normal); and
 - (c) Green, by challenging the need for travel, the way that staff and members travel for work and promoting walking, cycling and public transport plus digital solutions as viable alternatives that can reduce the Council's reliance on business travel.

Executive Summary

- 3 Development of the Staff and Members Parking Permit Scheme is an integral part of strengthening the Council's Corporate Travel Plan, which seeks to reduce our reliance on private cars for business purposes. The Travel Plan is intended to support the approach to Council Office Estate rationalisation (WorkplacE) and the Corporate Plan objective to be carbon neutral by 2025.
- 4 Currently, circa 1,400 staff and member permits are issued annually by Cheshire East Council. Permits are generally valid in specific car parks within the borough, for use at times when the permit-holder is on Council business. Elected members make their applications through Democratic Services. Staff who meet the eligibility criteria apply for a permit with approval by the relevant Head of Service.
- 5 The Medium-Term Financial Strategy (2023-27) (MTFS 2023-27), as approved at Council in February 2023, included a savings target of £250,000 from changes to staff and member permits.
- 6 An inter-departmental officer working group was convened to develop options to meet this budget challenge. The findings have informed the recommendations in this report. The working group included representatives from Facilities Management, Human Resources, Finance, Legal, Democratic Services, Highways, Children's services, Adult services, Brighter Future Champions, Communications, PMO and Parking Services. Participation also included the Council's wholly

owned arms-length providers - ANSA, Orbitas, and Everybody Health & Leisure.

- 7 This report sets out the issues with the current staff and member permit scheme and eligibility criteria. It also proposes recommendations that aim to address these issues.
- 8 The recommendations aim to provide a fairer but more robust permit scheme for staff and members that reflects the councils ambition to be net zero in its operations by 2025, while ensuring business continuity.
- 9 The impact of not progressing the proposals on the MTFs revenue savings is also identified, as well as the risks that will need to be managed, and further consultation required, if a decision is made to approve these proposals.

RECOMMENDATIONS

This report recommends that the Councils approach to providing staff and member parking permits is updated, as part of the Corporate Travel Plan, to include:

1. Stop the current permit scheme, which means no permits would be issued under the current terms of use; and
 2. Recognising the need for business continuity, the Council will proceed to consult staff, representative organisations and members on the options for a revised parking permit scheme. The preferred option for staff permits would include changes to the eligibility criteria, with revised proposals as follows:
 - (a) The role requires almost daily work-related journeys, which cannot be completed by walking, cycling, bus, rail or car sharing or the use of the Council's EV (Electric Vehicle) pool car scheme; and
 - (b) Your job role requires you to park on a council car park, which is not at your workplace location i.e., you are not primarily 'office based'; and
 - (c) Your job role requires you to supervise staff at other sites where no free staff parking area is located; and
 - (d) The role requires a car to be available often and at short notice.
- OR
- (e) The user has a severe, verifiable mobility restriction making it necessary to utilise a car for work purposes although they do not possess a Blue Badge.

- (f) Alternative options are described at Paragraph 32, and these will provide alternatives for inclusion in the consultation.
 - (g) Additionally, the consultation will include options on the level of charges that are needed to administer the permit scheme and whether these charges fall on the end-user or the relevant Council department.
3. Arrangements will be made to complete staff and member consultation on the options for the scheme, following the adoption of an updated Corporate Travel Plan. This is the subject of an agenda item at Corporate Policy Committee in Spring 2024.

Background

- 10 Parking Services issue some 1,400 staff and member permits per year. 89 annual permits are issued to ANSA and Everybody Health & Leisure. Currently, no permits are issued to Orbitas.
- 11 Staff and member permits are valid in specified car parks within the borough. These permits are issued at no cost to the end-user. An administration cost of £40, covering staff time, stationery and postage, is recharged to the relevant council service.
- 12 For member permits, there is currently a single £40 payment to provide a permit for the duration of their term of office. Elected members are automatically eligible for a parking permit for use while performing their duties for the council.
- 13 The total value of internal recharge payments for staff and member permits is £56,000 annually.
- 14 Eligible staff can apply for a parking permit to help perform their role for the council. Staff applications must be approved by their Head of Service. For members, applications are collated by Democratic Services.
- 15 The current staff eligibility criteria are:
- (a) The role requires almost daily work-related journeys;
 - (b) The role requires a car to be available often at short or no notice;
 - (c) Work journeys by car amounts to over 2,500 miles per annum; or
 - (d) The user has a severe verifiable mobility restriction making it necessary to bring a car into town.

- 16 A staff permit holder must comply with the first three criteria to be eligible. If a member of staff has a severe verifiable mobility restriction, they do not need to comply with the first three criteria to obtain a permit for work purposes.
- 17 The current eligibility criteria are open to interpretation, meaning that staff who may not necessarily require a permit are able to obtain one. There are also a number of perverse incentives arising from the current eligibility criteria, including a risk that excessive or unnecessary travel is incentivised to retain a pass. Furthermore, there are incentives for car-based commuting arising from provision of a parking permit, which do not exist for other staff such as free parking at their office base. These incentives are likely to lead to outcomes that are contrary to the Councils wider business and sustainability priorities.
- 18 During the 2022/23 financial year, more than one million miles were claimed by council staff and paid on expenses for business use. The current protocols for the issue of parking permits are likely, in part, to be responsible for the scale of annual mileage on company business.
- 19 Although parking permits are issued with terms and conditions making them strictly for use when travelling for work purposes; there remain incentives and anecdotal reports of permits being used outside of working hours. Such use results in a potential loss of parking revenue to the Council, as without a permit drivers would likely use public Pay & Display parking. Also, this benefit-in-kind is available only to those members of staff with access to a car, not to all staff. Accordingly, there is a case for the Council to levy a “convenience fee” from passholders directly rather than recharge to departments. Options for the level of any convenience fee will be a subject for consultation with staff and members,

Consultation and Engagement

- 20 A review of staff and member permits was included in the Councils consultation on its MTFS 2023-27, as Proposal 108 (Parking).
- 21 A cross departmental working group was created to derive a list of options and make the recommendations outlined in this report. This working group comprised representatives from Facilities Management, Human Resources, Finance, Legal, Democratic Services, Infrastructure and Highways, Children’s services, Adult’s services, Brighter Future Champions, Communications Team, ANSA, Orbitas, Everybody Health and Leisure, Programme Management Office and Parking Services.
- 22 Staff and Member consultation will take place subject to a decision by Highways committee on the approach to reviewing permits. Consultation on measures affecting staff and member car parking

permits will also take place with Trade Unions. The consultation will take place over a period of 4 weeks and is expected to cover the following topics:

- (a) Criteria for allocating permits for staff based on the requirements of their job roles;
- (b) Payments and charges for permits – who pays? Level of tariffs?
- (c) Entitlements, exclusions and exemptions

Reasons for Recommendations

- 23 The current staff eligibility criteria are open to interpretation, difficult to enforce (because it is at line manager discretion) and is partially mileage based, which incentivises staff to use their cars for work to ensure that the 2,500 miles per annum threshold is met. This is not aligned with the objectives of the corporate travel plan policy.
- 24 Continuing to incentivise car use for business when it is possible to travel via other more sustainable/ active modes of transport (or not at all) will make it more difficult for the council to achieve its ambitious target of all operations being net zero by 2025.
- 25 The proposed change to eligibility criteria would enable those staff who require a permit for work purposes to still be able to apply for one, allowing business continuity and business as usual for council services.
- 26 The proposed eligibility criteria should make staff and line managers/ Heads of Service challenge the need and method of their business travel.
- 27 A review of parking permit allocations to staff and members is expected to reduce the number of permits issued, with corresponding reductions in the administration costs including specialised stationery and postage.
- 28 Reducing the number of permits issued to staff and members is expected to increase the availability of parking spaces available for the public, particularly in busy town centre car parks, with a corresponding increase in Pay & Display revenue.
- 29 A blue badge holder can park in any council operated off-street car park (in a designated disabled bay or any standard bay) for as long as required, if a blue badge is correctly displayed. Therefore, any staff or member with blue badges does not require a parking permit. which is reflected in the proposed eligibility criteria.
- 30 Any member of staff who does not qualify for a parking permit under the revised eligibility criteria will have access to council car parks, as any

member of the public does, through the purchase a contract permit (season ticket) or by using daily Pay & Display tickets.

Other Options Considered

31 Nine options were considered by the working group, and those that do not form part of the preferred option are summarised in the table below.

Option		Impact	Risk
1	Do Nothing – retain current staff and member permit scheme.	MTFS 2023-27 savings would not be achieved. Savings would need to be made from other areas of the highways and transport budget.	No influence on travel behaviour for work purposes. Changes to corporate travel will negatively impact the ability to reach Council's net zero target by 2025. Process would not be aligned with the corporate travel plan policies.
4	Increase annual permit cost to £250 and implement salary sacrifice scheme for staff and members ¹	Likely to achieve savings set out in the MTFS 2023-27. Allows business continuity across council services while increasing net parking revenues overall	Salary sacrifice scheme does not comply with current HMRC regulations. Transfers some parking costs to staff receiving a permit for work purposes, impact on personal budgets. Retains some subsidy for car travel for council workers, which is not fully aligned with the emerging corporate travel plan.
5	Offering staff and member permits at public rates – Staff and members could purchase an annual permit, but at the rate purchased by the public.	Potential to disrupt 'business as usual' for services where staff cannot afford to purchase permits. MTFS 2023-27 savings may not	May adversely impact on recruitment and retention efforts, as there are anecdotal reports of free parking being used as incentives to employ staff. May not be an attractive option as a high number of employees are hybrid workers, only coming into the offices for limited days.

¹ Note that Option 4 is not possible to implement under current HMRC regulations

Option		Impact	Risk
		be achieved because permits are deemed unaffordable.	Adverse impact on industrial / staff relations.
6	A scheme be set up for ANSA & Everybody Health and Leisure for a permit at an annual fee of £250 per annum. Staff and member permits would be stopped as part of this proposal.	<p>MTFS 2023-27 savings would not be achieved due to number of permits.</p> <p>Savings from other areas need to be identified, as this option is insufficient to meet MTFS target.</p> <p>May disrupt 'business as usual' for some services where staff cannot afford to purchase permits.</p>	<p>The 'Management Fees' from the companies would likely to increase to recover these increased costs of operation, potentially offsetting any savings to the Council.</p> <p>The number of permit applications likely to decrease, which would reduce revenues.</p>
7	Retain the existing eligibility criteria but increase the internal recharge cost from £40 to £633 (lower publicly available annual permit fee). Staff and members would not be required to pay for their permit.	<p>MTFS 2023-27 savings would not be achieved as charges only transfer between departments (no net increase).</p> <p>Savings would need to be made from other areas of the H&T budget.</p> <p>More parity between staff and public parking provision.</p>	<p>Issue of fewer permits reduces costs of work-related parking permits.</p> <p>Reduced availability of permits may lead to recruitment and retention issues.</p>

Option		Impact	Risk
8	Council Loan Scheme, where staff and members can purchase an annual permit (at public rates) and repay on a monthly basis directly from a salary.	<p>May disrupt 'business as usual' for some services where staff cannot afford to purchase permits.</p> <p>MTFS 2023-27 savings may not be achieved if permits are deemed unaffordable. Savings need to be made from other H&T budgets.</p>	<p>May not be an attractive option as a high number of employees are hybrid workers, only coming into the offices for limited days.</p>
9	Retain members permits on current terms (£40 internal recharge) for the duration of their term.	<p>Limited impact on MTFS savings due to small number of member permits issued.</p> <p>This option would need to be implemented with others to meet budget targets</p>	<p>Risk of perceived lack of leadership on corporate Travel Plan priorities.</p> <p>Risk of perceived lack of fairness as members treated differently to staff.</p>

Implications and Comments

Legal

- 32 Stopping the current permit scheme and replacing it with a new scheme could potentially lead to grievances and/or breach of contract claims from any employee who might miss out going forward and who could argue a contractual entitlement to the permit (for example if it had been agreed as a benefit for the employee in their recruitment or if it had been consistently provided without the requirement to meet eligibility criteria). It is recommended that further due diligence on this to establish potential risk is undertaken prior to implementation of any change.

- 33 Due diligence has been undertaken and Senior HR business partners have confirmed the following: -

“There is no contractual entitlement to free, subsidised or other car parking at your place of work. Reasonable expenses may be payable for parking at other locations in accordance with the Travel and Expenses Policy”.

If employees are required to pay for parking because they do not meet the new criteria this would need to be communicated with plenty of notice so that employees may prepare for the financial impact this could have.

It is essential that any revised criteria are applied fairly and consistently to avoid challenge.

Consideration needs to be given to this proposal in line with the wider Estates rationalisation project and any potential for cross-over.

Finance

- 34 The MTFS 2023-27 was approved at full council in February 2023. This included a savings target of £250,000 for making changes to the way staff (including ANSA, Orbitas and Everybody Health & Leisure) and members parking permits are provided.
- 35 It is projected that due to the proposed revisions to eligibility criteria, there would be a 50% reduction in the number of staff parking permits.
- 36 Our assessment of financial impacts is based on:
- (a) 20% of staff no longer qualifying for a permit find alternative modes of transport or access free parking
 - (b) 30% of staff utilise P&D car parks.
- 37 Taking account of hybrid working where staff attend offices for 3 days per week over a 47-week period, then there are potentially 210 additional parking spaces being purchased daily.
- 38 At an average daily tariff of £3.20, this equates to additional P&D income of circa £95,000 per year.
- 39 Any shortfall relative to savings targets in the MTFS must be addressed through other measures in the parking review project (MTFS 108).

Policy

40 The Corporate Plan priorities that the proposals align with are presented in the table below.

An open and enabling organisation (Include which aim and priority)	A council which empowers and cares about people (Include which aim and priority)	A thriving and sustainable place (Include which aim and priority)
<ul style="list-style-type: none"> • Ensure that there is transparency in all aspects of council decision making. • Support a sustainable financial future for the council through service development, improvement and transformation. • Look at opportunities to bring more income into the borough. 	<ul style="list-style-type: none"> • Collaborate with residents and partners to support people and communities to be strong and resilient. 	<ul style="list-style-type: none"> • A transport network that is safe and promotes active travel. • Reduce impact on the environment. • Be a carbon neutral council by 2025.

41 The Local Transport Plan recognises that parking provision has the potential to impact on surrounding areas both negatively and positively. When parking is well managed, it can support thriving businesses, access to services and active social lives; but when not well managed, parking can encourage car travel to areas which suffer unduly from congestion as well as causing other environmental, health and social issues.

42 There is currently a heavy reliance on the use of the private car for work purposes, partly due to the existing permit scheme. The emerging corporate travel plan aims to increase the number of journeys made by active and sustainable modes of transport through changing the way that council employees' approach how they travel for work.

Equality, Diversity and Inclusion

43 An EIA (Equality Impact Assessment) has been completed which considers the equality implications of this report. These are minimal and do not affect the majority of the protected characteristic categories. Disability has been highlighted as an affected protected characteristic but mitigation regarding Blue Badge holders and staff who have a

severe verifiable mobility restriction making it necessary to bring a car into town is in place.

- 44 An Equality Impact Assessment Initial Screening was produced to support the HLBC (High Level Business Case) that informed the 2023-24 MTFS.

Human Resources

- 45 The proposals contained in the recommendations would have a direct impact on some employees who are currently in receipt of a parking permit. Some employees may be able to argue that the provision of a parking permit is a contractual entitlement, this would need specific advice from legal services, however, as the current scheme requires employees to apply annually this would appear to suggest that entitlement would not be contractual.

If employees are required to pay for parking because they do not meet the new criteria this would be seen as an added financial burden but may encourage uptake of other travel options.

Senior HR business partners have since confirmed the following: -

“There is no contractual entitlement to free, subsidised or other car parking at your place of work. Reasonable expenses may be payable for parking at other locations in accordance with the Travel and Expenses Policy”.

Risk Management

- 46 The project is governed by a robust process, which tracks and mitigates risks that are recorded within a risk register. These risks are flagged and discussed at board meetings and, where required, flagged to the appropriate board or Place DMT / CLT.
- 47 Trade Unions – whilst parking permits are not part of anyone’s contract of employment, terms and conditions or statement of written particulars, Unison advised that it is good practice to have a conversation with them because if changes affect an individual, then sooner or later they may approach their Union so forewarned is forearmed and they understand the background and context
- 48 If the recommendations are not supported, the MTFS savings will not be achieved.

Rural Communities

- 49 There are no implications that are specific to rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 50 There are no specific implications for Children and Young People because the proposals would enable business continuity across all council services.

Public Health

- 51 The proposals are likely to have a positive overall impact on the health and wellbeing of Cheshire East staff and members as it will incentivise them to travel via more sustainable or active modes of transport.
- 52 Regarding the distribution of impacts between different groups, we believe any differentials to be modest, but at the margins, impacts are likely to be greater for:
- (a) Car-reliant lower income households; and
 - (b) Rural residents with only limited opportunities to use alternative means of travel.

Climate Change

- 53 In May 2020, the council adopted its Carbon Neutral Action Plan, which further sought to:
- (a) Reduce emissions by encouraging a modal shift away from combustion cars (5.6) by targeting a 6% reduction in car share for all trips by 2025 compared to 2015 levels: and
 - (b) Encourage active forms of travel (5.8), targeting 6% of all trips to be by active travel by 2025.
- 54 The proposals will help to influence travel choices, particularly for short trips, which will contribute towards achieving the targets for modal shift by 2025 and the councils net zero targets.

Access to Information	
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Appendices:	None
Background Papers:	Cheshire East Travel Planning: Final Report – December 2023