



‘The Scottish Government's Draft Budget 2011-2012 and the Report on Climate Change Proposals and Policies’ Scottish Parliament Economy, Energy and Tourism Committee call for written evidence¹

Evidence paper from Transform Scotland

Tuesday 23rd November 2010

1 About Transform Scotland

- 1.1 Transform Scotland is the national sustainable transport alliance. We campaign for a more sensible transport system, one less dependent on unsustainable modes such as the car, the plane and road freight, and more reliant on sustainable modes like walking, cycling, public transport, and freight by rail or sea. We are a membership organisation bringing together rail, bus and shipping operators; local authorities; national environment and conservation organisations; local environment and transport campaign groups; and individual supporters.

2 Introduction

- 2.1 We welcome the opportunity to present our evidence for the Committee's attention. As our organisation's interest is in the promotion of sustainable transport, our comments are limited to matters pertaining to transport.

3 Views on Draft Budget 2011-12

- 3.1 There are some positives in the Budget. We are pleased to note continued commitment to delivering the Borders Railway and Edinburgh-Glasgow Improvement Programme rail projects, as well as new commitment to the Glasgow Fastlink project. Existing eligibility for the national concessionary travel scheme is protected and the commitment to the Edinburgh Tram is maintained. There are also increases in expenditure on the national Smartcard project, the Climate Challenge Fund is increased by around 10%, while £11m for broadband development and raising business rates in out-of-town retail sites are also to be welcomed.
- 3.2 However, we are disappointed to see the continuing trend in 2011-12 towards increasing spending on roads at the expense of other projects. Capital spending on roads is to increase by £32m while rail will decrease by £41m. Overall, roads spend will increase by £13m while rail spending will decrease by £63m.
- 3.3 Spending on road maintenance is to be sacrificed for the Second Forth Road Bridge. Proposed expenditure on the Bridge is already vast at £200m – but in each the following four years (after 2011-12) this amount will be approximately doubled. This will seriously constrain future options for delivering sustainable transport; proposed spending on the Bridge is so large that it will, on its own, dwarf capital spending on education over the succeeding four years and rival the entire capital spending budgets for health and for local authorities.
- 3.4 We have repeatedly given evidence arguing that priority should be given to road maintenance over new road-building. The Independent Budget Review adopted our recommendation on this – but the Government has ignored this in its Budget and instead cut road maintenance spend so it can fund the Bridge.
- 3.5 The ‘Rail Franchise’ (ScotRail) budget falls by £20m, while the ‘Rail Infrastructure’ budget (which we gather goes to Network Rail) increases by £95m. Spending on ‘Major Public Transport Projects’ declines from £175m to £53m, and we expect that this is due to the completion of the Airdrie-Bathgate Rail Link.

- 3.6 In simple 'road vs. rail' capital spend terms, the Government could have chosen to fund the Borders Railway, for example, from its available capital. Instead it has chosen to prioritise building the Bridge.
- 3.7 Much future capital spending is to be transferred to the 'Non-Profit Distributing' (NPD) model. This includes projects such as the Borders Railway (which we support) and the Aberdeen western bypass (which we oppose). For us, this is clearly a mixed bag: it may secure funding for these projects, but given the lack of any projects to be financed on this basis until now, it may also jeopardise their completion.
- 3.8 There is no increase in bus service support (a decrease in real terms) and there is no mention of the Glasgow Subway modernisation. However, the ferries budget does increase (from £102m to £109m).
- 3.9 Road user charging, recommended by the Independent Budget Review as a potential source of revenue, is conspicuous by its absence.
- 3.10 The budget for Sustainable and Active Travel is increased by 15% – but it is unclear whether this will lead to an increase in spend on active travel (walking and cycling) as the increase in funds could instead go on Low Carbon Vehicles spending. A particular concern is the omission from the Budget of the ringfenced 'Cycling, Walking & Safer Streets' (CWSS) budget – as these funds are used by local authorities to match-fund Sustrans Scotland's delivery of cycle infrastructure.
- 3.11 Finally, the Budget proposes the scrapping of the Freight Facilities Grant; this fund, which has been in operation since 1974, has been successful in delivering modal shift from road to rail and sea. The budget saving (understood to be £7m p.a.) seems trifling in comparison with the benefits. Since 1997 alone, 37 awards of FFG, totalling £68.9 million (including funding of £10.9 million from DfT) have been made to projects in Scotland – taking over 33m lorry miles off Scottish roads annually. The vast majority of the modal switch from road to rail (in the non-coal) market in Scotland in recent decades has been achieved with the assistance of FFG (which has also achieved significant mode switch from road to sea, e.g. for timber on the west coast).

4 Views on Report on Policies and Proposals (RPP)

4.1 General comments

- 4.1.1 The RPP does a reasonable job at highlighting how Scotland can meet its climate change act targets.
- 4.1.2 However, as pointed out by Stop Climate Chaos Scotland (SCCS)² in its evidence paper: "Over a third of total effort described to meet the 2012 target comes from proposals, not policies." In terms of the 2020 target, almost half of all transport emissions reductions are expected to come from Proposals rather than Policies.
- 4.1.3 Also as pointed out by SCCS: "The draft RPP relies heavily on voluntary measures to deliver emissions reduction." In the transport section, most of the Proposals are likely to be voluntary measures.³
- 4.1.4 In order to meet the emissions reductions required from the transport sector, the most effective interventions in financial terms will be those which require least in the way of expensive infrastructure – for example, the widespread introduction of travel planning, the introduction or increase in parking charges, reductions in road speeds, and introduction of measures to improve the quality of bus services (such as quality contracts or statutory partnerships).
- 4.1.5 The report *Mitigating Transport's Climate Change Impacts*, published by the Scottish Government in August 2009, supports measures such as these in a series of Marginal Abatement Cost Curves, which analyse a variety of interventions for effectiveness in terms of abatement of climate change emissions.⁴ Clearly, in order to reduce emissions from transport during a period of budget restrictions, these are the measures which should be focused on and spending in these areas should be protected, and indeed increased.
- 4.1.6 The RPP uses the above study as the basis for its recommendations – and as such is a generally sound basis for its recommendations for the transport sector. However, we are concerned at the exclusion of road traffic

demand management measures as a Proposal (see section 4.2, below) and the inclusion of biofuels as a Policy (see section 4.3, below).

4.2 RPP fails to include road traffic demand management measures

4.2.1 The RPP fails to include any road traffic demand management measures; for example, measures such as:

- Parking management
- Workplace parking levy
- Road user charging
- Low Emission Zones.

4.2.2 We note that the final draft version showed two additional transport Proposals: 'Parking Management – Public & Residential' and 'Workplace parking levies'. Between them they would have saved an additional 219 ktCO₂e. Both were deleted from published version (although were present in version initially published on SG website on 17/11/10).⁵

4.2.3 Furthermore, earlier drafts of the RPP, and indeed the research upon which the transport component was based,⁶ included discussion of Road User Charging (of which there is no mention in the final version). In the simplest terms, road user charging has clear benefits as a policy as, firstly, it is based on the polluter pays principle, and secondly, it is a revenue-raising measure.⁷ Local authorities should be actively investigating the implementation of road user charging as a means not only to deliver sustainable transport but also as a revenue-raising measure focussed on the 'user pays' principle.⁸ On this topic, we note the recommendation from the Independent Budget Review:⁹

“The Panel suggests that the Scottish Government should consider the feasibility of adopting road user charging as a means to both better managing the use of existing transport networks and financing improvements to those networks.”

4.3 RPP relies on biofuels despite concerns over their sustainability

4.3.1 We are concerned by the heavy reliance on biofuels as a Policy (640 ktCO₂e) given recent findings regarding the wider sustainability of these as a fuel source. We note the recent research from Institute for European Environmental Policy (IEEP) which concludes that meeting the EU Renewable Energy Directive “would lead to between 80.5% and 167% more GHG emissions than meeting the same need through fossil fuel use” due to Indirect Land Use Change (ILUC) effects.¹⁰

4.3.2 Should further evidence confirm the unsustainability of biofuels (i.e. that it generates more GHG emissions than it saves), we would expect it to be struck out as a Policy. It may be that the Renewable Energy Directive targets could be met by a greater use of other alternative fuels (e.g. electricity or hydrogen), however we are sceptical as to whether these transport energy sources would be able to provide for 10% of all fuel use by 2020 (and/or whether existing electricity generation plans make sufficient provision for such a switch).

5 Summary of views on both Draft Budget 2011-12 and the RPP

5.1 In summary, despite the welcome elements of the Budget, the overall thrust does not deliver the step change in spending priorities needed to meet the climate change targets set out in the RPP. This document, which sets out how the Government will meet its legal obligations under the climate change act through to 2020 (a 42% reduction in CO₂ emissions) contains many excellent 'proposals' for the transport sector, with a welcome emphasis on 'Smarter Choices' (behaviour change) measures. However, the problem is that they remain "proposals" – unfunded, and with the Second Forth Road Bridge scheduled to gobble up increasing shares of the Scottish capital budget over the next five years, arguably unaffordable.

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1 <<http://www.scottish.parliament.uk/s3/committees/lgc/inquiries/ScotBudget11-12/call.htm>>.
2 We are a member of Stop Climate Chaos Scotland.
3 Almost certainly some or all of (i) Eco-driving, (ii) LCVs (unless targets were made mandatory), (iii) Freight Efficiencies, (iv) Van
4 Efficiencies, (v) Maritime, (vi) Travel Planning, (vii) Car Clubs, (viii) Bus and Taxis, (ix) Freight Modal Shift, (x) Community Hubs.
5 See <<http://www.scotland.gov.uk/Publications/2009/08/26141950/0>>.
6 We note that the final draft version stated that for Travel Planning that “Modelling shows that anticipated abatement would be
7 halved or more if this policy is not supported by Parking Management” – yet the expected abatement for Travel Planning remains
8 unaltered in the published version (242 ktCO₂e).
9 Scottish Government (2009) *Mitigating Transport's Climate Change Impact in Scotland: Assessment of Policy Options* – <[http://
10 www.scotland.gov.uk/Publications/2009/08/26141950/0](http://www.scotland.gov.uk/Publications/2009/08/26141950/0)>
11 We would be happy to supply the Committee with further evidence on road user charging upon request.
12 We know that the one “fully quantified” Scottish proposal (Edinburgh, 2005, approved by PLI) was that even that scheme, which took
13 congestion alleviation rather than emissions reduction as its focus, would have delivered significant GHG emissions reduction
14 (approx. 10% of City Centre emissions in year one) whilst delivering large amounts of revenue to the public sector over and above its
15 operational cost.
16 See p.135 of <<http://www.scotland.gov.uk/Resource/Doc/919/0102410.pdf>>.
17 See <http://www.foeeurope.org/agrofuels/ILUC_report_November2010.pdf> or <[http://www.transportenvironment.org/News/
18 2010/11/Member-state-biofuel-plans-will-cause-higher-emissions-than-fossil-fuels/](http://www.transportenvironment.org/News/2010/11/Member-state-biofuel-plans-will-cause-higher-emissions-than-fossil-fuels/)> for a summary.

Transform Scotland is the national sustainable transport alliance, campaigning for a more sustainable and socially-just transport system. Our membership includes bus, rail and shipping operators; local authorities; national environment and conservation groups; consultancies; and local transport campaigns. Transform Scotland Limited is a registered Scottish charity (SC041516).

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