



The Scottish Parliament  
Pàrlamaid na h-Alba

## TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

### AGENDA

**24th Meeting, 2009 (Session 3)**

**Tuesday 3 November 2009**

The Committee will meet at 1.30 pm in Committee Room 2.

1. **Decision on taking business in private:** The Committee will decide whether to take item 3 and future consideration of draft reports on the Scottish Government's Draft Budget 2010-11 in private.
2. **Draft Budget Scrutiny 2010-11:** The Committee will take evidence on the Scottish Government's Draft Budget 2010-11 from—

John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth, Philip Wright, Deputy Director, Climate Change, Jonathan Pryce, Director of Transport, and David Middleton, Chief Executive, Transport Scotland, Scottish Government.

3. **Draft Budget Scrutiny 2010-11:** The Committee will consider the evidence heard earlier in the meeting.

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The papers for this meeting are as follows—

**Agenda item 2**

Private paper

TIC/S3/09/24/1 (P)

Additional written evidence

[TIC/S3/09/24/2](#)

SUPPLEMENTARY WRITTEN EVIDENCE FROM BAA SCOTLAND, SPT AND WRITTEN EVIDENCE SPOKES, SAPT, DAVID CONNOLLY AND PROFESSOR IAIN DOCHERTY

SUPPLEMENTARY WRITTEN EVIDENCE FROM BAA SCOTLAND

**Transport, Infrastructure and Climate Change Committee 27 October 2009.**

During our appearance at the above committee we undertook to provide further information as requested by the committee members.

In responding we have used the references detailed within the transcript of the meeting as published in the Official Report.

Col 2211 - relating to the economic benefits of the rail link

We would direct the committee to documentation produced by the Authorised Undertaker at the time of the Private Bill promotion and specifically:

["Stage 3 Final Scheme Development Report - Section 12 – Economics"](#)

This document details the promoters economic assessment of the entire GARL Scheme. It is available on the Transport Scotland website under the Glasgow Airport Rail Link – Archived Documents section.

Col 2214 - relating to onward journeys from the Airport

We enclose a copy of the Glasgow Airport surface access strategy document:

["A Surface Access Strategy for Glasgow Airport 2009 – 2013"](#)

Section B, and specifically pages 10 and 11, detail origin and destination distribution.

Col 2215 - relating to passenger forecasts for the Commonwealth Games

We would refer the committee to the Commonwealth Games bid documentation and specifically:

["Glasgow 2014 Commonwealth Games Candidate City File - Volume 3 - Theme 13 - Transport"](#)

This report details existing and planned infrastructure and assumptions made and is available on the Glasgow Commonwealth Games 2014 website.

Col 2220 - relating to the date of signing of the Development Agreement

We confirm that the Development Agreement was signed on 23 July 2008.

Col 2222 relating to the summary of the Fuel Farm Costs

We append a summary breakdown of the main cost headings which constitute the Relocated Fuel Farm costs (Appendix 1).

We trust that this information sufficiently covers the points raised by the Committee

Yours faithfully

Amanda McMillan  
Managing Director  
Glasgow Airport

**Appendix 1 – Fuel Farm Cost Breakdown**

**Glasgow Airport Replacement Fuel Farm  
Outline Cost Headings (£000's)**

Groundworks 10043  
Site Works 1426  
Services 1526  
Buildings 1118  
Fueling Systems 8785  
Demolish Existing 300  
Prelims O/H & P 3424  
Construction Cost 26622

On Costs (Design and Project Management) 2328

**Total Project Costs 28950**

**Deduct BAA Element (cost of larger storage) – 2011**

**Total Cost to Transport Scotland 26939**

**Contingency Allowance 2026**

## SUPPLEMENTARY WRITTEN EVIDENCE FROM SPT

**1. Summary of the Fastlink Project**

The summary of the project as it stands is covered in a paper to SPT Members, available at [http://www.spt.co.uk/documents/sp300109\\_agenda6.pdf](http://www.spt.co.uk/documents/sp300109_agenda6.pdf).

Further work would be needed to update the routes, patronage and costs since the original feasibility work that was undertaken a few years ago and that we would anticipate this being relatively easy to prepare (Col 2196).

**2. Meetings/Discussion between Transport Scotland/SPT and Glasgow Chambers of Commerce on the Fastlink Project**

“Following the publication of the Government’s Strategic Transport Projects Review in December 2008, and specifically in regard to Project 24 West of Scotland Strategic Rail Enhancements, Transport Scotland formed a working group with SPT and Glasgow City Council to bring together local, regional, and national issues and form an integrated transport delivery plan for Glasgow. This Group convened in February 2009 with the last meeting held early September 2009. It identified the lack of future heavy rail capacity at the city centre stations in Glasgow as being a major future constraint, and in the short term, the most pressing requirements being to provide public transport access to the new South Glasgow Hospital at the Southern General site. It was also recognized that there was a need to improve public transport accessibility to and between areas of economic activity, regeneration and key public services.

Fastlink was viewed by this group as being key to providing a solution to these problems with the initial phase providing a link from the City Centre to the South Glasgow Hospital and the SECC/ Riverside Museum with future extensions penetrating further westwards to Braehead/ Renfrew and eastwards to the Clyde Gateway area, which of course houses the Glasgow 2014 Athletes Village. Further extensions could also see it serving areas identified within the SPT West of Scotland Conurbation Study as being attractive for Fastlink type services e.g Clydebank, North West Glasgow, Castlemilk.

There have been no further meetings of this Group since the Minister’s announcement in Parliament of the cancellation of GARL and comments on Fastlink.”

**3. Bus Rapid Transit (Fastlink)****Note on Patronage Estimates for Submission to Scottish Government Transport, Infrastructure and Climate Change committee****Introduction**

During the Transport, Infrastructure and Climate Change Committee meeting on 6<sup>th</sup> October 2009, SPT were asked a number of questions by Committee members on the proposals for the Fastlink project. SPT offered to Committee members to provide further information on the project in terms of patronage estimates.

This note provides a summary of patronage estimates undertaken to date together with the assumptions and limitations that should be noted when examining the patronage estimates.

**Fastlink Concept and Routes**

The Fastlink concept is a bus rapid transit system which involves the provision of high quality vehicles running on segregated space/road lanes. This is to ensure a high degree of service reliability, a step change on existing journey times and hence the achievement of significant modal shift that cannot be delivered by the current public transport arrangements already in place.

The two principal routes developed to date both originate from Glasgow City centre with one route traversing along the north bank of the Clyde as far as the Golden Jubilee Hospital in

West Dunbartonshire and the second route travelling along the south bank of the Clyde as far as Renfrew Riverside area in Renfrewshire. An initial high level investigation has also been considered for a route to the east into the Commonwealth Games/Clyde Gateway area.

A schematic of the routes and key destination points for the potential network is shown on Diagram 1 overleaf.

#### **Patronage estimates**

The patronage estimates are based upon the concept described above where a high degree of segregation and junction priority is provided together with high quality vehicles, stop infrastructure and ticketing. This provides a service that has an attraction factor more akin to trams without the high infrastructure costs and risks of constructing a tram system. It also provides a step change in travel time and reliability from existing public transport services in order to attract new passengers.

The combined patronage estimate for the northern and southern routes show that the initial years to be in the range of 7million to 8million trips per annum. The estimates for the eastern route show initial years in the range of 1million to 2 million trips per annum.

Whilst acknowledging there are current economic difficulties, an estimate over the longer term (15 to 20 years) has been undertaken with an assumption to a return to economic growth. This shows that the total patronage for the combined north and south routes could potentially grow to as high as approximately 12 million trips per year.<sup>1</sup>

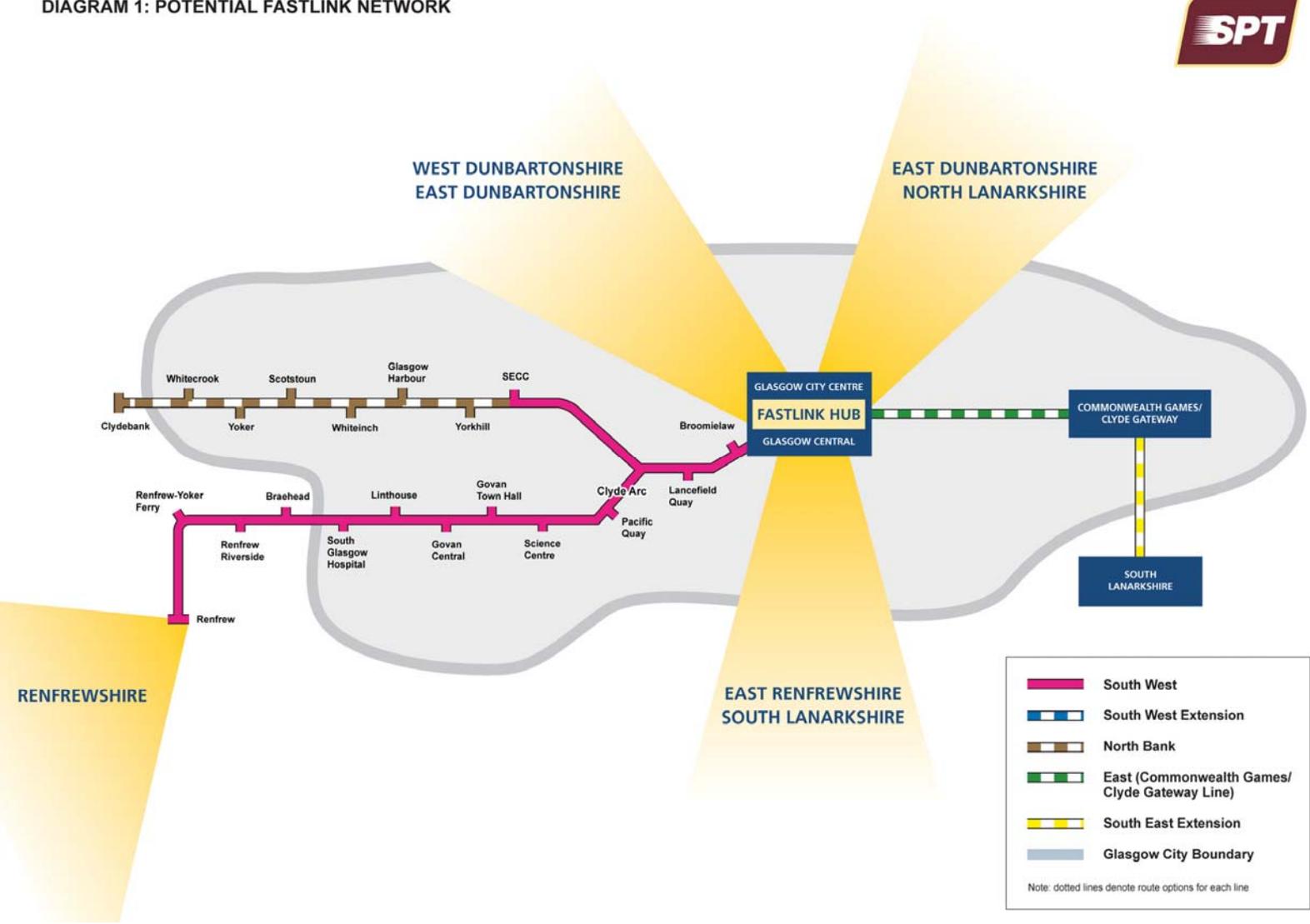
It should be noted that the patronage will be affected not only by the economic growth in the corridors but also the reliability and overall attractiveness of the service. Any alternatives/downgrading of the original Fastlink concept to run more of services on street with a lesser quality vehicle and associated infrastructure will result in lower patronage.

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<sup>1</sup> As noted, these estimates are subject to the mode characteristics assumed and may be further refined when the exact details of the scheme are agreed.



DIAGRAM 1: POTENTIAL FASTLINK NETWORK



## WRITTEN EVIDENCE FROM SPOKES

**Scottish Draft Budget 2010-11**

1 The Spokes proposal for a new £20m Cycle Projects Fund - introduction

2 How the Spokes proposal would work

3 Background and justification

4 Developments over the last year

4.1 Cycle Project Funding and the SPICe report

4.2 Cabinet Secretary John Swinney's responses

4.3 Scottish Government cycle use target for 2020

4.4 Carbon emissions and transport

Appendix Examples of possible bids to the Fund

Footnotes Notes, commentaries and references. In the main text '[1]' refers to footnote 1.

***“We will step up our promotion of greener transport options, to encourage less fuel dependency”***

First Minister **Alex Salmond** [Donald Dewar Memorial Lecture, August 2008].

***“With a current modal share for cycling of just 1% we clearly have much more to do if we are to emulate our European neighbours who enjoy between 10% and 30% modal share”***

Transport, Infrastructure and Climate Change Minister **Stewart Stevenson** [Herald 14.5.08].

**1 THE SPOKES PROPOSAL**

**Spokes proposes the draft budget be amended to create a new £20m Cycle Projects Fund, to function as outlined in Section 2 below. The fund would be additional to all current initiatives, so raising cycle investment towards a still very small 2% of total transport spend. It should be seen as the first year of continuing increased cycling investment, a step towards the government's very ambitious new target [4.3] to raise cycle use in Scotland to a European-like level of 10% of all journeys by bike in 2020.**

**Our proposal would operate through existing administrative structures [Section 2 below]. It would contribute to several National Outcomes [footnote 1], to reduced carbon emissions [Section 4.4] and to sustainable economic growth [Section 3].**

Last year the TICC Committee in its budget report [para 120] recommended additional funding for cycling and walking, and specifically that the then Spokes proposal be considered in that context. The Committee should challenge Cabinet Secretary John Swinney's argument when he gave evidence at that time, should the same argument be used again [4.2 below]. Unfortunately his remarks were taken at face value by Finance Committee when considering the TICC budget recommendations.

We note that our research showing low and declining cycling investment in Scotland has recently been endorsed in a SPICe report [4.1 below] as ***“the most comprehensive analysis of funding for Scottish cycling projects.”***

The money for our proposal could be found by a re-allocation of current priorities - specifically we suggest a £20m reduction in the ever-increasing motorway and trunk road allocation [6]. This rose by £172m in the 2009/10 budget [including accelerated capital spend] and receives a further £51m increase in 2010/11 - i.e. a £223m increase over the 2008/9 figure. A £20m Cycle Projects Fund is very small in transport terms, representing well under 1% of total transport spend – see [5] for European comparators. Yet even £20m would *double* investment in cycle use [7] whilst comprising a minor reduction [under 2%] in trunk road spending – indeed a minor reduction in the *increase* in trunk road spending. Such a transfer from trunk road to cycling investment would also be in line with the thinking of the Sustainable Development Commission [4.4 below].

Our proposal is far more modest than the **10% of transport funding for active travel** proposed by the Association of Directors of Public Health, Institute of Highway Engineers, and many other prestigious and professional bodies [*Take Action on Active Travel* at [www.adph.org.uk](http://www.adph.org.uk)]. We strongly support such a future ambition, but our proposal is designed to be feasible for year 2010-11 in terms of political and implementable realities.

## 2. THE SPOKES PROPOSAL – HOW IT WOULD WORK

First – our proposal is realistic and workable. Late last year Spokes was invited to a 2-hour meeting with the Scottish Government's then Head of Transport Strategy [Diane McLafferty] and other officials to discuss the workability of our proposal. The meeting was very constructive and we left feeling the proposal was eminently workable should funding be made available through the budget. Our proposal this year is almost identical.

The fund would be administered by the government's existing Sustainable Transport Team, and would be open to bids over a certain level (perhaps £0.5m) by any relevant body – for example, Sustrans, First ScotRail, BWB, business organisations, local authorities or Transport Partnerships. Bids would normally be match-funded.

The reasons for suggesting this particular approach are...

- **Administration by the Scottish Government Sustainable Transport Team** would ensure public accountability whilst avoiding new administrative structures. Clearly some extra staffing would be required within that team – perhaps similar to the part-time post set up to administer Smarter Choices.
- **Limiting bids to over (say) £0.5m or £1m** would minimise administration by the team, but would not prevent small and innovative projects [see next paragraph].
- Clearly the scheme would support **large projects** – which now have no straightforward funding mechanism, following the transfer of RTP capital to councils and the earlier ending of the Public Transport Fund.

However, our proposal would also enable bodies such as Sustrans, Cycling Scotland or Regional Transport Partnerships to put forward bids comprising **packages of smaller related projects** in particular regional or topic areas. Such an arrangement could also unleash a wide range of innovatory ideas and voluntary effort, as is happening under the *Climate Challenge Fund*, as also happened under the 1998/99 *Scottish Cycle Challenge Initiative* [9] and whose possibilities are hinted at by the recent Spokes summer competition [10].

*Examples of the types of bids we envisage - to support both large and small projects - are in the Appendix.*

- **In subsequent years, cycle expenditure needs to rise further**, to reach European levels. At present the skills and experience to spend such sums effectively may not be widespread across Scotland. Through a new bidding fund, those bodies with existing experience and capabilities will identify themselves and expertise will grow, enabling Scotland to make a rapid start on developing a culture of proper provision for cyclists.
- **Cycling investment should not just be limited to local authorities.** Ambition and innovation are of the essence in our proposal, with all sectors and stakeholders

needing the opportunity and incentive to start promoting cycle use in a substantial way – also making a tangible statement of Scotland's over-arching commitment to sustainable development. Because of this wide application and intention of the fund, we do not see it as conflicting with the **Concordat** – the examples in the Appendix show this clearly.

- The expectation of **match-funding**, although it should probably not be an absolute requirement for a successful bid, would increase the effective value of the government investment.

### 3. BACKGROUND & JUSTIFICATION

The reasons why cycle use should be increased are well known – particularly environment, energy security, public health and congestion. There are many relevant existing government policies and political commitments. Modal shift from car to cycle would contribute to the government's Single National Purpose, Strategic Objectives, and National Outcomes [1], would support sustainable economic growth [below], is essential in meeting the government's new cycle use target [4.3 below], would support manifesto commitments of nearly all parties at the last Holyrood election [2]; would chime well with many of the Single Outcome Agreements with Scottish local authorities; would tie in with the spirit and requirements of the Climate Change Act [4.4 below], and would give real meaning to statements by the First Minister and the Transport Minister [3]. Yet despite these policies, commitments and warm words, real action comparable to nearby European nations is sadly lacking.

European comparator countries show that consistent investment, to create conditions which are not only safe but welcoming for cyclists, results in major shifts to cycle use [5]. For example, Copenhagen, where 36% of commuting is by bike, and investment to raise this further is underway ... *"The city's bike culture was built almost from scratch. There was a political will to make it happen, funds were allocated and are still allocated ... We ride bicycles because of visionary political decisions"* [Guardian, 26.6.08, Wall Street Journal 4.5.07].

Over the years many relevant initiatives have been taken by the Scottish government and its predecessors (some knowingly, some unwitting! [8]) and worthwhile growth in cycle use achieved in limited areas where investment has been made. What has stayed constant, however, is that the proportion of government transport spending allocated to cycling has remained no higher than 1%. The result has been that, whilst Scotland as a whole has seen cycle use remain at miserable levels, around 1% of all journeys, comparator countries have seen it rising to 5%-30% of all journeys – even up to 50% in some towns and cities.

When the government is questioned on cycle project investment we are told of all the initiatives underway – some sustainable travel town experiments, the CWSS fund, a tourist/leisure Inverness-Oban project (over several years), the Cycle Action Plan, and so on. All are welcome, but, adding up total cycling investment, we are now under 1% of transport spending – probably under £20m [4] from a total of now around £2500m [6]. Yet the need for action appears to be recognised by Scottish government ministers, right up to the First Minister [3].

Finally, our proposal contributes in several ways to **Sustainable Economic Growth**, benefiting employment and the economy in a green way. Investment in cycling infrastructure and promotion is labour-intensive compared to major infrastructural projects, so providing more jobs and green jobs. There is also huge scope and enthusiasm for innovative projects, such as Edinburgh's Bike Station, which can bring significant voluntary input, thus increasing the value of the investment. Furthermore, the outputs of cycling investment then further contribute to healthy and sustainable economic growth – for example, reduced city congestion, healthier staff for employers, greater reliability in local journey times, and growing business opportunities such as in sustainable tourism and leisure. As the mayor of Groningen [now one of Europe's top 'cycling cities'] said of their cycle infrastructure programme as long as 15 years ago, *"This is an economic programme – we are boosting jobs and business."*

## 4. DEVELOPMENTS IN THE LAST 12 MONTHS

### 4.1 Cycle Project Funding and the SPICe report

The independent Scottish Parliament Information Centre has published briefing document 09/48, *Cycling in Scotland*. The section dealing with funding calls the Spokes annual cycle project funding survey "***the most comprehensive analysis of funding for Scottish cycling projects***" - this endorsement can give decision-makers added confidence over our conclusions.

Because of the multiple funding sources, and the fact that cycling investment is often an integral part of wider transport or other schemes, it will never be possible to say precisely what is the total of Scottish cycling investment. *Of course, the same could be said of many areas of public spending.* However, the SPICe endorsement, and the fact that our survey is annual, give us confidence that we are providing a reasonable overall perspective (perhaps + or – one or two £1m) – and in particular that we are identifying trends over time.

**Our latest survey, for year 08/09, shows total Scottish cycling investment from all main sources falling from £21.7m in 07/08 to £18.3m in 08/09 and a predicted £16.4m in 09/10. That is equivalent to 0.93% of the 07/08 transport budget, 0.81% in 08/09 and a predicted 0.66% in 09/10.** More detail in footnote [4].

### 4.2 Cabinet Secretary John Swinney's responses on cycling investment

In responding to TICC questioning at the time of last year's budget, Mr Swinney relied on the argument that cycling investment comes from a range of sources – thereby implying (though not stating) that investment may well be considerably higher than the Spokes evidence suggested. He used exactly the same argument when questioned at the 15.9.09 Scottish Transport Conference, claiming on that occasion that 1% of total transport spending "*is not an accurate figure*" for cycling investment – again implying, but not stating, that it is over 1% - a very unlikely scenario given that 1% means current cycling investment would be approaching £25m, whilst our survey suggests just £18.3m.

**Most importantly, in last year's budget report the Finance Committee appeared to rely on these remarks by Mr Swinney, and perhaps as a result they failed to support the TICC recommendation on funding.**

The endorsement of Spokes research by SPICe suggests that our figures are reasonably reliable. Mr Swinney should therefore be asked if he believes the figure to be significantly over 1%. If he does then, having been using this argument for over a year, he should be able to justify his comments.

**In any case, arguments around the 1% figure are something of a red herring.** Whether it is 0.8%, 1% or 1.2% is much less significant than the fact that cycle investment in Scotland, whether in total or per head or as a %, is well below those European nations who have achieved and surpassed the levels of cycling to which the Scottish government aspires [5].

### 4.3 Scottish Government cycle use target for 2020

Speaking at the Scottish Government's *Dreams on Wheels* cycling conference early in 2009, Transport Minister **Stewart Stevenson** announced a target for 10% of all journeys in Scotland to be by bike by 2020. Whilst the target is now being presented as part of the consultation, that is not how it appeared at the time of that announcement. Nonetheless, this is a very impressive target. Unfortunately the subsequent Cycling Action Plan for Scotland [CAPS] consultation on increasing cycle use in Scotland did not contain any assurance of funding to meet the target, or any discussion of possible funding mechanisms. In any case, postponing the start of any new investment until after the next Spending Review (if then, or if at all) makes the 2020 target seem so ambitious as to be virtually unrealisable.

#### 4.4 Carbon emissions and transport

In the last year, Scotland's hugely ambitious Climate Change Act has been passed.

It is widely recognised that transport is a policy area where we are heading fast in the wrong direction in terms of emissions. The Scottish Government ***Climate Change Programme 2<sup>nd</sup> Annual Report, 2007-8***, concluded, "*It is imperative that overall emissions from this sector (transport) are driven down.*"

The Sustainable Development Commission's ***Review of Progress by the Scottish Government, November 2008*** states "*Transport is the poorest performing area in terms of sustainable development.*" and, even worse, within this badly performing area, "*Active travel is in relative decline...*" According to the Sunday Herald [18.10.09] the SDC is expected in November to issue "*a damning critique of Scottish Government transport priorities.*" A series of forceful comments by SDC chair, Will Day, included... "*Greater alignment between ... sustainable development targets and the many transport project decisions is sorely needed.*"

In an article on reducing transport carbon emissions [Scottish Transport Review Oct 2009], Dr Jillian Anable of Aberdeen University states, "*Increasing the level of cycling in Britain to levels closer to those of our Northern European neighbours could yield emissions savings in the UK of around 2 MtC (7.3Mt CO2) per year (approximately 6% of total transport emissions by source) if like-for-like mode switching was delivered. The savings could be greater if destination switching was also achieved.*" [the latter point presumably refers to cycling to a local destination rather than driving to a further-away destination].

#### APPENDIX – EXAMPLES OF POSSIBLE BIDS

- **Local authority large-project bids**, such as upgrading the highly substandard A90 commuter/tourist trunk National Cycleroute from Edinburgh to the Forth Bridge. The government and Edinburgh council have now been in negotiations for over 2 years on a special one-off deal for this possibly £1m-£2m project *because there is no longer any standard funding mechanism under which it can be built.*
- **British Waterways** could bid to surface and light all urban sections of the Edinburgh-Glasgow towpath, these also forming spines for future local town cycle networks.
- **Sustrans** could bid to create safe routes to stations, improving bike/rail integration in a range of towns, and often also forming local spine routes to town centres, where the station is in or near the town centre.
- **ScotRail** could bid for matched funding to improve cycle carriage on the Edinburgh/Glasgow to Inverness routes, a cause of many complaints by tourists and by locals.
- A **Regional Transport Partnership** could bid (on behalf of its constituent local authorities) to create cycle-friendly conditions in one town in each area.
- Cycling Scotland or Sustrans could bid to set up a **Cycle Challenge Fund** to unleash the enthusiasm and expertise of local voluntary groups. Such funding was an explicit recommendation of the Evaluation Report on the 1998/9 Scottish Executive's Cycle Challenge Initiative [9]. The success of that scheme in fostering community involvement and skilled voluntary effort is similar to that of the current Climate Challenge Fund.

- A whole range of **exciting ideas and opportunities** was revealed in the recent Spokes summer competition '*How would you spend £1m to get more people using bikes for everyday journeys.*' Some of these could take off if a fund such as we propose were available. The prizewinning top 8 entries are shown in footnote 10.

## FOOTNOTES & REFERENCES

### [1] Government aspirations supported by our proposal

**One single national purpose:** including...

*"... opportunities for all of Scotland to flourish, through increasing sustainable economic growth"*

**Five strategic objectives:**

*Wealthier and fairer, Smarter, Healthier, Safer and stronger, Greener*

**Fifteen National Outcomes:** including...

*"We live longer, healthier lives"*

*"We live in well-designed sustainable places where we are able to access the amenities and services we need"*

*"We live in a Scotland that is the most attractive place for doing business in Europe"*

*"We reduce the local and global environmental impact of our consumption and production"*

**Forty-five Indicators and Targets:** including...

No.4 *"Reduce the proportion of driver journeys delayed due to traffic congestion"*

No.14 *"Reduce rate of increase in proportion of children with body mass index outwith healthy range by 2018"*

No.32 *"Reduce overall ecological footprint"*

No.36 *"Increase the proportion of journeys to work made by public or active transport"*

No.37 *"Increase the proportion of adults making one or more visits to the outdoors per week."*

### [2] Manifesto commitments [Holyrood 2007 elections]

**SNP manifesto** To *"promote walking and cycling."* To make journeys *"greener, safer, easier."*

**Green manifesto** *"We want cycle funding to quadruple by 2014 to at least 4% [of Scottish transport spending]"*

**Labour manifesto** *"Make cycling a more convenient, attractive and realistic choice for many more short journeys."*

**Lib Dem manifesto** *"Double cycling rates in Scotland by 2012"* *"Require major towns and cities to develop a core network of routes from residential areas to town centres."*

**Conservative manifesto** Cycling and walking, regrettably, were totally omitted from the manifesto.

### [3] Statements by the First Minister and Transport Minister

***"With a current modal share for cycling of just 1% we clearly have much more to do if we are to emulate our European neighbours who enjoy between 10% and 30% modal share"*** - Transport Minister **Stewart Stevenson** [Herald 14.5.08].

***"We will step up our promotion of greener transport options, to encourage less fuel dependency"*** - First Minister **Alex Salmond** [Donald Dewar Memorial Lecture, August 2008].

### [4] Cycle project investment in Scotland

For the last 12 years Spokes has conducted an annual survey of cycle project expenditure in Scotland, and has identified main sources and amounts of such expenditure. This is not an easy exercise, as there are a variety of sources, and within some of them the amount which

can be considered as cycle investment is impossible fully to disentangle. Therefore our calculations should be seen as providing a ball-park figure, not absolute precision.

The report on our most recent survey and analysis [based on 08/09 government and local authority budgets] can be found in Spokes Bulletin 104 at [www.spokes.org.uk](http://www.spokes.org.uk) – downloads.

The top-level summary table is as follows...

	06/07	07/08	08/09	09/10
<b>Total cycle spending from all main sources £m</b>	<b>21.2</b>	<b>21.7</b>	<b>18.3</b>	<b>16.4</b>
<b>Total govt transport spending £m</b>	<b>2248</b>	<b>2335</b>	<b>2255</b>	<b>2488*</b>
<b>Cycling investment as % of total transport</b>	<b>0.94%</b>	<b>0.93%</b>	<b>0.81%</b>	<b>0.66%</b>
<b>Cycling investment in pence per head</b>	<b>414p</b>	<b>422p</b>	<b>355p</b>	<b>317p</b>

\*the equivalent figure in footnote 6 is very slightly different, as it is based on the current 2010/11 draft budget document.

The above cycle investment totals for 07/08 and 08/09 are made up as follows...

Source	2007/08	2008/09	Comment
Council transport capital budgets, excluding any sums mentioned below	£1.0m	£3.1m	Big increase due to some councils (a minority) using some of the former RTP capital for cycling investment
Regional Transport Partnerships	£4.9m	£0.7m	Big £4.2m decline, due to capital transfer to councils
CWSS ring-fenced funding	£3.3m	£3.7m	Our surveys identify these figures as the elements of the £9m CWSS total that went to cycle investment
Sustrans	£7.8m	£5.0m	Now mainly from Sustainable Transport Budget – big decrease from the allocation under the previous administration
Cycling Scotland	£1.6m	£1.5m	Mainly from the Sustainable Transport Budget
Smarter Choices	-	£0.9m	Assumes 1/3 of Smarter Choices is considered cycle investment – government estimate – our survey suggests slightly less
Trunk Road cycling investment	£2.0m	£2.0m	Letter from Stewart Stevenson to Mike Pringle MSP 18.8.08.
Other local authority – e.g. planning gain, Europe, education	£1.1m	£1.4m	This figure has been around £1m-£1.5m in our survey for a number of years
<b>TOTAL</b>	<b>£21.7m</b>	<b>£18.3m</b>	

In **09/10** the allocations to Sustrans and Cycling Scotland are expected to fall further, and Smarter Choices cycling investment to rise; the combined effect being to reduce the 08/09 £18.3m total to £16.4m in 07/08, as in the top table.

In addition to the above, some funding is going to cycle projects from health authorities, from the Climate Challenge Fund, and possibly from other sources. However, these sums are unlikely to impact significantly on the general picture or on the disparity with comparator countries [5]. In considering any such sums in the context of our survey and of this submission, it is of course important to attempt to separate out the element attributable to

cycling – not always easy. As our survey has found, even within the CWSS fund, only some 35%-40% can be considered cycling investment, and there are even examples of CWSS money being used for projects inimicable to cycling, such as one-way streets.

Finally in a Parliamentary written answer [S30-7409, 18 June 2009] Transport Minister Stewart Stevenson stated, “*Scottish Government investment in cycling this year will be in the region of £18 million.*” As that is of the same order as our own calculation, it provides further evidence that our ball-park figure is fairly reliable.

## [5] Comparisons with other European nations

**The relationship between cycle use levels and safe and welcoming cycle infrastructure is widely accepted.** For example, “*The key to high levels of cycling appears to be provision of separate cycling facilities\* along heavily trafficked roads and at intersections, combined with traffic calming residential neighbourhoods*” Source: Puchler & Buehler, 2008, Making Cycling Irresistible – Lessons from Netherlands, Denmark and Germany.

\* [Comment] In practice, in built up towns and cities where there is inadequate space for physically segregated facilities, 'separate cycling facilities' often include clearly defined onroad cycle lanes, e.g. with coloured surfacing.

Similarly, Dr Jillian Anable of Aberdeen University states, “*Inter-country comparisons suggest that effective policies to make cycling safe and more convenient, for example through segregation or prioritisation, correlate closely with levels of cycling*” [Scottish Transport Review, October 2009].

**Precise funding comparisons between countries are very difficult**, as funding may come from local, regional or national level; and cycle investment may be substantially sourced from other more general transport or other budgets. In particular, to calculate for other countries a figure comparable to the Spokes national % calculation for Scotland would be a major task completely beyond our resources. Nonetheless the following examples clearly illustrate the extent of the disparity between Scotland and comparator European countries.

Cycle spending per head in **Amsterdam** is estimated at 27euro (approx £20) p.a. in 2006-10; compared to our 2006/7 Spokes estimates of £3.70 for Scotland and £3.60 for Edinburgh [Spokes 96]. In historical terms, **Groningen** invested 13euro (approx £8) per head p.a. in 1989-99, as compared to our 1997 estimate of £0.55 for Scotland and £1.30 for Edinburgh [Spokes 67]. **Copenhagen** currently invests around DKK165 (£17.50) per resident in cycle provision, and this in a city with an already extensive cycle infrastructure. Sources: Cycling in Netherlands, Dutch Ministry of Transport, 2007; Copenhagen Bicycle Account 2006, City of Copenhagen.

**Norway** has a slightly smaller population (4.7m) than Scotland (5.1m) and climate/topography which might be considered less cycle-friendly. The government aims to raise cycle use from 5% of all journeys to 8%, and has allocated 1500m Krone (approx £150m) over 4 years 2006/09 (i.e. nearly £40m p.a.) as part of a longer-term strategy. Note that this special budget is additional to regular ongoing cycle investment [total unknown] from other sources such as toll-road income and through local authorities. Thus in total Norway is certainly investing in cycle use at very much more than double Scotland's rate. Source: Norwegian Cycling Strategy, Hege Tassell, Velo City Conference, Munich 2007.

**Germany** has a 2000m euro p.a. urban transport fund providing 75%-80% match funding for cycle facilities built by state and local government [the proportion of this fund going to cycle facilities is unknown]. This is in addition to several other regular forms of cycle funding, such as a 100m euro annual fund for cycle routes beside national highways, national cycling research, etc. Source: Puchler & Buehler [above].

**[6] Scottish Draft Budget 2010/11 proposals** [Figures in £m]

Budget area	2008-09 budget#	2009-10 budget##	draft	2010-11 plans###
Sustainable and active travel*	11.0	11.5		11.2
Cycling, Walking, Safer Streets*	9.0	9.1		9.1
Motorways and trunk roads	929.6	1102.2 [up £172m]		1153.0 (up £223m from 08/09)
Total government transport**	2254.6	2502.4		2457.6

\*The bulk of cycle project investment comes from these two budget lines [which also cover several other areas]

\*\*This row is calculated by totalling the 8 transport-related budget lines under Finance and Sustainable Growth.

#Column figures from 2009/10 draft budget report

##Column figures from 2010/11 draft budget report

Note: Some capital was transferred from 2010/11 to 2009/10 as 'accelerated capital spending', but that still leaves a significant further rise in trunk road spending in 2010/11, as shown in the table.

**[7] The impact on the 2010/11 budget of our proposal**

Cycle investment would roughly *double* from under £20m [4] to approaching £40m.

Motorway/trunk road spending would reduce *by less than 2%*, from £1153m to £1133m.

**[8] The erratic, semi-random, nature of government decisions on cycle project expenditure**

No Scottish administration has yet made a really serious attempt to increase cycle use, through the necessary adequate and *continuing* investment. Indeed, many of the *most significant* decisions affecting cycle project expenditure are taken without a considered awareness of (and without concern for?) their cycle project consequences.

For example, for several years (until 05/06, when it provided £3.4m cycle project spend) the biggest single source of cycle investment was not a cycling allocation at all, but the Public Transport Fund. The main element of cycle spending from this huge fund comprised cycle facilities integrated into big public transport schemes. When PTF was abolished the government was quite uninterested in the fact that this would seriously damage Scottish cycle spending. Spokes many times over a 2-year period highlighted this looming major cut; and the then Scottish Executive was eventually compelled in writing to accept our argument - but did nothing about it.

Similarly, when RTP capital funding was introduced a few years ago there was little expectation or intention that this would bring the major boost to cycle investment which did in fact happen. Then, funding rules were again changed, by the new SNP government, and again with absolutely no thought to whether or how this would impact on investment in cycling infrastructure – and we expect the outcome to be severely negative. Already, for example, the £4.3m SESTRAN budget (over several years) for high quality cycleroute connections between Edinburgh and surrounding local authority areas has been replaced by an Edinburgh Council budget for the same purpose of £0.5m in total to cover the 3 years 2008-2010.

**[9] 1998/99 Scottish Cycle Challenge Initiative**

This was Scottish Executive scheme with a one-off lump sum of £2m, to which any organisation in Scotland could bid, for funding to raise cycle use. The Evaluation Report was published by the Scottish Executive Central Research Unit in 2001, and pointed particularly to the huge level of community initiative and input which was released and prompted by the fund.

**[10] Prizewinning entries from Spokes Summer 2009 competition**

Entrants were asked to state how £1m should be spent to get more people cycling for everyday journeys such as commuting, shopping, or family leisure. The prizewinning entries, judged with the assistance of transport professor Tom Rye, showed the range of ideas and enthusiasm waiting to be unleashed!...

1= **Nick Brotchie** Red cycle lanes and parking restrictions on every Edinburgh A & B road, 20mph elsewhere.

1= **Euan Renton** Match-funded small-employer grants to promote workplace bike use/commuting Scotland-wide.

3 **Mike Lewis** *Rack 'n' Roll* – equip buses on 200 Scottish routes with US-style 2-bike racks, for leisure, commuter backup, etc. 12m extra US journeys resulted in 2008!!

4 **Pippa Coutts** Multi-pronged child-centred programme to promote cycling - from pregnant women through to teenage groups and parental involvement via employers.

5 **James Ryder** Route from Edinburgh to the 4000-person Bush Estate, avoiding 'A' roads [costly underpass needed].

6 **Tom Morris** Dutch-style 'FietsPoint' staffed park/hire/workshop centres at main rail stations [we understand that the first such UK scheme will open at Leeds station in 2010].

7 **David Wardrop-White** Towns/cities to install extensive visible onstreet bike parking - well used in Edinburgh.

8 **Katharine Wake** Cycling to be a compulsory part of the driving test [some exemptions] – to increase awareness of cyclists and of the driver's own option to get about by bike.

WRITTEN EVIDENCE FROM THE SCOTTISH ASSOCIATION FOR PUBLIC TRANSPORT

**Response to Call by Transport and Climate Change Committee for Written Evidence on the Draft Scottish Budget 2010-11 and Related Carbon Budget**

**1 Preliminary Comments**

The Association welcomes the increasing efforts to relate financial budgets to carbon budgets, economic prospects and the challenging targets now set for 42% cuts in greenhouse gas emissions by 2020 with 80% cuts being delivered by 2050. It accepts the Scottish Government's view that cuts can be achieved in ways strengthening the economy and well-being in Scotland while also providing an example encouraging global shifts to a low carbon economy and an improved quality of life.

However, the Association has major reservations over whether the present approach to budgets is adequate to attain stated objectives for a sustainable economy. The First Annual Report of the UK Committee on Climate Change has repeated calls for faster, yet cost-effective, action to deliver the targets set for 2020. Though many measures will contribute to emission reduction, it has drawn special attention to three principal areas:-

- the decarbonisation of electricity
- enhanced energy conservation in housing and other buildings
- steps to increase the electrification of transport in addition to softer measures reducing transport demand for oil (with a further report on aviation due in December, 2009).

The content and character of the Draft Budget does not make it easy to determine whether strong action has been taken to align the level and structure of the budget with climate change priorities and the new economic and energy agenda. By following the practice of a yearly Budget Review, the draft also diverts attention from the importance of five year horizons and monitoring as now emphasised in both Scottish and UK policy. Earlier this year, the Finance Committee of the Scottish Parliament has called for a longer-term approach to budgets as part of five year strategies for economic recovery and fundamental restructure towards the low carbon objective.

**The Association therefore recommends that a finalised 2010-11 Budget should be accompanied by an outline budget to 2015-16 and a related request to the UK government to complete a Spending Review within the 2010-11 financial year.**

While the Carbon Assessment of the draft 2010-11 Budget provides new data on carbon released (both directly and indirectly) by public spending, the Association finds it surprising that the Assessment specifically excludes any consideration of the impact of policies and projects on carbon released by consumption in Scotland. There is quantification of carbon release attributed to imports to Scotland derived from public spending. This approach could be extended to include all private spending. With respect to the Draft Financial Budget, **the Association would urge that effective appraisal of the level and structure of public spending must include assessment of the impact of financial programmes on progress towards a low carbon economy.**

The second part of this response deals with the case for change within the Finance and Sustainable Growth portfolio on the assumption of no change in the overall budget set for this portfolio. The third and final section deals with other issues affecting the total budget.

**2 The Case for Change within the present Budget for Finance and Sustainable Growth**

Table 2.01 shows that, apart from public pensions, transport related spend is the largest item in the Finance and Sustainable Growth portfolio but has a proposed cut to £2,458m in 2010-11, a real cut around 4% on 2009-10. The Energy and Climate Change category totals £804m, a cut around 8%.

The extent of such cuts varies in the sub-categories of each section and justification is further complicated by sub-totals containing a mix of recurrent spend, capital spend and capital charges. Nevertheless, a credible budget compatible with the transport, energy and emission reduction aims of government requires ongoing restructure within transport spend

and also a minimum objective of stability – rather than an 8% cut - in the finalised enterprise, energy and climate change budget.

The Association would urge the Committee to seek changes along the following lines in the finalised 2010-11 budget with similar action incorporated in following budgets

<b>2010-11</b>	<b>Present Draft Proposals</b>	<b>Suggested</b>
<b>Alterations</b>		
<b>Transport</b>		
Rail support	£667m	£700m
Other Transport Agency programmes	£200	£250
Ferry services	£105	£100
Air Services	£39	£35
Concessionary Fares	£194	
Bus Operator Grant (BOG)	£61	
Earmarked public transport and active travel grants to Regional Transport Ptr.ships (RTPs)		£240
Motorways and trunk roads	£1,153	£1,035
Other Transport Directorate spend	£38	£40
<b>TOTAL</b>	<b>£ 2,457</b>	<b>£2,400</b>

*Justification* – rail support is up to incorporate a revised GARL, a larger programme of smaller improvements and accelerated progress towards delivery of an agreed programme based on Project 24 of the Strategic Transport Projects Review (cross-Glasgow services and relief for existing terminal stations)

- other transport agency programmes increased to incorporate high-quality bus interchange in the Gogar project and to assist completion of most of the Edinburgh tram project by early 2012

- to ensure greater efficiency, equality and social benefit in the provision of bus services and other local transport, the Association is proposing a transfer of present Concession Fare and BOG funding to RTPs. This transfer would be earmarked for local public transport and active travel subject to RTPs introducing free scheduled local transport for groups specified by the Scottish Government. This change would focus attention on improved local access and co-ordination with longer-distance travel within a tight budget. It would encourage innovation and integration of local government, NHS, school and community transport/taxi spend to give improved social access while also encouraging shifts from car use. -- slower growth in road traffic, and reduction in some areas, warrants a review of major road schemes to release funding for other purposes

- £2m rise in other Transport Directorate spend would allow more detailed study of the Scottish dimension of Anglo-Scottish high speed rail proposals permitting substantial shifts to rail of domestic air travel in Britain

#### **Enterprise, Energy & Climate Change**

Enterprise, Energy & Tourism	£458	
Water & Climate Change	£346	
Recategorise as Enterprise and Tourism		£275
Energy, Water & Climate Change		£575
<b>TOTAL</b>	<b>£804</b>	<b>£850</b>

*Justification* – categories changed to provide sharper focus on energy and other actions to combat and mitigate impacts of climate change – including risk from flooding and high winds

- given the limited powers of the Scottish Government in relation to taxation, energy and emissions trading, extra allowances are included for revenue spending to encourage energy efficiency, electric vehicles, renewables, grid strengthening and carbon capture and storage

#### **Further Comment on Draft Rail and Road Budgets (Tables 2.05 and 2.08)**

These Tables should be modified to show as separate items budget spend on:-

- share of ScotRail franchise payment related to passenger service operation
- share of ScotRail franchise payment related to track and signalling charges
- direct Transport Scotland investment in rail enhancement (including element related to

'cost

of capital')  
 - Network Rail investment in rail enhancement (and any arising impact on track access charges and/or ScotRail franchise payments)

In the case of roads, DBFO or PPP payments should be included alongside the notional costs of capital for roads directly financed with an explanatory note on how these notional costs relate to actual cash transactions.

As a general principle related to strategies for climate change and modal shift from cars and HGVs, the Association would seek the Committee's support for a greater emphasis on investment and on the integration of road and rail pricing policies increasing the operational efficiency of rail and its potential to attract car users and HGVs. In a tight budget situation, policy should favour investment increasing modal shift to rail and reducing requirements for operational support – but with such savings being used to lower fares relative to car use and to further increase rail investment.

Specific suggestions for change in Table 2.05

2010-11	Draft Budget	Suggested Change
ScotRail Franchise	£315m	£310m
Rail Infrastructure	£331	£355
(add columns giving data for maintenance and for enhancement – is an element for depreciation included?)		
Rail development	£0.9	£2
Rail small programmes	£20	£33
<b>TOTAL</b>	<b>£667</b>	<b>£700</b>

Justification - operational costs of ScotRail franchise can be reduced and usage raised through appropriate, and feasible, rises in investment within a short timescale and with increased emphasis on smaller schemes allowing quick delivery and high benefits  
 - increase in rail development budget is required to accelerate work on projects deliverable by 2014 and 2020  
 - including detailed study of phased options within the major spending envisaged on electrification and on developing the Project 24 STPR schemes for Glasgow and the west of Scotland

Specific suggestions for change in Table 2.08 (motorways and trunk roads)

2010-11	Draft Budget	Suggested Change
Structural repairs	£26.m	£28
Network strengthening	£41	£44
Routine Maintenance	£65.8	£60
(is need to clarify whether this includes lighting, traffic police and traffic management)		
Road improvements	£49.7	(move to category of small schemes)
(how does this differ from network strengthening and capital works?)		
Capital works	£173.4	Large schemes £110
(division between large and small required)		
		Small schemes £60
Forth Crossing	£30	£15
Roads depreciation	£51	£51
DBFO/PPP payments	£48	£48
Costs of capital	£649	£600
Other items	£19	£19
<b>TOTAL</b>	<b>£1,153</b>	<b>£1,035</b>

Justification – flood risks and existing backlogs merit higher spend on structural repairs which can also reduce routine maintenance costs. Climate change issues, safety needs and lower growth in road traffic support a spending shift from major projects to smaller schemes. Forth crossing spending should be cut since a new crossing is increasingly unlikely to be required or fundable within the coming decade. It would divert scarce funds from projects offering higher benefits.

### 3 Wider Issues affecting Overall Budget

The Scottish Government has indicated that the Budget situation could be eased, and employment encouraged, if the UK government would again allow some advancement of capital projects or, as recommended in the Calman Report, give powers of long-term borrowing to the Scottish Government. The further case has been argued that full fiscal economy could prove beneficial for advancing the economy, emission reduction and quality of life in Scotland.

On 29 October, the Herald also drew attention to severe tensions between Transport Scotland and Network Rail which have been disclosed in a review by the Office of Rail Regulation (ORR). This revealed concerns that, though most rail infrastructure projects in Scotland were being financed by long-term NR borrowing, there were doubts whether this approach gave good value as it could result in higher borrowing and procurement costs and in scheme priorities differing from Scottish Government preferences. This could lead to higher future costs in rail programme support and potential pressure for higher rail track access charges, higher franchise payments and for fare increases greater than desirable given the aim of significant modal shift to rail. In the main, these issues affect budgets beyond 2010-11 but they are sufficiently important to deserve comment from the Committee as part of a strategic view of budgets. The views of the Association are therefore presented for consideration:-

The Association agrees in principle with **long-term borrowing powers for the Scottish Government** provided that borrowing is underwritten by additional sources of income and some evidence of savings elsewhere in the Scottish budget. With respect to the 2010-11 Budget, the Association supports an advancement of capital spending for projects fitting well with energy and climate change objectives and with any such action also including a mix of new sources of income and budget savings in areas not prejudicing key aspects of the energy, emission and climate change agenda and policies for reducing inequalities in Scotland.

Given the emerging evidence, the Association considers that borrowing would not be appropriate for an additional Forth crossing unless part of strategies for introducing a mix of road pricing, fuel duty supplements and parking levies in the Scottish Central Belt and around Aberdeen and other towns. In such strategies, the main portion of net proceeds should be used to reduce other taxation and help finance more ambitious programmes for public transport improvement and other measures reinforcing the recent trend towards much reduced growth in car use (and a potential absolute reduction by 2020 as outlined in the First Annual Report of the UK Committee on Climate Change, October, 2009). Rising use of public transport offering improved frequency, comfort and trip times at fares lower than marginal car use costs would also improve the contribution from fares towards improvement costs and increase the total benefits of modal shift.

**It is desirable to use a combination of borrowing and green taxation to accelerate the major shifts required to a low carbon economy by 2020** and the years to follow. Such policies, and the potential transfer of **Air Passenger Duty** at Scottish airports to the Scottish Government (as recommended by Calman) could also be an important means of underwriting finance for substantial progress on Anglo-Scottish high-speed rail and on rail route development within Scotland by 2022 rather than over the much longer period presently envisaged.

Finally, it is suggested that **the Committee should consider whether present relationships between the Scottish Government, Transport Scotland, Network Rail and ORR require early review in the interests of more effective procurement and a closer mesh of transport, land use, energy and climate change policies in Scotland.**

WRITTEN EVIDENCE FROM DAVID CONNOLLY MVA CONSULTANCY

1 Introduction

- 1.1 This note provides a summary of the views of Dr David Connolly on the transport - related components of the Scottish Government's draft Budget for 2010/11.
- 1.2 The views expressed here are the views of the author and do not necessarily represent the views of his employer (MVA Consultancy) or any other organisation.

2 About Me

- 2.1 My name is Dr David Connolly. I have a PhD in Operational Research from the London School of Economics and nineteen years Edinburgh based experience of transport planning and social research with the MVA Consultancy. I am currently MVA's Deputy Director for Scotland.
- 2.2 My specialisms include traffic forecasting, demand forecasting for all public transport modes, accessibility planning (ie ensuring adequate connections between all sections of the Scottish population and the services they require) and the appraisal of transport schemes.
- 2.3 I have a particular interest in appraising the environmental impacts of road traffic, including greenhouse gas emissions, air pollution and traffic noise, with an associated awareness of the increasingly important climate change agenda.
- 2.4 I am:
  - ◆ a member of ScotStat's Travel and Transport Statistics Advisory Committee and represent this committee on the ScotStat Board;
  - ◆ an active member of Scottish Government's Measuring Deprivation Advisory Group (advising on the geographic access aspects of Scottish Index of Multiple Deprivation);
  - ◆ a member of the Chartered Institute of Logistics and Transport, the Transport Planning Society and Environmental Protection UK; and
  - ◆ a car driver (Ford Galaxy), cyclist and a pedestrian.
- 2.5 I have given Expert Witness evidence (on behalf of the promoters) at Public Local Inquiries for the A8000/M9 Spur Extension and the Aberdeen Western Peripheral Route and at the Parliamentary Inquiry into the reintroduction of passenger services on the Stirling Alloa railway line and provided a high level advisory role in the delivery of the current Regional Transport Strategies for South East Scotland (SESTRAN), Tay and Central (Tactran) and Northern Ireland.

3 Overview of My Evidence

- 3.1 The invitation to submit my views listed five topics which my evidence might consider, as follows:
  - ◆ 1) possible limits on transport spending in the future given the Government's spending commitments such as the replacement Forth Crossing and the

current economic climate;

- ◆ 2) the implications of any reduction in public spending on the projects outlined in the Strategic Transport Projects Review;
- ◆ 3) the balance between capital and revenue spending in the budget;
- ◆ 4) the spending priorities for the revenue budget;
- ◆ 5) the potential for directing spending towards smallerscale transport projects, where its impact may be greater.

3.2 My evidence relates to the information contained in the Scottish Government Draft Budget 2001011 downloaded from: <http://www.scotland.gov.uk/Resource/Doc/284860/0086518.pdf>, supplemented by my knowledge of the recommendations of the Strategic Transport Projects Review (STPR) and the likely impacts of different transport schemes and policies on future greenhouse gas emissions.

3.3 I have also taken account of the Carbon Assessment report of the 201011 Draft Budget,downloaded from: <http://www.scotland.gov.uk/Resource/Doc/284917/0086524.pdf>.

#### 4 Comments, Queries and Observations on the Draft 2010/11 Budget

4.1 The pie graph in Figure 1 illustrates the disaggregation of the 2010/11 budget into various categories, using the disaggregation used in the draft budget document.

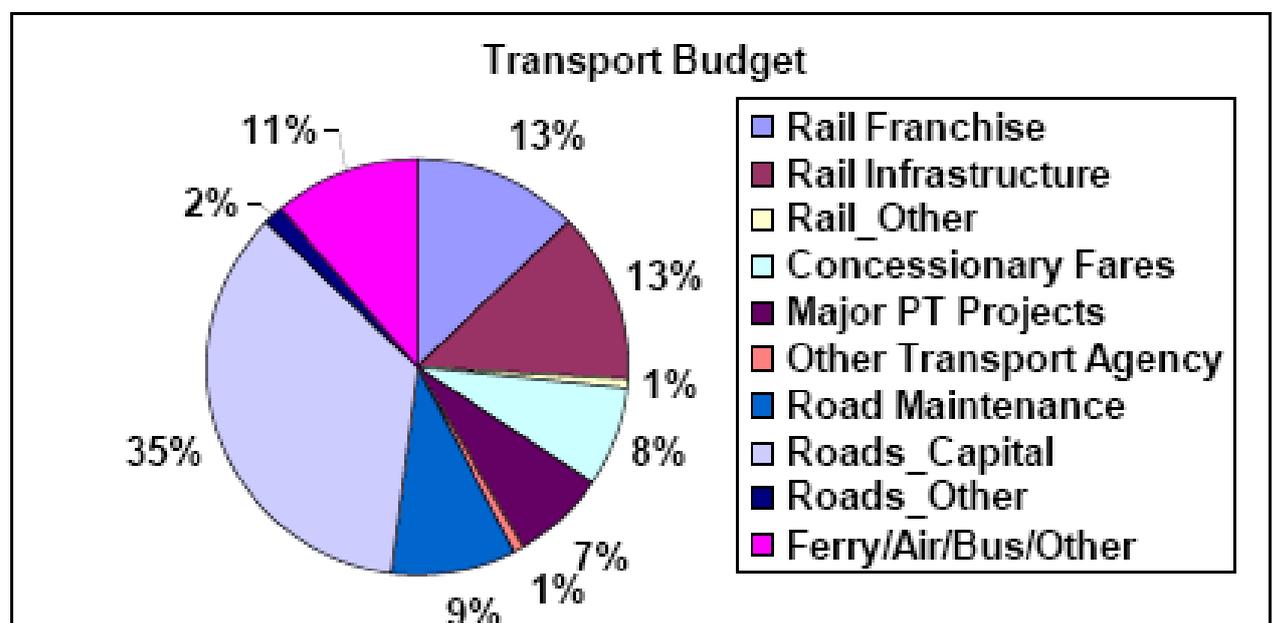


Figure 1 – Disaggregation of the Draft 2010/11 Transport Budget

#### Rail's Share of the Budget

4.2 The Rail Franchise and Rail Infrastructure components are presumably effectively fixed by existing contractual arrangements (with First ScotRail and the Office of Rail Regulation respectively).

4.3 However, it is noteworthy that these two components together represent over 26% of the annual transport related budget, with further rail related investment included within

the 7% of the budget allocated to major Public Transport Projects, bringing the total share of the budget devoted to providing current and enhanced rail services in Scotland to over 30% of the annual transport related budget.

- 4.4 This 30% figure is much higher than would be justified by the corresponding current or future mode share of rail, relative to other modes, either in terms of the number of trips made (currently rail represents around 2% of all trips made by motorised modes in Scotland) or the resulting trip kilometres rail passenger kilometres currently represent less than 12% of the total person kilometres travelled on the Scottish strategic (ie Motorway +Trunk + Rail) network).

**Recommendation 1 - Scottish ministers should give serious long term consideration to adjusting the proportion of future budgets which are allocated to delivering rail services in Scotland, with the aim of bringing them more into line with the economic and climate change benefits they deliver.**

#### Concessionary Travel

- 4.5 Subsidising concessionary travel represents almost 8% of the annual budget and this proportion is likely to grow as the Scottish population ages. Latest GROS forecasts predict a 15% increase in the number of 60-74 year olds over the next ten years and a 23% growth in the number of 75+ over the next ten years. This growth is likely to be further compounded by increasing levels of general health and fitness among those in the 60+age range, resulting in increased trip rates.
- 4.6 While the benefits this free travel provides to the entitled subgroups (and the secondary benefits of the associated reduction in car and taxi use) are substantial, it is my opinion that much of the funding is either:
- ◆ subsidising bus trips by 'non income deprived' travellers (eg those still in full employment) who would have made the bus trip even if it had not been free; or
  - ◆ encouraging additional short 12 stop bus journeys which are well within the walking range of the concessionary traveller.
- 4.7 I suspect the current system also tends to be used more by residents of areas where the current bus service already offers a realistic mode of accessing a range of services (eg large urban areas) than those in (eg rural) areas where buses are more infrequent/indirect/inconvenient, thereby increasing the 'inequity' of access to services between these two groups.

Recommendation 2 The money spent on the concessionary travel scheme should be targeted more closely (and equitably) on reducing social isolation and reducing car/taxi use and should, in particular, avoid simply paying eligible members of the public to replace short 'walkable' trips by bus trips.

#### Roads Capital

- 4.8 More than 35% of the annual 2010/11 transport budget is to be spent on capital costs associated with road building, including £173.4m on 'Roads Improvements' and £649.1m on 'Roads Cost of Capital'
- 4.9 This large slice of the budget obviously offers the most scope for savings or reprioritisation.

- 4.10 I am not sufficiently aware of all of the schemes included within the 'roads shopping list' to comment on them all here.
- 4.11 In general, I suspect that there are a large number of small (<£5m) schemes which might benefit from a bit more scrutiny.
- 4.12 However, I am confident that the appraisal processes now applied to larger road schemes will have helped ensure a suitable priority ordering of these and that all of these will deliver more benefits than costs (although few will deliver significant reductions in greenhouse gas emissions and several are likely to result in significant increases in these emissions).
- 4.13 However, I do have views relating to two of the major road improvement schemes currently being considered, as follows:
- ◆ it may still be possible to reduce the costs of the Aberdeen Western Peripheral Route by replacing the proposed Stonehaven Fastlink by a shorter (and presumably cheaper) chord between the A90 at Portlethen and the new AWPR – this would reduce the total benefits of the scheme, but this would be preferable to having to abandon the whole scheme due to lack of funding (and the money saved might deliver greater pound for pound benefits elsewhere); and
  - ◆ dualling the A9 all the way to Inverness is not an efficient use of a limited budget.

**Recommendation 3 –Scottish ministers could/should consider the scope for potential cost savings by replacing the Stonehaven 'Fastlink' component of the Aberdeen Western Peripheral Route by a shorter 'Portlethen Chord', including a full consideration of the trade off between the various costs and benefits.**

**Recommendation 4 – Scottish ministers should not seek to deliver more than Phase I of the STPR A9 scheme (grade separation of key junctions and dualling between Perth and Blair Atholl (or the A86/A889 at Dalwhinnie), with (only) limited improvements between there and Inverness.**

- 4.14 I would also suggest two additional minor points of clarification within this section of the Budget document, as follows:
- ◆ the two elements which are both described as 'Cost of Capital' in Table 2.08 of the draft budget should either be combined or the difference between them explained; and
  - ◆ it would also be helpful if the supporting text within the budget document explained why the £6m reduction in DBFO payments in 2009/10 cannot also be assumed in the 2010/11 budget estimates.

#### Roads - Other – Forth and Tay Road Bridges

- 4.15 The 2010/11 budget includes £40.7m to cover a combination of 'responsibility for Forth and Tay Road Bridge Authorities' and ongoing work on the Forth Crossing, with a corresponding total of £45.6m in 2009/10.
- 4.16 It is my opinion that these items and any future costs associated with the provision of any additional crossings of the Forth at Queensferry should be paid for by those who benefit directly from them, namely existing and future users of the Forth and Tay road bridges.

- 4.17 In addition, it would be preferable to use all available mechanisms to encourage more-efficient use of these two existing road bridges, by encouraging those who can use more sustainable modes (bus/rail/car-sharing/cycle) to do so, while delivering environmental benefits and reducing delays for those who have no sensible alternative to driving for a particular journey.
- 4.18 Unfortunately Scottish ministers, in their wisdom, decided to abolish the tolls on these two congested crossings, just at the time when a major investment (in the Forth Replacement Crossing) was becoming unavoidable.
- 4.19 Recommendation 5 I strongly advise Scottish ministers to explore ways to reintroduce tolls on the Forth Road Bridge as soon as possible.
- 4.20 These tolls should be high enough to generate sufficient revenue to pay for a replacement/additional Forth crossing and the most efficient (rather than cheapest) connections of the new bridge to the trunk road network. The tolls should also aim to improve the overall efficiency of the road network (eg by using differential higher tolls to discourage drivers of single occupant cars from using either bridge during peak times).

#### Greenhouse Gases and Climate Change

- 4.21 In my opinion, the draft budget is very weak on consideration of how we are going to get anywhere close to achieving what transport needs to deliver in the way of reductions in greenhouse gas emissions.
- 4.22 With the best will in the world, endeavouring to change the public's trip making and mode choice behaviour will only have marginal impacts on the greenhouse gas emissions from transport. Instead, we need to focus on the research and infrastructure that will be needed to enable us to move from 95% of cars fuelled by fossil fuels to 95% of cars fuelled by more sustainable energy, ideally based on a Scottish renewable energy source.
- 4.23 NB This should include consideration and promotion of the most efficient and carbon-friendly way to get power from Scotland's current and future energy generation sources into some or all of the vehicles on the road, which may not necessarily be to use the existing electric grid.

#### **Recommendation 6 - The transport related budget should include more (or more visible?) funding for the research and infrastructure which will help achieve the required shift from fossil to non fossil fuels for the majority of Scottish car trips.**

- 4.24 Note that if you get this investment right, it will quickly pay for itself, by ensuring the most efficient use of Scotland's sustainable energy sources as a replacement for fossil fuels in car traffic.

#### 5 Concluding Remarks

- 5.1 This short document has provided a very brief summary of my views regarding the Scottish Government's proposed transport budget and potential areas of savings.
- 5.2 I am more than happy to discuss these views further with the committee, and/or to provide further consideration of any specific questions or suggestions you may have.

## WRITTEN EVIDENCE FROM IAIN DOCHERTY

I am pleased to accept the Committee's invitation to submit a short written evidence statement focusing on a small number of key issues that have been raised in recent discussions in the Scottish Parliament and elsewhere. Please note however that my statements reflect my own personal views, and not those of Transport Scotland of which I am a Non-Executive Director.

*Impact on overall future transport investment in light of future spending commitments including the new Forth Crossing and constraints on future public spending*

With an estimated cost of around £2bn, the Forth Replacement Crossing is one of the largest single capital projects seen in Scotland. The Scottish Government has chosen to fund the bridge by conventional means and this, coupled with UK Government's refusal to agree a long(er) term payment structure, means that for the period of around 5 years in which the primary capital payments for the construction of the project will be spread, there will be very little scope for further capital spending on transport in Scotland. With the forecast squeeze on public expenditure generally – and especially if health and/or education spending are protected – this means that transport spending could contract substantially.

A key issue in relation to this is the Scottish Parliament/Government's lack of borrowing powers. Railway infrastructure projects in Scotland will continue to progress during the likely spending squeeze over the next few years because Network Rail is able to finance them via borrowing against its Regulated Asset Based (RAB). However, no such equivalent mechanism is available for road and other non-rail capital projects.

*To what extent is it possible to influence changes in transport spending given that a substantial amount of the allocated expenditure (such as the rail budget) is already contractually committed.*

Transport spending is heavily constrained by the sheer scale of contractually committed expenditure, with the rail budget alone counting for several hundred million Pounds per year between payments to the franchise holder and infrastructure provider. (These revenue payments in future will only increase given the commitment to pay back current and planned near-term investment funded by Network Rail RAB borrowing.) This means that significant savings are hard to find, and that if the impending squeeze is particularly severe, the pressure on discretionary budgets such as concessionary fares, will be intense. The same is likely to be true of road maintenance expenditure, which is an easy target for spending reduction because of its low perceived value in political terms.

More strategically, this issue brings into focus the question of whether the structure of transport spending and institutions is optimal, particularly whether further reorganisation of the railway in Scotland through vertical integration or other reform might yield important savings. Even a minor percentage saving in railway costs of say 10% would deliver sufficient headroom to maintain tens of millions of transport capital spending annually.

*The split between capital and revenue spending in the budget, and the extent to which certain revenue lines, such as the budget for concessionary fares, could be re-examined.*

The real impact of concessionary fares support is under-researched. It may be that there are very substantial social and other benefits that fully justify the scheme's continuation at current levels, or indeed its expansion. However, it may also be that the benefits in economic, social and environmental terms do not exceed the very substantial annual cost. Similarly, there could usefully be much more analysis of whether it is possible to return the overall cost basis of the railway to pre-privatisation levels.

*Spending on large projects versus small projects in the budget. Is there scope for directing spending towards smaller-scale projects that might have more impact?*

The Eddington Report on transport policy for HM Treasury sent a strong signal that smaller projects were likely to deliver much better value for money than larger projects. At the UK

scale on which Eddington focused, this boundary line was drawn at £1bn, but there is substantial evidence that very small projects – such as local road improvements, bus infrastructure upgrades and improvements to the pedestrian environment, can yield benefit: cost ratios many times higher than traditional new transport infrastructure projects such as new roads and railways. This is particularly the case if non-transport benefits, such as health improvements arising from more active travel, are paid full attention in the appraisal process.

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