



**TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE
MEETING**

AGENDA

12th Meeting, 2007 (Session 3)

Tuesday 27 November 2007

The Committee will meet at 2.00 pm in Committee Room 6.

1. **Subordinate Legislation:** Stewart Stevenson MSP, Minister for Transport, Infrastructure and Climate Change to move S3M- 790-

Stewart Stevenson: The Draft Transport and Works (Scotland) Act 2007 (Inquiries and Hearings Procedure) Rules 2007—That the Transport, Infrastructure and Climate Change Committee recommends that the draft Transport and Works (Scotland) Act 2007 (Inquiries and Hearings Procedure) Rules 2007 be approved.

2. **Subordinate Legislation:** Stewart Stevenson MSP, Minister for Transport, Infrastructure and Climate Change to move S3M- 791-

Stewart Stevenson: The Draft Transport and Works (Scotland) Act 2007 (Applications and Objections Procedure) Rules 2007—That the Transport, Infrastructure and Climate Change Committee recommends that the draft Transport and Works (Scotland) Act 2007 (Applications and Objections Procedure) Rules 2007 be approved.

3. **Subordinate Legislation:** Stewart Stevenson MSP, Minister for Transport, Infrastructure and Climate Change to move S3M- 792-

Stewart Stevenson: The Draft Transport and Works (Scotland) Act 2007 (Consents Under Enactments) Regulations 2007—That the Transport, Infrastructure and Climate Change Committee recommends that the draft Transport and Works (Scotland) Act 2007 (Consents Under Enactments) Regulations 2007 be approved.

4. **Budget Process:** The Committee will take evidence on Budget process 2008/09 from-

Valerie Davidson, Assistant Chief Executive, SPT; Dave Duthie, Partnership Director, HITRANS; Cllr Alison Hay, Environment, Sustainability and Community Safety Spokesperson, COSLA; and Alex Macaulay, Chief Executive, SEStran.

And then from-

Garry Clark, Policy Manager, Scottish Chambers of Commerce; Iain Duff, Chief Economist, SCDI; Neil Renilson, Chief Executive, Transport Edinburgh Ltd; and Marjory Roger, Director of Government Relations, Confederation of Passenger Transport UK.

And then from-

James King, Board Member, Passenger Focus; Ron McAulay, Director, Network Rail Scotland, and Gerard O'Hanlon, Head of Business Planning, First ScotRail.

5. **Ferry Links in Scotland:** The Committee will consider its approach to its inquiry into ferry links in Scotland.

Steve Farrell
Clerk to the Committee
Tel. 0131 348 5211
email: steve.farrell@scottish.parliament.uk

The papers for this meeting are as follows:

Agenda Item 1

Cover note from the Clerk TIC/S3/07/12/1

[The Draft Transport and Works \(Scotland\) Act 2007 \(Inquiries and Hearings Procedure\) Rules 2007](#)

Agenda Item 2

[The Draft Transport and Works \(Scotland\) Act 2007 \(Applications and Objections Procedure\) Rules 2007](#)

Cover note from the Clerk TIC/S3/07/12/2

Agenda Item 3

[The Draft Transport and Works \(Scotland\) Act 2007 \(Consents Under Enactments\) Regulations 2007](#)

Cover note from the Clerk

TIC/S3/07/12/3

Private briefing paper

TIC/S3/07/12/4(P)

Agenda Item 4

Private briefing paper

TIC/S3/07/12/5(P)

Written submissions from SEStran, HITRANS and SPT

TIC/S3/07/12/6

Agenda Item 5

Briefing paper

TIC/S3/07/12/7

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

12th Meeting, 2007 (Session 3)

Tuesday 27 November 2007

Subordinate Legislation Cover Note

Title of Instrument	The Transport and Works (Scotland) Act 2007 (Inquiries and Hearings) Regulations 2007, (SSI 2007/draft)
Type of Instrument	Affirmative
Laid Date	2 November 2007
Circulated to Members	5 November 2007
Meeting Date	27 November 2007
Minister to attend the meeting	Yes
SSI drawn to the Parliament's attention by Subordinate Legislation Committee	Yes
Reporting Deadline	10 December 2007

Purpose

1. The purpose of this instrument is to place Ministers at the heart of an order-making process for the authorisation of the construction or operation, or matters connected with the construction and operation of a guided transport system or an inland waterway. The rules regulate the procedures prior to, the conduct of proceedings during and after an inquiry or hearing held under section 9 of the Transport and Works (Scotland) Act 2007.

2. A copy of the SSI, an explanatory note and the Executive Note are attached.

Further Information

3. The Transport, Infrastructure and Climate Change Committee has been designated lead committee and is required to report to the Parliament by 10 December 2007.

4. The Subordinate Legislation Committee has drawn this instrument to the attention of the Committee and Parliament. The relevant extract from the Subordinate Legislation Committee's 11th Report is attached at annexe A to this note.

5. Under Rule 10.6.1 (b), the Order is subject to affirmative resolution before it can be made. It is for the Transport, Infrastructure and Climate Change Committee to recommend to the Parliament whether the Order should be approved. The Minister for Transport, Infrastructure and Climate Change has, by motion S3M- 790 (set out in the agenda), proposed that the Committee recommends the approval of the Order. The Minister will attend in order to speak to and move the motion. The debate may last for up to 90 minutes. Ahead of the formal debate, there will be an opportunity for members to ask questions of the Minister and his officials.

6. At the end of debate, the Committee must decide whether or not to agree the motion, and then report to Parliament accordingly. Such a report need only be a short statement of the Committee's recommendation.

Steve Farrell
Clerk to the Communities Committee
Tel. 0131 348 5211
email: steve.farrell@scottish.parliament.uk

ANNEXE A

The Transport and Works (Scotland) Act 2007 (Inquiries and Hearings Procedure) Rules 2007 (SSI 2007/draft)

1. The Committee asked the Scottish Government for an explanation of the following matters—
 - (a) the meaning of the provisions in Rules 11(6)(a) and 25(6)(a) that the applicant shall by a stated date post a notice of the inquiry or the hearing (as the case may be) “in a conspicuous place”; and
 - (b) the need for Rules 19 and 31 (notification of decision), given that they are in the same terms, and have the same application.
2. The Scottish Government’s response is at Appendix 1.

Question (a)

3. The Committee welcomed the undertaking given by the Scottish Government to re-visit the provisions in Rules 11(6)(a) and 25(6)(a) whenever re-making these Rules at a future point.

4. The Committee does not agree however with the Scottish Government that, as drafted, it is wholly clear that the words “on, or as close as reasonably practicable to, the land to which the powers sought in the application relate” qualify the requirement to post a notice in a conspicuous place, in addition to where there is an application for linear-based works. The Committee considers that the words. “on, or as close as reasonably practicable to, the land” qualify the alternative requirement in relation to linear works. Whilst the Committee considers that a court may strive to give the phrase a reasonable meaning and in so doing may adopt the Government’s interpretation, it considers that the meaning could be clearer.

Question (b)

5. The Committee accepts the explanation offered by the Scottish Government, and the analysis that there may be different drafting approaches.

6. The Committee draws this instrument to the attention of the lead Committee and Parliament on the grounds that, in relation to question (a), the meaning could be clearer, and in relation to question (b), that a satisfactory explanation has been provided by the Scottish Government.

APPENDIX 1

The Transport and Works (Scotland) Act 2007 (Inquiries and Hearings Procedure) Rules 2007, (SSI 2007/draft)

1. On 13 November the Committee sought an explanation of the following matters—

(a) the meaning of the provisions in Rules 11(6)(a) and 25(6)(a) that the applicant shall by a stated date post a notice of the inquiry or the hearing (as the case may be) “in a conspicuous place”; and

(b) the need for Rules 19 and 31 (notification of decision), given that they are in the same terms, and have the same application.

The Scottish Government responds as follows—

First Matter

2. The Committee raise the provisions in rules 11(6)(a) and 25(6)(a) to clarify the meaning of “in a conspicuous place” in the context of a notice of the inquiry or a hearing, as the case may be. The intention is that the notice or notices posted pursuant to this rule will be readily visible so as to identify to any interested persons passing the notice that an inquiry or hearing is to be held. Accordingly the addition of “conspicuous” is intended to ensure that the notice is readily apparent and to avoid a situation where an applicant argued they had complied with the requirements of these rules even though a notice was hidden, for example, by vegetation.

3. We assume though that the Committee’s concern in raising these 2 rules is not so much with the visibility of the notice but rather with its location. On this point we do not consider that applicants should have a difficulty in identifying that the notice is to be posted “on, or as close as reasonably practicable to, the land to which the powers sought in the application relate” which we consider applies to the requirement to post a notice of the inquiry (or hearing) whether or not that inquiry (or hearing) relates to an application for an order for land based linear works more than 5km in length.

4. Indeed the same formulation is used in the equivalent regime for England and Wales for inquiries into orders under the Transport and Works Act 1992 (see rule 13(6)(a) of the Transport and Works (Inquiries Procedure) Rules 2004 (SI 2004/2018)) and we understand that the formulation is not thought to have caused any difficulties to applicants in that context.

5. It will usually however be possible to formulate a proposition differently and in view of the Committee raising this we would propose, whenever remaking these rules at a future point, to revisit these provisions.

Second Matter

6. The Committee raise rules 19 and 31, which relate to notifications of decisions, on the basis that they are in the same terms and have the same application. Whilst we agree that the 2 rules are in the same terms we do not think they have the same application. That is because rule 3 makes clear that Part 2 of the Rules (which includes rule 19) only applies in relation to an inquiry whilst Part 3 (which includes rule 31) applies only in relation to a hearing. Consequently the 2 rules do not have the same application.

7. When drafting Parts 2 and 3, with their separate inclusion of rules 19 and 31 respectively, we considered that this approach has the benefit for users that there are self-contained and comprehensive regimes separately for both inquiries and hearings.

8. Alternative approaches would have been possible but those we have identified all seem, in the context presently before us, less satisfactory than the approach adopted—

- These 2 rules could have been removed from Parts 2 and 3 and contained as a rule 5 in Part 1 and so treated similarly to the provisions in rule 4 which glosses time periods in the Rules. Part 1 of the Rules however is headed “Introductory” and makes general provision as to the interpretation and operation of the Rules. We consider that the provision in rules 19 and 31 is qualitatively different to that set out in Part 1, including the provision in rule 4, as it is making detailed procedural provision in relation to an inquiry or a hearing. As such it should be set out with the other procedural requirements applying in respect of those regimes.
- It would have been possible to change a word in either or both of rules 19 or 31 – but not only does that look somewhat artificial it also does not seem to us that that would add any value.
- It would have been possible to adopt an approach in Part 3 of applying the relevant rules for an inquiry in Part 2 to a hearing with appropriate modifications but within this context we consider that would be significantly less user friendly for users of legislation in relation to a hearing. We consider that the hearing rules would be easier to follow if there was freestanding text for that.

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

12th Meeting, 2007 (Session 3)

Tuesday 27 November 2007

Subordinate Legislation Cover Note

Title of Instrument	The Transport and Works (Scotland) Act 2007 (Applications and Objections) Regulations 2007, (SSI 2007/draft)
Type of Instrument	Affirmative
Laid Date	2 November 2007
Circulated to Members	5 November 2007
Meeting Date	27 November 2007
Minister to attend the meeting	Yes
SSI drawn to the Parliament's attention by Subordinate Legislation Committee	Yes
Reporting Deadline	10 December 2007

Purpose

1. The purpose of this instrument is to place Ministers at the heart of an order-making process for the authorisation of the construction or operation, or matters connected with the construction and operation of a guided transport system or an inland waterway. The rules set out how a person may make an application for an order, what that application should contain and how objections are raised.

2. A copy of the SSI, an explanatory note and the Executive Note are attached.

Further Information

3. The Transport, Infrastructure and Climate Change Committee has been designated lead committee and is required to report to the Parliament by 10 December 2007.

4. The Subordinate Legislation Committee has drawn this instrument to the attention of the Committee and Parliament. The relevant extract from the Subordinate Legislation Committee's 11th Report is attached at annexe A to this note.

5. Under Rule 10.6.1 (b), the Order is subject to affirmative resolution before it can be made. It is for the Transport, Infrastructure and Climate Change Committee to recommend to the Parliament whether the Order should be approved. The Minister for Transport, Infrastructure and Climate Change has, by motion S3M- 791 (set out in the agenda), proposed that the Committee recommends the approval of the Order. The Minister will attend in order to speak to and move the motion. The debate may last for up to 90 minutes. Ahead of the formal debate, there will be an opportunity for members to ask questions of the Minister and his officials.

6. At the end of debate, the Committee must decide whether or not to agree the motion, and then report to Parliament accordingly. Such a report need only be a short statement of the Committee's recommendation.

Steve Farrell
Clerk to the Communities Committee
Tel. 0131 348 5211
email: steve.farrell@scottish.parliament.uk

ANNEXE A**The Transport and Works (Scotland) Act 2007 (Applications and Objections Procedure) Rules 2007 (SSI 2007/draft)**

1. The Committee asked the Scottish Government to clarify—
 - (a) the legal basis for Rules 8(9), 10(6), and 15(1), (2), and (5), which confer powers on the Scottish Ministers to make directions in relation to applicants for orders, given that the powers in the enabling Act permit the making of directions in relation to “relevant authorities”; and
 - (b) why it is considered that, in respect of Rule 7(3), no further definition of “signed” is required, in relation to electronic transmission of an application, for example to specify requirements for digital signature.
2. The Scottish Government’s response is at Appendix 2.

Question (a)

3. The Committee considered that the Scottish Government’s response provided useful clarification.

Question (b)

4. The Committee notes that the response clarifies, in effect, that the intention behind Rule 7(3) is that an application which is to be submitted “in writing” must be submitted as a “hard copy”, signed by the applicant or their agent. The Scottish Government’s view is that applicants will submit a “hard” signed copy. However, the Committee considers that interpretation is inconsistent with the plain meaning of Rule 7(1), supplemented by the definition of “in writing” which provides that an application may be made by electronic transmission.
5. The Committee considers that it would have been preferable to have made the position clear in Rule 7, either by providing expressly that a signed application “in writing” cannot include an application that is electronically transmitted or that it can (whichever fits the desired policy).
6. **The Committee draws this instrument to the attention of the lead Committee and Parliament on the grounds that in relation to question (a), an explanation was sought from and provided by the Scottish Government, with which it is content; and in relation to question (b), that there has been a failure to follow normal drafting practice which may affect (on the issue raised) the operation of the instrument.**

APPENDIX 1

The Transport and Works (Scotland) Act 2007 (Applications and Objections Procedure) Rules 2007, (SSI 2007/draft)

1. On 13 November the Committee sought an explanation of the following matters—

(a) the legal basis for Rules 8(9), 10(6), and 15(1), (2), and (5), which confer powers on the Scottish Ministers to make directions in relation to applicants for orders, given that the powers in the enabling Act permit the making of directions in relation to “relevant authorities”; and

(b) why it is considered that, in respect of Rule 7(3), no further definition of "signed" is required, in relation to electronic transmission of an application, for example to specify requirements for digital signature.

The Scottish Government responds as follows—

First Matter

2. The Committee raise the power to make directions in rules 8(9), 10(6) and 15(1), (2) and (5). We presume the Committee have raised these particular provisions against a concern that they make provision for the delegation of functions.

3. In reply we would draw the Committee’s attention to the terms of section 28(6)(b) of the Transport and Works (Scotland) Act 2007, which is cited as an enabling power in these rules, and which provides that any power of the Scottish Ministers to, amongst others, make rules, may be exercised so as to make provision for the delegation of functions. In the context of these particular rules accordingly there is express power in the enabling Act to make provision for the delegation of functions.

Second Matter

4. The Committee raise the signature of an application in relation to rule 7(3). We do not consider that any difficulty should arise. Whilst in rule 2(1) the definition of “in writing” has been expanded to include electronic transmission that is to facilitate the electronic transmission of appropriate documents. The expansion of this term in rule 2(1) is therefore permissive, it does not make electronic transmission mandatory, and further all the definitions in that rule are also expressly qualified that they have the meaning set out “unless the context otherwise requires”.

5. Any applicant proposing to make an application for an order under section 1 of the Transport and Works (Scotland) Act 2007 will have to ensure that they comply with the requirements set out in the rules, which in this particular context includes that set out in rule 7(3) that the “application shall be signed by the applicant” (or its authorised agent). In the context of projects such as will arise here an applicant will be cautious to ensure that when they

submit an application they achieve that and we accordingly consider that applicants will submit a hard copy of the application duly signed by the applicant or its agent, whilst the copies to accompany it (see rule 8(1) and for accompanying documents rule 8(2)) will likely be supplied in both hard copy and electronic forms.

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

12th Meeting, 2007 (Session 3)

Tuesday 27 November 2007

Subordinate Legislation Cover Note

Title of Instrument	The Transport and Works (Scotland) Act 2007 (Consents under Enactments) Regulations 2007, (SSI 2007/draft)
Type of Instrument	Affirmative
Laid Date	8 November 2007
Circulated to Members	13 November 2007
Meeting Date	27 November 2007
Minister to attend the meeting	Yes
SSI drawn to the Parliament's attention by Subordinate Legislation Committee	No
Reporting Deadline	10 December 2007

Purpose

1. The purpose of this instrument is to ensure that permissions and consents that may be required for a particular development can, as far as possible, be considered and granted at the same time as the order for that particular development is being considered and approved, and in so doing make for efficient process.
2. A copy of the SSI, an explanatory note and the Executive Note are attached.

Further Information

3. The Transport, Infrastructure and Climate Change Committee has been designated lead committee and is required to report to the Parliament by 10 December 2007.
4. Under Rule 10.6.1 (b), the Order is subject to affirmative resolution before it can be made. It is for the Transport, Infrastructure and Climate Change Committee to recommend to the Parliament whether the Order should be approved. The Minister for Transport, Infrastructure and Climate Change has, by motion S3M- 792 (set out in the agenda), proposed that the Committee recommends the approval of the Order. The Minister will attend in

order to speak to and move the motion. The debate may last for up to 90 minutes. Ahead of the formal debate, there will be an opportunity for members to ask questions of the Minister and his officials.

5. At the end of debate, the Committee must decide whether or not to agree the motion, and then report to Parliament accordingly. Such a report need only be a short statement of the Committee's recommendation.

Steve Farrell
Clerk to the Communities Committee
Tel. 0131 348 5211
email: steve.farrell@scottish.parliament.uk

TIC/S3/07/12/6

Scottish Budget Spending Review 2007

Evidence to the Transport, Infrastructure and Climate Change Committee

Of the Scottish Parliament

By Alex Macaulay B.Sc., M.Eng., C.Eng., M.I.C.E. M.I.H.T.

Partnership Director of SEStran

1. INTRODUCTION

- 1.1. My name is Alex Macaulay and, since July 2006, I am Partnership Director of SEStran, the South East of Scotland Transport Partnership, having previously been Projects Director of **tie** Ltd., a head of service with the City of Edinburgh Council, Depute Director of Transportation with Lothian Regional Council, an Associate Director with a major transportation consultancy and Assistant Director of Roads and Transportation with Central Regional Council.
- 1.2. SEStran (South East Scotland Transport Partnership) is the statutory transport partnership of the eight local authorities Clackmannanshire, East Lothian, City of Edinburgh, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian. It should be noted that, due to the tightness of time from the invitation to present evidence, the SEStran Board has not had the opportunity to consider this evidence. Therefore any opinions expressed are my own.
- 1.3. The Cabinet Secretary for Finance and Sustainable Growth announced the Scottish Budget Spending Review 2007 to Parliament on the 14th November. On the same day, supplementary information was provided by civil servants on the implications for Regional Transport Partnerships.
- 1.4. In terms of the detailed implications of the Budget there are areas that are not yet clear. In presenting my evidence to the Committee, I have sought to highlight these areas and the possible implications for SEStran for the Committee's benefit. I am sure there will be further discussions with civil servants soon which will clarify matters and the outcome of those discussions will be reported to future board meetings of SEStran.

2. SCOTTISH BUDGET SPENDING REVIEW 2007

- 2.1. The key elements of the Cabinet Secretary's announcement as they will affect SEStran are outlined below.

- 2.2.** Chapter 17 of the Spending Review heralds a new relationship between Central and Local Government. In recognition of local government's vital role, the Scottish Government is seeking a new and much more productive relationship with local government, where they work in partnership to deliver agreed national outcomes and local priorities which give the best outcomes for people right across Scotland as well as the communities in which they live.
- 2.3.** As part of the new relationship, local government will be expected to contribute to the delivery of the national Strategic Objectives, outcomes, indicators and targets, and in this way to support the Scottish Government in the delivery of its overarching purpose.
- 2.4.** The funding on offer as part of the overall package will enable local authorities to deliver across all of their various functions. It brings together virtually all the funding that will be provided to local government which, in previous spending documents, would have been included under different portfolio headings.
- 2.5.** A list of those specific (ring fenced) grant schemes that are expected to continue in 2008-09 and those that will be incorporated into the local authority settlement total is provided in table 17.02 of the Budget. The prospect that the list of ring fenced funding may reduce further by 2010-11 is highlighted.
- 2.6.** There are some further pockets of funding allocated to local government, in addition to those included within table 17.02. These include, for example, a significant contribution to the Edinburgh tram project;
- 2.7.** Table 17.02 indicates, under Finance and Sustainable Growth, that Regional Transport Partnership Capital Grant is specifically included in the ring fenced section i.e. not included in the rolled up local government settlement
- 2.8.** As covered later in this report, we are advised that this does not apply to all Regional Transport Partnerships and, apart from ring fencing of SPT funding, RTP capital has been included in the rolled up local government settlement.
- 2.9.** Chapter 20 presents the draft budget for Finance and Sustainable Growth. The budget for Sustainable and Active Travel promotes alternatives to car use and more active forms of travel, particularly cycling and walking, by supporting projects which raise awareness or facilitate sustainable travel choices.
- 2.10.** The budget for Transport Strategy and Innovation provides running cost support for regional transport partnerships, the Mobility and Access Committee for Scotland (MACS), Passengers' View Scotland and support for innovative transport solutions. In the case of RTPs, this provides for the Scottish Government's match funding of Local Authority requisitions. However, there is no allocation for RTP Capital grant.
- 2.11.** Among the budget changes indicated in this section is increased provision for sustainable and active travel to promote alternatives to car use and active travel, particularly cycling and walking. This is consistent with verbal information from civil servants that direct funding for travel planning is being continued in 2008/9.
- 2.12.** Chapter 27 presents the Draft Local Government budget. The key change in the local government budget is the inclusion in table 27.01, for the first time, of all specific revenue and capital grants that were previously recorded separately from the core local government finance settlement. As part of a move to outcome agreements, it is expected that the levels of ring-fenced specific grant funding streams and regulation will be substantially reduced. The sums released will be provided as general resource and capital grant. This, in turn, provides local authorities with much more flexibility in allocating resources to frontline services taking into account local circumstances and priorities. Further details of the resource and capital funding streams that will continue as specific grants will be confirmed following further consultation with local government. There is no mention of RTPs in this section.

3. THE SCOTTISH GOVERNMENT/COSLA CONCORDAT

- 3.1. The concordat sets out the terms of a new relationship between the Scottish Government and local government. It underpins the funding to be provided to local government over the period 2008/9 to 2010/11 and has been endorsed by both the Scottish Ministers and by the COSLA Presidential Team.
- 3.2. It should be noted that RTPs are not members of COSLA and have not been involved in the development of this concordat.
- 3.3. There is only one reference to RTPs in the concordat, at Annex B, where under Finance and Sustainable Growth, Regional Transport Capital Grant is identified as continuing to be Ring Fenced in 2008/9. The table in Annex B is the same as table 17.02 of the Scottish Budget.
- 3.4. The Concordat provides a jointly agreed package which will give local authorities substantially greater flexibility and also greater responsibility. In future, the onus will be increasingly on authorities to reach decisions on where money should be spent to achieve agreed outcomes.
- 3.5. Annex A of the Concordat includes a total of 45 indicators and targets that will be used to monitor progress towards meeting the Government's high level targets. Only two of these relate directly to transport.
 - 3.5.1. **Indicator 4:** Reduce the proportion of driver journeys delayed due to traffic congestion.
 - 3.5.2. **Indicator 36:** Increase the proportion of journeys to work made by public or active transport.

4. ADVICE FROM CIVIL SERVANTS

- 4.1. Supplementary to the above published documents, the following advice has been obtained from civil servants on the implications of the announcement of the Spending Review.
- 4.2. RTP Core funding will continue to be provided by direct Government Grant based on the current 50% match-funding arrangement with Councils.
- 4.3. Other "Transitional Costs" funding to RTPs will cease.
- 4.4. Travel Plan Grant funding to RTPs will be continued for a further year in 2008/09.
- 4.5. DRT/RPPT/BRDG/PTF/ITF funding is to be allocated to local authorities as part of the Local Authority Settlement for 2008/09.
- 4.6. The Capital Grant direct to RTPs will be ended and rolled into the Local Authority Settlement. The only exception to this applies to £25m of the total £46.3m which has been ring fenced for Strathclyde Partnership for Transport. Consequently the treatment of SPT and therefore the local authorities within that area as compared to that of the other Regional Transport Partnerships and their partner authorities is fundamentally different.

5. SEStran Draft Regional Transport Strategy

- 5.1. SEStran presented its draft Regional Transport Strategy to Scottish Ministers on 31st March this year in line with the programme defined by Government. The RTS represents an ambitious programme for the SEStran area. In introducing the RTS Councillor Russell Imrie, the SEStran Chair said:-

“As Chair of SEStran, I am proud to introduce our Regional Transport Strategy. It represents an historic first opportunity to plan for the long-term transport needs of over 1.5 million people, living in Scotland’s most economically vibrant region. In developing the strategy, we have consulted extensively with stakeholders and the public, to ensure that as wide a range of views as possible from around the region are reflected.

South East Scotland needs a transportation system that is comprehensive, sustainable and inclusive. It must meet the needs of business and ensure that people living in the region can share in its prosperity. It must provide a choice of suitable transport options that will improve access to health care, education, public services and employment opportunities. It must also contribute towards reducing the emissions of greenhouse gases, and reducing the growing problem of traffic congestion.

Through our Regional Transport Strategy, SEStran wants to encourage people to make smarter choices when travelling. We want them to consider a range of transport options, including; cycling and walking, making sensible use of their cars, avoiding single occupancy journeys wherever possible, and by making public transport their travel mode of choice.

We are already supporting a significant programme of initiatives that offer real added value to public transport provision. In 2006-7 alone we supported over 50 infrastructure improvement projects, in partnership with local authorities. This year we will spend an additional £10 million on projects ranging from park and ride, to bus priority schemes and improved cycle paths. Over the next 15 years, we hope to invest almost £1 billion in improving infrastructure and transport services throughout the South East Scotland, as the Regional Transport Strategy is implemented.

The Regional Transport Strategy is no quick fix. It will take time, planning and resources to ensure that South East Scotland has a transportation system that fully meets the needs of the whole community. It will also take close cooperation with a wide range of partners and stakeholders. SEStran aims to make that system a reality, starting now.”

- 5.2. The RTS has an ambitious vision for the SEStran area as follows:-

‘South East Scotland is a dynamic and growing area which aspires to become one of northern Europe’s leading economic regions. Essential to this is the development of a transport system which enables businesses to function effectively, allows all groups in society to share in the region’s success through high quality access to services and opportunities, the environment, and contributes to better health.’

- 5.3. In seeking to deliver on this vision the RTS has identified a series of objectives under the following headings

‘Economy’ – to ensure transport facilities encourage economic growth, regional prosperity and vitality in a sustainable manner

‘Accessibility’ - to improve accessibility for those with limited transport choice or no access to a car, particularly those who live in rural areas

‘Environment’ – to ensure that development is achieved in an environmentally sustainable manner

‘Safety and Health’ – to promote a healthier and more active SEStran area population

- 5.4. The RTS delivery has been divided into three areas. These along with the RTS proposed budgets which are additional to Local Authority core budgets currently funded through Capital Consents are set out below:-

5.4.1. Region-wide initiatives – measures affecting the whole SEStran area

Table 6.1 Funding – Region-Wide Measures

£,000	Short Term 2008-2011	Medium Term 2011-2016	Long Term 2017-2022
Revenue	15,843	44,985	50,047
Capital	14,450	64,100	63,100
Total	30,293	109,085	113,147

5.4.2. Initiatives for specific areas and groups – aimed primarily at accessibility and providing minimum levels of service to specific localities and groups, and rural areas more generally

Table 7.2 Funding – Specific Areas and Groups Measures

£,000	Short Term 2008-2011	Medium Term 2011-2016	Long Term 2017-2022
Revenue	15,361	44,830	59,306
Capital	6,000	12,000	12,000
Total	21,361	56,830	71,306

5.4.3. Network-based initiatives – covering carefully targeted physical infrastructure schemes and public transport supply on the principal travel corridors

Table 8.6 Funding – Network Based Measures

£,000	Short Term 2008-2011	Medium Term 2011-2016	Long Term 2017-2022
Revenue	33,379	76,781	64,180
Capital	116,327	162,668	51,160
Total	149,706	239,449	115,340

5.5. We are advised that the total transport budget to be transferred from previously ring fenced budgets and that has now been rolled up into the Local Authority Settlement is £46.3m for 2008/9. Of this an £11m allocation to Glasgow underground has been ring fenced for SPT. This leaves a balance of £35.3million which matches the annual total announced for 2006/7 and 2007/8 by Tavish Scott in December 2005 comprising:

TACTRAN	£3.328m
HiTrans	£3.530m
NESTRAN	£3.012m
Zettrans	£0.177m
SEStran	£9.614m
SWestrans	£1.112m
SPT	£14.228m
Total	£34.941m

Taking the Glasgow Underground figure of £11m and the £14m above for SPT this reconciles to the total of £25m which we are advised has been ring fenced for SPT and not rolled up into the Local Authority settlement leaving approximately £21m which has now been allocated directly to local authorities in the rest of Scotland. None of the £21m will be allocated to RTPs.

On the basis of the information available, I would estimate that SEStran local authorities' share of the monies rolled-up would be £9.6m.

5.6. It should be noted that SEStran is currently managing a budget of £14.8m for this financial year. This includes a one of total of £4.571m for projects funded from the Public Transport Fund and the Integrated Transport Fund. We had hoped that the monies previously part of the ITF and PTF would have been re-allocated to transport in some way. On the basis of the figures covered in paragraph 5.5 this would not appear to be the case representing a reduction in available transport funding. If the SEStran area's share of available capital funding is £9.6m as outlined in paragraph 5.5 and if this level is maintained over the three year period of the budget, this would represent a total capital available for transport in the SEStran area to contribute towards meeting the objectives of the RTS of the order of £28.8m compared to the RTS bid of £130,783m. It is therefore apparent that the aspirations contained in the RTS for delivery of capital projects will need to be severely curtailed in the light of available finance.

5.7. In the context of revenue we are advised that while core funding and Travel Planning funding for RTPs will continue in 2008/9, the transitional funding that has contributed this year to funding of RTS initiatives will cease. The possible implications of this for RTPs is summarised below based on a distribution similar to last year.

	2007/8			2008/9		
	Core	RTS Implementation	Total	Core	RTS Implementation	Total
TACTRAN	210	320	530	210	280	490
SESTRAN	360	900	1260	360	750	1,110
HiTrans	200	330	530	200	288	488
Nestran	350	320	670	350	280	630
Shetland	247	200	447	247	175	422
South West	100	200	300	100	175	275
SPT	400	1030	1430	400	900	1,300
	1867	3300	5167	1867	2848	4,715

It should be noted that the SEStran core budget for 2007/8 included £60,000 for the Round the Forth Cycle path, match funded by the Local Authorities. It is not clear whether this element of core funding will continue. In addition to the above figures for 2007/8, SEStran has been awarded £92,000 for part funding of the cross Forth hovercraft trial.

5.8. On the basis of the above figures, the available funding for revenue spending on RTS implementation is likely to be reduced by around 14% In the case of SEStran approximately £0.75m a year with possibly £0.1m a year for travel planning, would produce a total of £2.55m over three years. It should be emphasized at this point that these are my estimates in advance of detailed discussions with officers of the Scottish Government. Compared to the RTS bid of £64,583m over the same period this level of

funding would not make an impression on provision of viable alternatives to use of the private car in the SEStran area.

6. IMMEDIATE IMPLICATIONS FOR SESTRAN

- 6.1.** The continuation of core funding from the Scottish Government to match fund the local authority contribution is welcome. This covers the cost of staff, office accommodation, supplies and materials and communication. As such the core functions of SEStran can continue.
- 6.2.** The loss of transitional costs funding is regretted but not surprising in the context of a tight budget settlement. This funding in the past covered the exceptional costs of establishing SEStran. The scale of any residual revenue budget to cover project work is not yet clear but on the basis of the national budget as published it could be of the order of £0.75m which represents a reduction of 17%. Consequently rather than planning for increases in project management capability, I propose no change to staffing levels with a redeployment of existing staff to reflect this budget. At present we have a total of four part time consultants supporting our revenue and capital programme and their involvement would cease at the end of this financial year.
- 6.3.** Travel Plan funding will be continued for 2008/9 and when read in conjunction with the three year budget for sustainable and active travel which is planned to increase it would not be unreasonable to budget for £100,000 a year. This would continue to fund the travel plan officer and the level of activity he is presently managing with no potential for growth.
- 6.4.** The change of government policy on the allocation of DRT/RPPG/RCT grant away from RTPs directly to local authorities removes the need for a DRT officer post for which we had advertised and interviewed. I have now written to all the candidates advising them that, with regret, I am not now in a position to make an appointment. The major implication of this is that the prospect of developing region wide initiatives in this area to better target resources and encourage shared use of facilities such as regional dispatch centres has now become remote with the likelihood that local authorities will focus on local need in their spending priorities.
- 6.5.** The removal of direct capital grant from RTPs and its allocation directly to local authorities has a major impact on SEStran. We are currently controlling a capital budget of £14.8m and had hopes that this may have been increased through the consolidation of Scottish Government ring fenced budgets. However, this budget has been reduced to £9.6m and is now allocated directly to the local authorities as part of their block settlement. It is now a matter for the local authorities firstly to determine their priorities for transport spending as compared to other service areas, secondly to decide if any of that transport budget should be allocated to Regional rather than local priorities and thirdly whether the delivery of transport projects should be carried out by the local authorities themselves or by the regional transport body. This introduces a high level of uncertainty as regards regional transport investment in the SEStran area with the possibility that the already tight budget settlement will be cut further by transfer of funds to other service areas. This is in contrast with the position in the west of the country where SPT have been successful in continuing the ring fencing of capital to them to the extent of £25m, approximately the same level as this current year. It is difficult to understand why if there is a case for ring fencing in the SPT area, that same case is not just as pressing in other regions of Scotland.

6.6. Within SEStran we have successfully managed a capital programme of £9.6m in 2006/7 and are managing a programme of £14.8m in 2007/8. The 2006/7 programme was brought in within 4% of the approved budget and we are on target to deliver this year's programme on budget. A comparison between the original approved budget and the out turn expenditure by local authority area is shown below. During both financial years, as a result of unforeseen circumstances in the local authority delivery of projects, the SEStran board has approved significant re-distribution of funds between the partner authorities while still ensuring that spending was directed to SEStran priorities. This has been achieved with the agreement of the partner authorities but could only have been achieved because SEStran was in control of the budget and able to make adjustments in a timely manner. This will not necessarily be possible if the budgets are controlled by the individual authorities with the possibility of any adjustments being kept within any particular authority and directed towards other service areas. Consequently, if this were to take place, SEStran's ability to deliver its Regional Transport Strategy could be severely compromised.

SEStran Capital Programme 2006/7 and 2007/8

Local Authority Area	2006/7 Approved Budget £ (Aug 2006)	2006/7 Out Turn £	2007/8 Approved Budget £ (June 2007)	2007/8 Projected Out Turn £ (Nov 2007)
CEC	2,876,000	3,755,000	9,170,778	7,280,000
Clackmannan	220,000	217,439	122,561	173,000
East Lothian	205,000	148,887	636,439	580,000
Falkirk	850,000	1,210,143	825,209	1,207,000
Fife	2,104,000	1,859,226	1,532,004	1,550,000
Midlothian	830,000	829,820	861,197	1,591,000
Scottish Borders	280,000	312,868	493,317	544,000
SEStran wide	304,040	79,545	450,000	76,000
West Lothian	850,000	838,452	756,548	857,000
Total	8,519,040	9,252,553	14,838,053	13,278,000
Grant level	9,613,565		14,838,053	

6.7. Within the above figures there have been significant adjustments required to major projects which have been accommodated through a combination of adjustments within local authority areas and transfers of funds between authorities. Again this has been possible through the ability of the SEStran board to make timely decisions without the need to seek individual local authority approval of the changes. This ability to proactively manage the programme will be severely restricted if not eliminated through the new funding arrangements.

7. EFFECTIVE PARTNERSHIP WORKING

7.1 SEStran has worked effectively as a partnership with not only the constituent local authorities but also Scottish government and the wider transport industry. Liaison meetings and forums on bus, rail, cycling and travel planning are held regularly with representatives from across all sectors of the industry in attendance. At all stages of project delivery consultation is inclusive with various project teams now formed with personnel drawn from local authorities, public transport operators and Scottish

government agencies. SEStran has facilitated many successful transport interventions with the most recent high profile project being the Forthfast Hovercraft trial in partnership with Stagecoach, The city of Edinburgh Council, Fife Council, Lothian Buses and the Scottish Executive. Other projects on the cusp of delivery include a proposal to provide High Occupancy Vehicle lanes on the southbound approach to the Forth Road Bridge in partnership with Fife Council and Transport Scotland and also a project to deliver a region wide Real Time Passenger Information System with all the constituent SEStran authorities and bus operators participating. SEstran has already provided funding to roll out the City of Edinburgh Council passenger information system into East Lothian and Midlothian and these systems are proving to have many benefits not only for the travelling public but also the management of bus operations. Last year SEStran procured bus registration system software and a server that now acts as a data hub for all the partnership authorities with financial savings being made through economy of scale and the need for less hardware. This database will provide useful data for the implementation of other projects and is of great benefit to the smaller local authorities with less resource to deal with these issues.

- 7.2** Over the past year SEStran has developed successful and effective partnership working, which demands good communication and consultation with all participants. The Partnership Board contribute greatly to this process and to date there has been no need to vote on any agenda issue as consensus has always been achieved through debate at meetings. This process has enabled SEStran to successfully manage its capital budget and direct funding at delivery of the Regional Transport Strategy and keep within budgets as described earlier in this evidence.
- 7.3** SEStran is in the process of implementing management systems to further improve the project delivery process and these include the establishment of a series of term framework contracts which will cover all aspects of transport interventions and greatly reduce the project delivery time, a project appraisal system to prioritize proposals and a risk management strategy being developed to include both strategic and project risk.. The office management structure has also now been established and developed to enable the delivery of the Regional Transport Strategy and this will require review if capital funding is not made available.

7. SUMMARY

- 7.1.**The statement that Core funding will continue to be provided by direct Government Grant based on the current 50% match-funding arrangement with Councils is welcomed.
- 7.2.**The announcement that Travel Plan Grant funding to RTPs will be continued for a further year in 2008/09 and that there appears to be a continuing commitment to increased funding for sustainable transport over the three year budget period is also welcomed.
- 7.3.**The decision that DRT/RPPT funding is to be allocated to Councils as part of the Local Authority Settlement for 2008/09 is regretted in that it could severely prejudice the ability to develop DRT on a regional basis and thereby provide economies of scale and better targetting of investment.
- 7.4.**The decision that other "Transitional Costs" funding to RTPs will cease is noted.
- 7.5.**The levels of capital and revenue that have either been allocated to transport or rolled up in the local authority settlement from previous transport budgets falls far short of that

required to make significant improvements to transport in the SEStran area as defined in the regional transport strategy.

7.6. The decision that Capital Grant direct to RTPs is also to be ended and rolled into the Local Authority Settlement is greatly regretted. This will severely prejudice SEStran's ability to deliver on the objectives contained within the regional transport strategy and could result in a further erosion of transport's share of available budgets.

Alex Macaulay

SEStran Partnership Director

22nd November 2007



Scottish Budget Spending Review 2007
Transport, Infrastructure and Climate Change Committee
27th November 2007

Written Evidence from Dave Duthie, Partnership Director

- 1.1 **HITRANS** is the statutory Regional Transport Partnership covering most of the Highlands and Islands (Highland Council; Moray Council; Orkney Islands Council; Western Isles Council and parts of Argyll and Bute).
- 1.2 Its duty as a Model 1 Partnership is to prepare and submit for the approval of the Minister a Regional Transport Strategy (RTS); to undertake research and gather information about the transport needs of the region; coordinate actions by individual Councils; and to implement the regional transport strategy and related projects in partnership with the Local Authorities, Community Planning Partners and other agencies in the region.
- 1.3 The Regional Transport Strategy was submitted to the Minister in March 2007 following its endorsement by each of the constituent Councils and major stakeholders including Highlands and Islands Enterprise. Its key aim is to enhance the region's viability and to enable the region to compete and support growth.
- 1.4 Since its creation in December 2005 **HITRANS** has delivered significant improvements in transport services and infrastructure across the region working in partnership with its constituent Councils, transport operators and the Government's agencies. In particular high quality transport interchanges in Port Askaig, Fort William, Lochmaddy and Kirkwall have been developed, low floor accessible buses have been introduced across the region, and active travel schemes introduced to encourage modal shift and improve people's health.
- 1.5 The Partnership has carried out a number of studies to support the development of transport priorities identified within the Strategy including work to identify levels of service and need for road based public transport, an audit of the potential for greater active travel in our key settlements across the region, the case for improving access to our most remote areas, and studies to establish the economic benefit from major infrastructure improvements on the major arteries servicing the region. It has worked closely with the Councils, Highlands and Islands Enterprise and stakeholder groups in undertaking this work.
2. **Implications of the Budget Spending Review proposals on the Highlands and Islands.**
- 2.1 **HITRANS** welcomes many of the announcements in the Scottish Government Spending Review as presented to Parliament on 14th November and notes with interest the new concordat between the Government and CoSLA with its associated commitments and National Performance Framework.

2.2 The following commitments are identified within the Review which will support transport provision across the highlands and islands

1. the intention to reduce rail journey times between our major cities,
2. the introduction of a Rail Small Programme,
3. increasing expenditure on maintaining trunk roads,
4. continuing support for Highlands and Islands Airports Limited,
5. a commitment to fund the continuation of the Air Discount Scheme,
6. increasing support for sustainable and active travel,
7. a commitment to funding a trial of Road Equivalent Tariff on ferry services,
8. funding for a new ferry service between Campbeltown and Ballycastle.

2.3 The Budget Spending Review document reflects the proposed funding settlement across the whole public sector at a strategic financial level aimed to allow appropriate Parliamentary scrutiny. It does not at this stage provide detail of individual funding streams, the amounts involved or the detail of their distribution. It is understood that this will be provided in the Local Government Settlement document which is to be presented to Parliament in December. The comments offered at this time must therefore reflect the limited information currently available on the intended transport allocations.

2.4 Clarification has been sought from Scottish Government officials on the implications of proposals in the Review as it impacts on transport service delivery across the country. From these helpful discussions the following is our understanding of the Government's intentions,

1. Ring fencing of transport funding will be limited to RTP capital grant for SPT which will continue at its current level, and funding for cycling, walking and safer streets,
2. Previous capital grant allocations to the 6 other RTPs are to be discontinued, with capital funding in future being allocated directly to Councils as part of the local government block capital allocation, with no prioritisation, or ring fencing for transport,
3. Current ring fenced funding for Demand Responsive Grant, Rural Public Passenger Grant, Bus Route Development Grant, School Travel Coordinators, Piers and Harbours Grant, and the Public Transport Fund are to be rolled up into the overall local government settlement in 2008/09.

2.5 The government has identified its Purpose is 'to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable growth' and this is reflected in the Government's Economic Strategy published on 13th November. This document identifies the need to improve the infrastructure supporting economic growth, of which transport is arguably the most important particularly in providing equity of opportunity. The Budget Review in reflection of this important focus provides for encouraging economic activity and investment across Scotland, thereby sharing the benefits of growth. It provides 'increased investment in Scotland's strategic transport networks, providing over £2.5 billion by 2010-11 to support the efficient movement of goods and services'. It is therefore concerning that no mention is made of the need to incur expenditure on the improvements to the A82 at Pulpit Rock and Crianlarich within the Budget timeframe to ensure completion of these projects in 2011/12 as previously indicated as their intention. These schemes are critical as an initial stage of the work necessary on this route to enable regeneration of the beleaguered economy of the west highlands and islands.

- 2.6 To meet the Governments aims of 'generating greater and more widely shared employment' and 'additional choices and opportunities for Scotland's people' transport must play a major role and local government is being tasked through the concordat with helping deliver these outcomes. The National Performance Framework includes some 45 national indicators and targets to achieve its identified National Outcomes, of which only 2 relate to transport
- **Indicator 4** Reduce the proportion of driver journeys delayed due to traffic congestion.
 - **Indicator 36** Increase the proportion of journeys to work made by public and active transport.
- 2.7 To ensure optimum achievement of these targets joint working between Councils, through RTPs, will be necessary as commuting now occurs on a much larger than that covered by individual Councils.
- 2.8 Local Government faces significant challenges in delivering services across a wide agenda in the next 3 years within the concordat agreed by CoSLA. Removal of ring fencing of funding in a number of areas will provide them with the opportunity to optimise the use of both revenue and capital funding in achieving their goals reflecting local need, however this will inevitably result in reductions of service in some areas. Historically a number of Councils faced with such circumstances have found it necessary to reduce investment in infrastructure maintenance and transport service provision to meet pressing short term requirements elsewhere.

3. Demand Responsive Transport

- 3.1 Ring fenced additional grant was previously offered to Councils to improve the availability of minimum levels of public transport in rural and remote rural areas through the Rural Public Transport Grant, where commercial and Council supported services were either inadequate or unavailable. Funding was additionally supplied through direct Government grant to support the delivery of demand responsive and community transport services, through the DRT and Rural Community Transport Initiatives, to the most mobility challenged groups who would otherwise be unable to access services. The budget proposals remove protection for all three of these funding streams. This is particularly significant in the **HITRANS** area where some £4.5m of the current overall £10.5m of funding is directed in reflection of the significant challenges of peripherality and sparsity faced by communities in the region. Based on information currently available there is no guarantee that Councils will be able to maintain or develop services in this area given the tight budget settlement and the other pressing challenges they face.
- 3.2 The RTPs had, prior to the Draft Budget Statement, been tasked with delivering these transport services from 2008/09. They had, with Scottish Government, agreed an appropriate distribution mechanism across the country for the anticipated enhanced level of funding, which ensured services would not be put at risk but rather improved in the years ahead. **HITRANS** has, in meeting this commitment, already invited applications for funding of Community Transport Projects run by voluntary organisations without funding from April 2008, in reflection of the need for continuation of the services provided by this sector. This action was instigated to provide a degree of reassurance to the recipients of these valued services and to minimise the employment implications for the delivery organisations in the months ahead. **HITRANS** also committed to ensuring no on-going services currently supported by any of the other funding streams would be lost were the appropriate funding and responsibility for providing these services passed to it for delivery.

4. Capital Investment in Transport Infrastructure

- 4.1 As identified above in Para 1.4 significant transport improvements have been delivered by RTPs in the past through the provision of capital investment and it is encouraging that this approach to funding is being maintained on a ring fenced basis in the SPT area ensuring necessary enhancements in transport services are delivered to meet the needs of that region. Given the success of the other RTPs in achieving equivalent benefits within their areas through partnership working with their constituent Councils, it is disappointing that the rest of Scotland is not being offered guaranteed levels of capital investment in the transport sector as that to be enjoyed in the west.
- 4.2 Within its Regional Transport Strategy **HITRANS** identified the need in the short to medium term for significant levels of investment in the smaller Council areas necessary to ensure these communities could add value to the overall economy of the region and the country as a whole. These priorities which require high levels of capital funding to deliver, including replacement of the local ferries in Orkney and the completion of the spine road in Eilean Siar, are likely to be outwith the ability of these individual Councils to fund within their overall allocations, yet a delivery commitment was agreed by all in the Partnership as part of a regional approach to prioritising investment needs, reflecting an inclusive approach across the region to meeting our aims.
- 4.3 The RTPs each await approval of their regional transport strategies and commitment from Government to implement the associated programmes which identified common goals across wide geographical areas. The Budget Spending Review identifies no opportunity before 2010/11 to initiate the regional strategies which reflect the aims of the National Transport Strategy, possibly resulting in a loss of strategic direction across the country in this sector which is so critical to achieving economic growth.

5. Piers and Harbours Grant

- 5.1 As for other capital funding streams, in the specific area of Piers and Harbours capital support, grant has historically been managed by the Government to support one off capital improvements to piers and harbours owned by Councils and Harbour Trusts in the west and northern isles necessary to ensure delivery of lifeline ferry services. The grant, which would meet up to 75% of the capital cost of the works, is now to be rolled up into the local government settlement across Councils. There is no indication as yet as to how the funding will be distributed between Councils, but irrespective, the mechanism for funds to be managed in a manner that supports demands for substantial capital funding for individual projects across the country will be lost. Individual Councils may well not be in a position to provide capital support in the necessary timescale with knock on impacts on Government's ability to maintain lifeline links to island and peninsular communities.

6. Conclusion

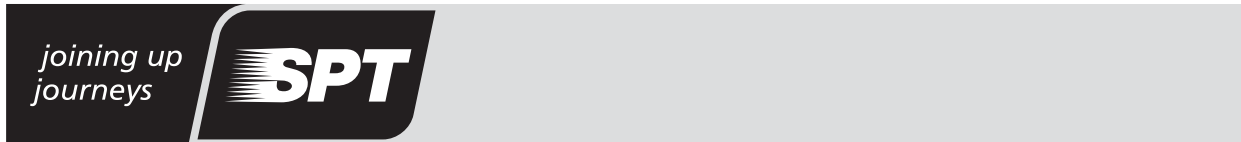
- 6.1 There are a number of positive proposals in the Scottish Budget Spending Review 2007 for transport service delivery, which **HITRANS** would welcome. Without knowing the detail of the proposals in specific areas in terms of funding levels relative to current expenditure, and to what extent Councils will be able to support investment in transport services and infrastructure improvements which are so critical to enhancing the viability of the highlands and islands, it is difficult to comment in detail on the budget proposals or the impact they will have. **HITRANS**

continues to be committed to improving transport services and networks which are so critical to our country and the highlands and islands in particular, and will work jointly with all its partners and stakeholders to deliver a region able to compete and sustain growth.

Dave Duthie

HITRANS Partnership Director

22nd November 2007



Scottish Budget Spending Review 2007

**Written Evidence to the Transport, Infrastructure and Climate Change Committee, 27
November 2007**

**Valerie Davidson
Assistant Chief Executive (Business Support), SPT.**

Introduction

Strathclyde Partnership for Transport (SPT) formally came into effect on 1 April 2006 as a result of the Transport Act (Scotland) 2005. By virtue of this legislation and supporting orders, SPT is a successor body to what was SPTA and SPTE and has had all powers and responsibilities transferred to it, with the exception of rail franchise management powers. SPT has played a vital role in the delivery of transport in the West of Scotland since the creation of SPTE following the Transport Act 1968, and has maintained these vital transport links and services through the various local government changes since this time. SPT has a proven track record of delivering transport in the West of Scotland.

SPT is different from the other four multi-council Regional Transport Partnerships (RTPs) and has been created under what has become known as a model three partnership. In effect this means that SPT has a board of 20 elected members nominated by constituent councils plus up to 9 other members appointed by the Transport Minister. SPT is responsible for not only transport planning, and promotion but also delivery in the West of Scotland. SPT owns and operates the Glasgow Subway and Renfrew Ferry, and delivers many bus related services throughout the West of Scotland, including the delivery of key policy areas such as school transport services, rural transport planning and delivery, and demand responsive transport on behalf of the 12 councils making up the SPT area. SPT also manages all bus infrastructure, bus stations, bus stops and importantly information standards and distribution. This includes filling the gap left in the private sector bus networks where a socially necessary service is required. This budget is significantly constrained. We are also confirmed by Parliament as the promoter and delivery agent for the Glasgow Airport Rail Link, and actively pursuing many other essential large transport projects.

Since its creation in 2006, SPT has produced and submitted the regional transport strategy (RTS) to the Transport Minister which identifies the required interventions aimed at growing the economy and prompting modal shift over the next 15 years. It has aimed to ensure that our plans are affordable, provide quality accessible transport solutions for all areas of the economy, improves transport information and actively contributes to regeneration and the continued growth of the economy of Scotland in the widest sense. Importantly the RTS identified a step change was required specifically in relation to bus travel and delivery, and SPT has made significant steps in partnership with all of its stakeholders and regulatory organisations to ensure compliance with licence and registration commitments by private commercial operators who deliver 95% of bus mileage in the area. In support of these RTS aspirations and objectives, SPT is now monitoring unacceptable competitive behaviour as a

step to ensuring quality and accessibility in transport.

SPT currently has a net revenue budget of approximately £45 million (gross revenue expenditure £70million) and a current capital spend in 2007/2008 of approximately £35million. SPT works in partnership with a vast array of key stakeholders to ensure that transport solutions are delivered in a cost effective and targeted way, contributing wherever possible to constituent councils desired outcome targets. SPT revenue funding is derived via requisition from the 12 constituent councils while capital grant is made directly from the Scottish Government.

Response to Budget Announcement

SPT welcomes and supports many of the announcements in the governments spending review presented to Parliament on 14 November 2007. In particular SPT notes with interest the agreement between the government and COSLA, and the desired national targets. SPT is actively engaged with all of its constituent councils to ensure that targets dependent upon or related to transport across the region are co-ordinated and delivered in a cost effective and sensible fashion. However, SPT is concerned that a number of these national outcomes require further consideration in terms of deliverables e.g. indicator 4 – increase the proportion of journeys to work made by public and active transport. This is a key aim of SPT with many interventions identified that will contribute to such a target. However it must be recognised that such an indicator is influenced by two possible areas – the first is the propensity to travel as a result of other policies such as housing policy or economic policy resulting in workplaces and residential areas no longer being co-joined, and the second is the availability and quality of the alternative travel modes. Quality transport interventions require funding of both capital investment and ongoing revenue to support these assets and services.

Support for Capital Projects and Transport Infrastructure

SPT welcomes the government's announcement that capital funding will continue to be ring fenced for SPT capital projects, acknowledging the important role SPT plays in delivery of transport infrastructure delivery. This is a critical source of funding to ensure that the SPT owned and delivered services via the Glasgow Subway, Renfrew Ferry, and supporting bus infrastructure projects and contributions to smaller scale transport solutions can be targeted and delivered within the resources available and allows local priorities to be set and met. The outcome of the SPT initiative developing bus action plans will require capital investment if targets on quality, modal shift, vehicle quality and accessibility are to be met.

SPT recognises that for major projects such as GARL, Crossrail and Glasgow Subway modernisation it will be necessary to develop full financial cases in support of increased expenditure, and this will require central government support similar to that provided for the GARL project. SPT is also continuing to look at alternative routes of finance to support large scale projects such as spend to save initiatives, contributions from other agencies including the private sector and European funding in support of projects.

The detail available at this stage on capital funding, while confirming that financial support to the GARL project, does not allow a detailed analysis of the capital funding available for other projects such as Crossrail and the Subway modernisation. Both projects will positively contribute to the economic wellbeing of the West of Scotland and Scotland as a whole, and SPT is concerned that at this stage funding has not been earmarked to support these projects.

Support for Revenue Activities

SPT is funded for revenue services and debt charges relating to previous investments via a requisition from the 12 constituent councils, and historically has made the case that the level of revenue funding available is insufficient. This continues to be the case, particularly in relation to bus related services where the commercial market fails to deliver quality services in circumstances where it is not commercially viable but where and when social needs are prevalent. In funding terms, transport needs are assessed in priority terms against all other services delivered by local government, and quite rightly local priorities determine where funding is spent. However, the legacy of SPT being responsible for delivery while having limited influence directly over the available funding, a set of circumstances transferred from the previous SPTA, remains to be an issue. While SPT can determine a "needs based budget" for the regional area, in reality securing funding for this is always at risk in circumstances where the councils, who are not responsible for transport directly, determine that the available funding should be allocated elsewhere. This issue is now profound with the proposal to unhypothecated specific funding in relation to bus related transport.

SPT welcomed the previous announcement that funding for specific policy areas was being transferred to SPT directly, principally funding in support of demand responsive transport, community transport and rural transport. This was agreed as a significant step forward in the continued funding and delivery of quality bus services. SPT delivers all of these services, with the exception of community transport, on a regional basis currently achieving economies of scale, taking cognisance of route management and delivery of best value, and ensuring that bus services are delivered across local authority areas. SPT believes strongly in the merit of community transport but is concerned at non regulatory nature that exists. SPT has highlighted a requirement to undertake an audit of community transport provision, which is presently unknown, and has no recognised standards in terms of quality, safety or governance.

SPT is therefore very disappointed and feels an opportunity has been lost by the recent budget announcement that DRT funding, rural transport funding and community transport funding is now to be unhypothecated and included within the local government settlement. As a result there can be no guarantee that these services will be planned on regional network basis, securing the highest level of services within the resources available. The funding available to SPT in support of these services will now be at the discretion of individual councils and at a local level which puts at risk the regional network planning benefits, e.g. what will now happen to a socially required service, not operated by the commercial market, which runs through three local authority areas. This service will be at risk should any one council determine not to provide funding in support of this area. Economies and efficiencies will be lost, good service planning will be eroded and ultimately the ability to travel in support of social need and supporting local economies will be at risk.

SPT, following the first announcement to direct the funding to RTPs had commenced plans which included setting quality targets across the whole of the SPT area, putting some control and regulation into the community transport area, and planning for a regional wide central booking and scheduling system in support of DRT, and to support community transport operators and council owned fleets to improve efficiency by undertaking all demand responsive trips in the SPT area. Without the surety of the funding as previously indicated there is a risk to this initiative which supports and demonstrates public service economy, efficiency and sound planning.

SPT would urge the Committee to press for this area to be re-considered in relation to the West of Scotland where SPT is the body responsible for delivering directly these areas of government policy.

SPT welcomes the continuation of RTP core costs - in SPTs case some £400,000, although as result of the model three structure the core costs of SPT are substantially greater than this. In addition, SPT welcomes the statement to support further sustainable transport and travel planning initiatives.

Conclusion

SPT considers that the announcement with regard to transport revenue funding has taken a "one size fits all" approach to funding, and the proposed change in policy regarding DRT, community transport and rural transport funding has not taken cognisance of the fact that SPT is the delivery vehicle for all of these policy areas in the West of Scotland, not the individual councils. As a result there is a risk to the delivery of robust qualitative services on a regional basis which supports socially necessary services in areas where the commercial market fails and thus support to economic growth could be undermined.

The announcement to continue capital support to SPT is welcomed and will allow SPT to determine the investment plans for services it delivers directly, while also acknowledging that alternative funding sources in support of larger scale investment will continue to be sought.

Valerie Davidson
Assistant Chief Executive (Business Support)

Transport, Infrastructure and Climate Change Committee

Inquiry into Ferry Services in Scotland

Approach Paper

Introduction

1. The Committee, at its meeting on 18 September 2007, considered its future work programme and agreed to hold an inquiry into ferry services in Scotland.
2. At its meeting on 6 November 2007, the Committee considered an inquiry approach paper. Members agreed to write to the Minister for Transport, Infrastructure and Climate Change requesting an indication as to whether the new administration intends to proceed with the comprehensive review of lifeline ferry services proposed in the National Transport Strategy (NTS), as well as asking for details of the likely scope of any such exercise.
3. A reply has now been received from the Minister and a copy is attached at Annexe A. The Minister's letter confirms that the Scottish Government does indeed intend to conduct the comprehensive review of lifeline ferry services as set out in the NTS. Although the remit of the review will not be determined until early in 2008, the Minister suggests that it is likely that issues to be considered will include vessels, services and timetables. The work on the review is also likely to interact with that already underway on fares issues in terms of the Road Equivalent Tariff pilot. He states that the indicative timescale for the review is around two years.
4. In his response, the Minister acknowledges that there would be a significant degree of overlap between the Scottish Government's review and the Committee's inquiry. However, he also expresses his hope that, should the Committee proceed with the inquiry, it would serve to inform the review and that any duplication of effort would be avoided.
5. **Members will wish to consider whether, in the light of the Minister's response, they see value in proceeding with the inquiry.** However, it is suggested that although both the inquiry and the review will address similar issues, the Committee's work has potential to complement the review, as the Minister has acknowledged. The fact that the Committee would intend to complete its inquiry in June 2008, during the early stages of the review, is also helpful in this regard.
6. The remainder this paper sets out revised proposals for developing the remit and taking forward a programme of evidence-gathering, should members agree to proceed with the inquiry.

Terms of Reference

7. As suggested in the earlier approach paper considered on 6 November, an inquiry into ferry links to the Scottish islands could potentially cover a wide range of issues, such as:
 - Routes
 - Mainland to island/island to island etc.
 - Effectiveness of existing routes
 - Potential for the development of new routes
 - Frequency and timetables
 - Capacity issues
 - Integration with other transport modes
 - Clyde and Hebrides service tendering process
 - Funding issues
 - Fares (bearing in mind that the Scottish Government's Road Equivalent Tariff pilot is currently underway)
 - Concessionary fares
 - Effect on:
 - Economy/inward investment
 - environment
 - tourism
 - Sunday sailings
 - Freight transportation
 - Accessibility of ferries
8. **It is recommended that the members may wish to use the above list to assist them in identifying a small group of priority issues to form the main focus of the inquiry.** For example, these might include routes, frequency and timetables, capacity and integration with other transport services.
9. However, it is suggested that it would be appropriate for the remit to remain sufficiently wide so as to allow concerns to be raised or improvements suggested in relation to all aspects of ferry services in Scotland.

Written and oral evidence

10. When the Committee has finalised the terms of reference for the inquiry, a public call for written evidence would be issued and the attention of stakeholders drawn to the call for evidence.
11. The Committee could consider a variety of techniques to gather views of ferry users, workers and other interested parties, such as by:
 - publishing a leaflet to be made available at ferry terminals, on board ferries and in public buildings and other appropriate locations

in communities which rely on ferries. Gaelic translation and alternative formats would be made available;

- publicising the call for evidence on the Committee's website;
- placing articles/advertisements in local newspapers and interviews on local radio;
- inviting business interests, freight operators, trade unions etc. to participate
- holding a series of reporter visits around Scotland to hear from ferry users about their concerns (see paragraph 19 below).

12. Such an approach would be consistent with one of the Parliament's key objectives of encouraging engagement by the public in its work. It would bring benefits in terms of the standing of the inquiry if ferry users were to be seen to have been involved in its development. It would also make good use of the period of time during the winter months where it would be difficult logistically for the Committee to hold formal external meetings in island areas.

13. It is proposed that the period up to the end of March 2008 should be allowed for the submission of written evidence after which a summary of the written evidence received will be made available to the Committee. It is suggested that whilst a call for evidence might be published on the Committee's web pages as soon as possible, the publication of leaflets and other publicity measures might best be left until after the festive period in order to maximise its effect.

External meetings

14. It is suggested that it would be wholly appropriate for the formal evidence-gathering programme to include meetings at external venues in areas directly affected by ferries.

15. The Committee could consider meeting in the northern isles. Shetland has already been suggested as a possible venue, although Liam McArthur MSP has recently written to the Convener suggesting that the Committee should meet in Orkney to take evidence. A copy of Mr McArthur's letter is attached at Annexe B. It is suggested that should the Committee decide to meet in either Orkney or Shetland the possibility of also taking evidence via video link with the other location could be examined.

16. The Committee may also wish to consider meeting in a community in the Western Isles or at a location which serves as a ferry hub for these islands. This would provide geographical balance but would also recognise the different issues affecting ferry users across Scotland.

17. If members are minded to pursue this suggestion, detailed proposals for external meetings will be brought forward in a further paper by the clerks.

Any such proposals would require the approval of the Parliamentary Bureau and the Conveners' Group.

Reporter visits

18. Committee members are also invited to consider whether there would be value in undertaking a series of Reporter visits during the period of the call for evidence. This would allow individual or pairs of members to visit areas of Scotland, other than those where external meetings might be held, to hear the views of interested parties, experience ferry services, etc. The Reporters would provide feedback to the Committee on their findings.

Programme/ timetable

19. If members agree the above suggestions, then an approximate timetable for the inquiry would be:

Dec 2007	Issue call for evidence on website
Jan 2008	Issue leaflets and publicise call for evidence
Jan/Feb 2008	Reporter visits/meetings x 4
End-March 2008	Deadline for call for call for evidence responses.
April-May 2008	Oral evidence (including external meetings).
June 2008	Consider draft report.
End-June 2008	Publish report

Conclusion

20. Members are invited to consider whether they wish to proceed with the inquiry, in the light of the Minister's letter outlining the Scottish Government's proposals for a review of lifeline services.

21. If they are minded to proceed, members are further invited to:

- **consider and agree the inquiry remit;**
- **agree to issue a call for written evidence;**
- **consider whether the clerks should develop proposals for a series of Reporter visits and circulate these to members for agreement;**
- **agree that an approach should be made to the Conveners' Group seeking approval for any expenditure associated with the call for evidence and Reporter visits; and**
- **agree that suitable locations for external committee meetings to take evidence as part of the inquiry be identified and a further paper brought forward by the clerks.**

Steve Farrell

Clerk to the Communities Committee

Tel. 0131 348 5211

email: steve.farrell@scottish.parliament.uk

Minister for Transport, Infrastructure and Climate Change
Stewart Stevenson MSP

T: 0845 774 1741
E: scottish.ministers@scotland.gsi.gov.uk



Patrick Harvie MSP
Convener
Transport, Infrastructure and Climate Change Committee
Room T3.40
Scottish Parliament
Edinburgh
EH99 1SP

14th
November 2007

Dear Patrick,

Thank you for your letter of 8 November regarding the Transport, Infrastructure and Climate Change Committee's proposed inquiry into ferry services in Scotland.

As you make clear the National Transport Strategy contains a commitment from the previous administration that "once the tendering of the Clyde and Hebrides ferry services has been completed in 2007 we will undertake a comprehensive review of lifeline ferry services to develop a long-term strategy for lifeline services to 2025". I can confirm that this Scottish Government intends following through on the National Transport Strategy commitment to undertake a comprehensive review of lifeline ferry services. It is my intention to set this within the context of a long-term strategy for lifeline ferry services. With the tendering of the Clyde and Hebrides ferry services recently completed that is something that I am keen to progress. I have had some initial discussions with officials and intend following through on that commitment shortly. Without pre-empting decisions on the remit of the work that needs to be done I would suggest that issues to be considered will include, but not be restricted to, vessels, services and timetables. The work is likely to focus both on particular ferry services as well as consideration of the overall network of lifeline services. Previous consultation exercises invited consultees to consider whether there were further changes which might be made to our lifeline ferry services which would benefit users. We will draw on these responses in reaching a decision on the remit for our review of lifeline ferry services.

Fares are already being considered as part of the work that is underway on RET but clearly there will be some degree of interaction between the setting of fares and issues of constraints on capacity on some of our routes at particular times of the year. Both the work in the RET study and more focussed work on the review of lifeline ferry services will consider these particular issues.

In terms of timescales I would anticipate firming up on the exact remit for the ferry review early in the New Year. The review of lifeline ferry services will progress over the following two years to enable the outputs to feed into future development of the services.

I anticipate the review process being inclusive, much like the approach adopted in the ongoing RET study, where relevant Councils, Regional Transport Partnerships, businesses, ferry companies, user groups, academics and various interest groups have been consulted and had the opportunity to comment as the work has progressed.

My expectation is that the Government's review will be comprehensive. As I have already indicated it is my intention to set this review within the context of developing a long-term strategy for lifeline ferry services. This Government recognises the vital importance of lifeline ferry services in supporting Scotland's island communities. Lifeline ferry services support other strategies across government such as developing the economies of our islands, enhancing tourism, protecting the environment and improving integrated transport. The ferry strategy that emerges from our review of lifeline ferry services will be focussed on the needs of islanders, that is our priority.

Obviously it is for the Committee to decide whether to proceed with its proposed inquiry into ferry services in Scotland in the light of this information. Assuming that you decide to proceed I would hope that your Committee's work can inform the Government's own review of lifeline ferry services and that we can avoid any duplication of effort.

While it is clearly for the Committee to take a view on the issues it considers, if you wish to consider an alternative to a ferry study, I suggest there may be some merit in the Committee looking at the European Union's recently published Urban Transport Green Paper. If that is something that your Committee would want to consider then my officials would be happy to provide further details. An inquiry by Committee into the European Union's Green Paper is something that I believe could add value to this Government's deliberations.

I trust this is helpful.

Kind regards,
Stewart

STEWART STEVENSON

LMcA/AE

Liam McArthur MSP
Member of the Scottish Parliament for Orkney

Patrick Harvie,
Convener,
Transport, Infrastructure and Climate Change Committee,
The Scottish Parliament,
Edinburgh, EH99 1SP

15th November 2007

I note that your Committee's Approach Paper for the Inquiry into Ferry Links to the Scottish Islands includes, in the inquiry remit, the internal ferry services within Orkney. These are of course vital lifeline services without which the outer islands of Orkney could not sustain their population levels.

I also note that the Approach Paper states that "*The Committee could consider meeting in the northern isles (Shetland has already been suggested)*" I strongly believe that the Committee should meet in the Northern Isles and I would equally strongly recommend that this should involve a meeting in Orkney, possibly linked with one in Shetland as well.

While there are similarities between some of the shorter internal ferry crossings in Orkney and the principle internal ferry crossings in Shetland, the Orkney Ferries services from Kirkwall to the North Isles of Westray, Papa Westray, Eday, Sanday, North Ronaldsay and Stronsay are significantly different from the shorter crossings. In addition, Orkney Islands Council has just completed a detailed STAG appraisal for the future development of the internal ferry service, proposing major capital investments in new vessels and ferry terminals. So I believe that the Committee could learn a lot from the officials and others involved in this detailed appraisal of the future ferry operation.

I therefore hope that your Committee will consider holding a meeting in Orkney where you can be sure not only of gathering useful evidence but also of receiving a warm Orkney welcome.

Liam McArthur