



The Smith Commission

Proposals from Transform Scotland

Friday 31 October 2014

1. Introduction

Transform Scotland is the national sustainable transport alliance. We campaign for a transport system which encourages people to travel by walking, cycling, public transport, and the movement of freight by rail and water, and discourages excessive use of private cars and road freight.

As the referendum has resulted in a review of the powers of the Scottish Parliament, we have decided to take the opportunity to submit this document outlining a number of key areas where further devolution will allow the Scottish Government to move towards a sustainable transport system.

With over half of all car journeys being less than five miles in length, we see the greatest opportunities to move towards a sustainable transport system in changing the way in which people travel locally. The measures we have proposed are, in the main, aimed at encouraging sustainable local travel, whether through reducing speed limits and improving street environments, improving bus services, or incentivising the use of public transport season tickets. That said, our proposals for the rail network are aimed at improving a wider range of sustainable transport options, from short distance in major urban areas, to longer distance travel within Scotland, and ultimately further afield to England and beyond.

We believe that the measures we propose will bring sustainable transport in Scotland up to a better standard. Moreover, a high quality sustainable transport system in Scotland could benefit the rest of the UK, both as an example, and by reducing Scotland's greenhouse gas emissions to or below target levels.

Over the lifetime of the Scottish Parliament, it has become clear that there are certain areas where a more logical grouping of powers could exist than is the case at present. Each of our five major proposals represents an extension of powers which are already partially devolved. Road regulation is an issue where there is currently an odd mix of devolved and reserved powers, while Traffic Commissioners' responsibilities for buses are the last reserved vestiges of powers which are otherwise devolved. Our proposals on taxation and borrowing are intended to give the Scottish Government the necessary economic levers to develop sustainable transport.

We have also given a brief outline of further powers which we see as potentially useful but with arguably smaller benefits for sustainable transport overall.

The Scottish Government (and the SNP as governing party), being in favour of devolution of all internal matters, should be broadly supportive of transferring all of the powers that we propose, while the Greens have specifically mentioned a number of the powers that we propose. The Liberal Democrats are also in favour of the transfer of much of the power which would allow for our proposals. We have also included areas of commonality with the Labour and Conservative parties in our submission. It is not only powers we see as important, however, but how they are used in the policy context. One such area is the matter of Air Passenger Duty (APD), devolution of which is supported by the SNP and Conservatives. It is the stated aim of the SNP to reduce or even abolish this duty if it is within their gift, but as a measure which would encourage use of unsustainable air travel, reduction of APD is something Transform Scotland will continue to oppose.

2. Transform Scotland proposals

Proposal 1: Devolve all aspects of road regulation including signage, crossings, lineage and speed limits

The current level of devolution on road legislation is unsatisfactory. For example, drink driving limits are set to change in Scotland, and varying speed limits on trunk roads – seen as a UK network – is already a devolved matter (the discussion of raising motorway speed limits to 80mph in England did not include Scotland and while the UK Government has announced plans to raise HGV speed limits on single carriageway roads, the Scottish Government is awaiting the outcome of the A9 trial). Lowering speed limits on ‘restricted’ (30mph) roads, however, remains a reserved matter. The result of this is that, introducing a default 20mph limit to urban areas is not something that can currently be done through the Scottish Parliament. Instead, lower speed limits have to be introduced area by area at considerable cost. An inability to change signage in Scotland (which includes traffic signals) has also led to significant obstacles in attempts to make pavement parking illegal and to allow more time for pedestrians at signalised crossings. In regard to these issues, we echo and support the submission of our colleagues at Living Streets Scotland (and the wider Responsible Parking Alliance, of which we are members).

It can be argued that devolution of these issues could cause confusion, but we would counter that the situation is already one of partial devolution and variation, and devolution of road regulation in its entirety is a more logical proposal. While it may be desirable to retain certain standards throughout the UK – and even require liaison between Scottish authorities and those elsewhere in the UK on these matters – a greater degree of variation could be allowed to account for local circumstances or legislation.

Proposal 2: Devolve the functions of the Traffic Commissioner relating to the registering of bus operators and routes

This is another area where the existing situation could be improved by further devolution of a currently reserved function. The legislative framework under which bus routes operate is already a devolved matter, however, transferring the route registration and operator powers to Scotland could allow for alteration of the system to better suit specifically Scottish circumstances. Such changes could include higher standards for operators, or an obligation to participate in multi-operator and/or smart ticketing.

Proposal 3: Devolve the legal framework for railways and the functions of Network Rail in Scotland

This is another area where local control would allow a better fit to local circumstances. We would see such a change including the transfer of Network Rail’s powers to a body answerable to the Scottish Parliament. Scottish control of railway infrastructure could ensure that local bodies are fully consulted during planned changes to the network, and notwithstanding the need to separate infrastructure from operation, create a framework for closer co-operation with train operators.

Full transfer of powers would also enable changes in the existing legislative framework which could allow Scottish publicly owned companies or ‘non-profit’ organisations to bid for passenger franchises (as supported by the Scottish Labour Party). More wholesale change could see Scotland opt out of the franchising process entirely, with passenger railway operation taken back under public ownership, something with which the current Transport Minister has expressed sympathy.

We would also welcome the ability to negotiate the Anglo-Scottish franchises with the UK Government, in order that services – and trains – could be better specified for the longer routes into Scotland rather than being bundled with shorter routes within England.

Proposal 4: Provide powers for the Scottish Government to give tax relief on salary sacrifice schemes to pay for public transport season tickets

Relief from income tax is already available on transport measures for employees such as salary sacrifice schemes to pay for workplace parking and cycle leasing. Transform Scotland would like to see the Scottish Government have the power to give similar income tax relief on public transport season tickets. We would also like to see the tax relief removed from workplace parking. The current situation incentivises private car travel while discriminating against public transport users. Our proposal would change the situation to incentivise sustainable transport, and is in line with the salary sacrifice tax relief measures already aimed at encouraging cycling. We also feel this is a social justice issue, as giving a tax incentive to car users without an equivalent benefit for public transport users is discriminatory to lower income earners who are more likely to travel by public transport.

The Scotland Act 2012 allocates a proportion of income tax as the Scottish Rate of Income Tax (SRIT) but does not give the power to vary rates between bands or alter allowances. Both Labour and the Conservatives have put forward proposals to extend the SRIT but neither has proposed giving the Scottish Government power over income tax allowances and relief. Other than the SNP and the Greens, the Liberal Democrats have proposed sufficient powers over income tax to allow the Scottish Government to specify where tax relief should be given, within their proposals for a federal UK.

Proposal 5: Provide for the extension of borrowing powers beyond capital expenditure

Powers due to come to the Scottish Government in 2015 will allow borrowing from the Treasury or through commercial loans up to a value of £2.2bn for capital projects (with a further £0.5bn to account for tax income variation). Further powers from 2016 will see the Scottish Government able to issue its own bonds, also within these limits. It is, however, evident that too great a proportion of the Scottish Government's transport budget is already being spent on large scale capital projects (and in particular those which support unsustainable private car and road freight transport). We are concerned that, with a borrowing power which is restricted to capital projects, this power as presently specified will only encourage the construction of further large scale projects whose profits largely accrue to companies based outside Scotland, and with further detrimental effects on moves towards sustainable transport.

We recommend that borrowing powers be extended to allow their use to expand areas of expenditure which are currently neglected, such as the repair of our existing crumbling road network (something that has broad public support) but which would necessitate the removal of the restriction on borrowing solely to finance capital projects. This smaller-scale expenditure would not only benefit walkers, cyclists and bus users, as well as drivers of all types, but would also put government money back into local economies and small, Scottish-based businesses.

3. Other powers worthy of consideration

Driving Offences

Already mentioned under the proposal to devolve road regulation, the power to alter drink driving limits has already been devolved. Devolving other driving offences would allow the Scottish Government to take a stronger stance on drivers' behaviour towards pedestrians and cyclists, something particularly important for encouraging sustainable travel in rural areas.

Welfare

Supported to some extent by the Conservative, Labour and Liberal Democrat parties as well as the SNP and the Greens, devolution of welfare could allow for the easier linkage of measures to encourage sustainable mobility of those on benefit (particularly the unemployed) such as concessionary fares or assistance with cycle purchase.

Crown Estate

Supported by Labour, the Liberal Democrats, the SNP and the Greens, devolution of the Crown Estate could allow for easier use of their property for local sustainable transport purposes. Similar arguments can be made for the devolution of Network Rail and port ownership, in respect of their duties as major landowners in Scotland.

4. Summary of Proposals

In summary, we would like to see the following powers devolved to Scotland as these could have significant beneficial impacts in delivering better, sustainable transport services in Scotland:

- Devolve all aspects of road regulation including signage, crossings, lineage and speed limits
- Devolve the functions of the Traffic Commissioner relating to the registering of bus operators and routes
- Devolve the legal framework for railways and the functions of Network Rail in Scotland
- Provide powers for the Scottish Government to give tax relief on salary sacrifice schemes to pay for public transport season tickets
- Provide for the extension of borrowing powers beyond capital expenditure.

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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).

Transform Scotland
5 Rose Street, Edinburgh, EH2 2PR
t: 0131 243 2690

e: info@transformscotland.org.uk
w: www.transformscotland.org.uk