



# Key tests for transport

## Spending Review & Draft Budget 2012-13

Monday 19 September 2011

### 1 Key tests for transport

- 1.1 This week sees the Scottish Government set out its Spending Review and Draft Budget for 2012–13. If the Government is serious about creating a more prosperous, fairer Scotland, it is vital that investment in transport benefits the whole country and avoids wasting scarce resources. This briefing sets out three key tests for judging whether the Budget is delivering for transport.
- 1.2 Firstly, the Government must **fully fund the measures set out in the Climate Change Act's Report on Proposals on Policies (RPP)**. The Government's claims to have “world-leading” climate legislation will begin to look threadbare if it is not prepared to find the finance to implement the necessary emissions cuts.
- 1.3 Secondly, the Government needs to **support Active Travel (walking & cycling) and Rail Freight**. Following last year's Draft Budget, the Government had to make u-turns to reinstate the Cycling, Walking & Safer Streets (CWSS) & Freight Facilities Grant (FFG) funds. We hope it doesn't make the same mistakes this year.
- 1.4 Thirdly, it is imperative that the balance of the Scottish Government's transport expenditure **prioritises sustainable transport and maintenance over new road-building**. The past few years have seen a massive switch of funds into a vast new road-building programme — despite the Government's proclamations on Climate Change and on the delivery of a Low Carbon Economy, and the crumbling state of much of Scotland's existing infrastructure. This bias towards costly and polluting new roads must be corrected.

### 2 Specifics

#### 2.1 Local transport: Investment in Active Travel & Smarter Choices measures

- 2.1.1 The Government must retain and invest in the **Cycling, Walking & Safer Streets (CWSS)** budget. In its 2011 election manifesto, the SNP committed to “increase the proportion of transport spending that goes on low-carbon, active and sustainable travel” so it would be illogical to cut the funding that already exists. This fund is also essential in the delivery of the cycle targets in the Government's *Cycling Action Plan for Scotland*.
- 2.1.2 The Government's **Report on Proposals and Policies (RPP)** is part of the legal framework of the Scottish Climate Change Act and must be fully funded. The Government is committed to the many beneficial active travel and Smarter Choices measures contained in the RPP, but without funding they will not happen.

#### 2.2 Public transport investment

- 2.2.1 The Government should put in place a programme to upgrade Scotland's fleet of more than 4,000 **buses to hybrid technology** through a significant expansion of the Scottish Greener Bus Fund.
- 2.2.2 We'll be looking to see whether the Government is making available expenditure for the three **key inter-city rail projects** set out in Transport Scotland's Strategic Transport Projects Review (STPR):
  - Edinburgh-Glasgow Improvement Programme (EGIP) – electrification of the main 'E&G' rail line, plus connecting lines across the Central Belt;
  - Highland Main Line – line speed and capacity improvements to the Perth-Inverness line;
  - Aberdeen–Inverness – line speed and capacity improvements, particularly on the approaches to Aberdeen and Inverness.

- 2.2.3 We'll also consider whether funds are clearly identified for other **public transport projects** to which the Government is already committed to assisting: the Glasgow Subway refurbishment; completion of the Edinburgh Trams project; and early completion of the Borders Railway.
- 2.2.4 There must also be investment in new **ferry ports and vessels** in order to address the backlog identified in the Ferries Review (£604m required on new vessels & £180m on ports by 2022). The Government should provide funding for the design and build of a fleet of small hybrid ferries. These initiatives would improve the financial viability and carbon efficiency of Scotland's ferry network.
- 2.2.5 In terms of revenue support for public transport, we'll be looking for:
- Retention of the **rail fares formula of RPI+1%** – not pricing passengers off the railway as the UK Government is doing.
  - Continuation of the modest funds required to continue development of a **National Public Transport Smartcard**.

## 2.3 Improving the road network

- 2.3.1 The Government must maintain the long-established and successful **Freight Facilities Grant (FFG)** in order to continue the transfer of freight from road to rail and sea. This will free up capacity on the roads, make them safer, and ensure the efficiency of Scotland's export network and supply chain.
- 2.3.2 Investment in **local road maintenance**, which will bring economic benefit across Scotland, should be prioritised over building new roads. While local road maintenance will typically be carried out by local Scottish companies, vast infrastructure projects often lead to the funds being sent overseas (in the case of the Second Forth Road Bridge to German, Spanish, American & English companies). Local road maintenance also benefits a wider range of road users, with cyclists and pedestrians a key beneficiary.

## 2.4 Tackling emissions

- 2.4.1 Addressing the issues above has the added benefit of making a start on meeting Scotland's climate change obligations. Specifically the Government should:
- **Fully fund the RPP** (see 2.1.2, above) otherwise it will be impossible to meet our climate change commitments.
  - **Prioritise spending on road maintenance over building new roads** (see 2.3.2, above) to increase vehicle efficiency and avoid generating new traffic.
- 2.4.2 The carbon assessment for the Budget must be robust and include 'second-round emissions'. The carbon assessment methodology used in past years' Budgets has been essentially useless as a tool to appraise the carbon efficiency of public spending decisions.

## 2.5 Managing urban traffic: Economic instruments

- 2.5.1 In last year's Budget the Government introduced its 'Large Retailer Levy' proposal. The measure, which was designed to support smaller retailers and support town centre economies, was along the right lines but was voted down by the opposition parties. With its new majority in Parliament, we are looking for the Government to re-introduce plans for a **levy on out-of-town retail sites**.
- 2.5.2 Finally, the Government should be looking at the introduction of appropriate **road user charging** and **workplace parking levy** schemes (as highlighted in earlier drafts of the RPP) which would reduce congestion and provide health and community regeneration benefits. Any income raised by these schemes should be invested back into improving local sustainable transport options.

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