



ICI Committee call for evidence on the draft budget 2015-16 ¹

Transform Scotland evidence paper

31 October 2014

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 transport campaign groups; and individual supporters.

2. Concerns regarding the Budget scrutiny process

- 2.1. We wish to make it clear to the Committee that we are increasingly concerned at what we see as a dysfunctional Budget scrutiny process. Every year we submit evidence to the Committee, and most years we are pleased to see that the Committee has taken on board a number of our recommendations. However, the fact that the Finance Committee has never to our knowledge responded to *any* of the recommendations raised by the ICI Committee suggests to us a scrutiny process that is manifestly broken.

3. Comments on consistency between draft budget and relevant National Indicators

3.1. National Indicator: Increase the proportion of journeys to work made by public or active transport

- As the Scottish Government itself reports, there has been no progress on this National Indicator: the modal share for the sustainable transport modes for 2013 remains below that seen in 2006.²
- In recent years' Scottish Budgets, the Scottish Government has decided to prioritise spending on unsustainable modes of transport ahead of sustainable transport modes. Since budget year 2011/12 (roughly equating to the start of the current parliamentary session), expenditure on 'Motorways and Trunk Roads' has increased by 36%³ while combined expenditure on the Bus, Rail and Ferry spending lines has increased by only 9%.⁴ As such, investment in public transport has been below the increase in the overall transport budget (17%).⁵
- Given the current administration's emphasis on spending on the construction of new roads and its failure to prioritise investment in sustainable transport, it is unsurprising that the modal share of these modes is not significantly increasing (and in the case of buses, the largest public transport mode, decreasing).

3.2. National Indicator: Reduce traffic congestion

- The Scottish Government again reports no progress on this Indicator.⁶
- For the same reasons as cited above — that the balance of expenditure has been moved into new roads rather than providing alternatives to road use — we are unsurprised at the lack of progress here.
- We imagine that the Scottish Government will argue that its programme of new road-building will reduce traffic congestion levels: however, we consider that this suggestion is deeply misguided and its impacts counter-productive. There has been a long-standing consensus in the professional transport literature that the construction of new road capacity in and around congested urban areas will, as a rule, generate new, higher levels of traffic and as a result render any road congestion relief as transitory and short-lived. Indeed,

that was the specific finding of the Scottish Government's own modelling for the M74 Northern Extension project and early reports have suggested that this is coming to fruition as forecast. We fully expect the congestion relief impacts from the second Forth road bridge and/or Aberdeen western bypass projects to be similarly transitory in nature. More fundamentally, projects of this sort are counter-productive as they encourage and lock in car dependency and, as a result of their excessive cost, crowd out investment in sustainable transport alternatives (as can be seen from the trend in recent years' Scottish Budgets).

3.3. National Indicator: Reduce Scotland's carbon footprint

- Here the Scottish Government reports that performance is worsening.⁷ It is well known that the Government has missed its first three annual targets under the *Climate Change (Scotland) Act 2009*.
- Transport is a significant contributor to climate emissions, being the second-largest sector for emissions.
- Again, for the reasons cited above — that the balance of expenditure has been moved into new roads rather than providing alternatives to road use, and into aviation (which has seen a 70% increase in its budget during this administration)⁸ — we are unsurprised at the Scottish Government's failure to meet its legislative commitments on climate change.

3.4. Summary comments on performance against National Indicators

- 3.4.1. We welcome the ICI Committee's decision to measure the spending priorities within the Scottish Budget against the National Indicators in the National Performance Framework. We would hope that the Committee will make specific recommendation in its report that in future years' Budgets that expenditure decisions be explained as to how they will contribute to the National Indicators.
- 3.4.2. As indicated by our comments above, we cannot currently identify a linkage between the Scottish Government's expenditure priorities and achieving progress on the National Indicators highlighted above. Indeed, we believe that the current administration's focus for expenditure is counter-productive as regards tackling the unsatisfactory trends seen in these Indicators.
- 3.4.3. Furthermore, we are unaware of any changes to Scottish Government spending priorities in order to meet the adverse trends in these Indicators. For example, we would have expected the failure of the Scottish Government to meet its first three annual targets under the *Climate Change Scotland (Act) 2009* to lead it to rebalance expenditure in favour of measures that would reduce climate emissions from the transport sector (the second largest source of emissions). However, there is little indication of this in its spending decisions set out in its Draft Budget for 2015-16.

3.5. Are current investment levels appropriate to reduce Scotland's carbon footprint?

- 3.5.1. In its call for evidence, the Committee asks: "*to help reduce Scotland's carbon footprint, are current investment levels appropriate or are further or different investments required now or in the next Spending Review to meet the Scottish Government's climate change targets?*"
- 3.5.2. The Scottish Government, in its publication 'Details of funding for climate change mitigation measures' notes that £118.5m of its planned 2015/16 budget would contribute to reducing emissions.⁹ This equates to only 5.7% of the overall transport budget. Our view would be that the Draft Budget fails badly in prioritising tackling Scotland's carbon footprint.

4. Other issues in relation to the Draft Budget which are pertinent to the Committee's remit

4.1. The Committee should again recommend that the Scottish Government provide clarity regarding expenditure on Active Travel

- 4.1.1. The Committee will have heard in detail from cycle interest groups regarding the opaqueness of the Scottish Government's expenditure plans for active travel investment. Transform Scotland has for many years in its own Budget submissions called for greater clarity on the treatment of this issue and we welcome the ICI Committee's recommendations along these lines in its reports on previous years' Budgets.
- 4.1.2. This year's Budget provides no advance on this situation. We neither know nor care whether this vagueness is due to administrative failure or as a result of a deliberate policy of obfuscation. What we do know is that this failure has led to an almost complete breakdown in trust from ourselves and our member organisations in the figures presented by the Government to Parliament. We are unable to understand why the Government can present reasonably transparent information on expenditure on roads, railways, buses, ferries, etc. but refuses to make similarly clear information available on expenditure on walking and cycling.
- 4.1.3. As a specific example, we would note the commitment by the Transport Minister on 09/06/14 to a "£15m funding package" for investment in cycling, car clubs, EV infrastructure, and 'Smarter Choices, Smarter Places' (SCSP). There is no reference to the promised £5m for SCSP in the Draft Budget, and nor are we clear where the promised £15m of investment features in the Budget.
- 4.1.4. We recommend that the Committee call for Active Travel to be specified as a separate Budget line at Level 2 in the Budget.

4.2. We are disappointed that the Draft Budget again makes no move towards tackling the £2.25bn road maintenance backlog

- 4.2.1. We believe that the Scottish Government's expenditure plans should focus public expenditure on assisting investment by small-scale, local, Scottish companies and public bodies. Making road maintenance the focus of the Government's roads policy would have a greater impact in supporting Scottish companies and public bodies. Tackling the road maintenance backlog rather than building new roads would (i) Provide employment for the Scottish construction industry and local authorities' Direct Labour Organisations; (ii) Support Scottish local authority finances rather than the profits of foreign construction companies; (iii) Spread investment across Scotland; (iv) Would not generate new road traffic and hence would make a contribution to reducing climate emissions; and (v) Would benefit pedestrians, cyclists and bus users as well as private vehicle users.
- 4.2.2. Such as policy would also attract great public support. Research published by ourselves in June 2014 found that the vast majority of Scots, from all backgrounds, of all ages, and across the whole of the country, want the Scottish Government to prioritise the repair of the existing road network over building new roads. When asked the question "Do you think the Scottish Government should give priority to fixing the existing road network before building new roads?", 84 percent of respondents agreed, with only 7 percent disagreeing.¹⁰

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References

- 1 <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/81292.aspx>
- 2 <http://www.scotland.gov.uk/About/Performance/scotPerforms/indicator/transport>
- 3 From from £520.3m in 2011/12 to £694.8m for 2015/16.
- 4 'Rail Services in Scotland' rose 4% from £778.0m in 2011/12 to £808.3m in 2015/16; 'Concessionary Fares and Bus Services' rose from £248.8m to £260.6m over the same period; meanwhile, 'Ferry Services in Scotland' rose from £128.7m to £187.1m.
- 5 From £1776.9m in 2011/12 to £2080.1m in 2015/16.
- 6 <http://www.scotland.gov.uk/About/Performance/scotPerforms/indicator/congestion>
- 7 <http://www.scotland.gov.uk/About/Performance/scotPerforms/indicator/carbon>
- 8 The 'Air Services in Scotland' budget line increased from £37.3m in 2011/12 to £63.4m in 2015/16.
- 9 See <http://www.scotland.gov.uk/Resource/0043/00435281.pdf>. We would note that this document (undated) relates to the plans for 2015/16 budget rather than the actual budget published earlier this month. We are unaware of an updated version of this document. However, we do not expect that the overall position we report in our evidence ("5.7%") would change significantly as a result an updated version of this document.
- 10 See <http://www.transformscotland.org.uk/vast-majority-want-scottish-government-to-prioritise-repair-of-existing-roads-over-building-.aspx>.