

DRAFT BUDGET 2014-15

SUBMISSION FROM TRANSFORM SCOTLAND

About Transform Scotland

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.

Scope of our response

Our comments are with respect to the following two 'EET areas of interest' in the Finance, Employment and Sustainable Growth portfolio:

- Develop a coherent approach to assisting our cities and city regions in being the engines of growth for the Scottish economy
- Overarching priority for the Transition to a Low Carbon Economy

Given the scope of our organisation's activity, our comments are restricted to the following relevant National Indicators:

- Reduce traffic congestion
- Increase the proportion of journeys to work made by public or active transport
- Reduce Scotland's carbon footprint.

Furthermore, we are only providing responses to question 1, 3 and 5.

Call for Evidence questions - our views

Q1: How has the Scottish Government's budget over the years 2012-13 and 2013-14 supported these core areas of interest?

The Scottish Government's current expenditure priorities are not well-directed in terms of any of the National Indicators listed above:

Traffic congestion: Over the past five years, spending on roads has increased by almost 40%.¹ The transport literature clearly shows that construction of new roads will as a rule generate new, higher levels of traffic.

Increasing the modal share for sustainable transport: Over the past few years, expenditure on the sustainable transport modes (walk, cycle, bus, rail, ferry) has remained largely unchanged. Given the emphasis on spending on new roads, it is unsurprising that the use of these modes is not significantly increasing (and in the case of buses, the largest public transport mode, decreasing).

¹ See p.158 of the 2013/14 Draft Budget

Reducing climate emissions: The Government has missed its first two annual targets under the Climate Change (Scotland) Act 2009. Transport is a significant contributor to climate emissions, being the second largest sector for emissions.

Q3: Is the NPF an effective method of measuring performance and are sufficient resources being allocated to track progress against the targets and indicators?

We welcome the approach taken by the NPF because we believe in identifying desired outcomes as a way of focussing activity. The NPF therefore *should* have a significant impact on the spending decisions if truly applied. However, this will require a shift in priorities relating to infrastructure and transport issues. To take one example, the National Indicator 'Reduce traffic congestion' leads to the identification of several measures that could help achieve this, such as traffic management by road pricing and/or increased expenditure on public transport networks that have been proven to be successful in achieving modal shift from private to public transport. Yet this is not seen in practice - which raises the question as to how effectively the NPF is being used in practice to guide investment decisions.

Q5: What alternative spend would you propose to better support each core area of interest and from what area should such resources be diverted?

The Scottish Government's transport policy focus on large-scale transport infrastructure projects is misdirected in as much as the beneficiaries of the contracts that the Scottish Government as a result lets are very often *not based in Scotland*. The road-building elements of the Scottish Government expenditure plans are certainly counterproductive in terms of the three relevant National Indicators highlighted above.

We believe that the Scottish Government's approach should focus public expenditure on assisting investment by small-scale, local, Scottish companies and public bodies:

Making road maintenance rather than road-building the focus of the Government's roads policy would have a greater impact in supporting Scottish companies and public bodies. We are not convinced by the case the Scottish Government presents regarding the benefit to the construction industry - or, rather, the benefit to the *Scottish* construction industry - of the focus on infrastructure 'mega-projects'. We note that *none* of the four companies that comprise the consortium for construction of the unnecessary and unsustainable 'Forth Replacement Crossing' project - Scotland's largest construction project - are headquartered in Scotland. Three of these companies are foreign (Dragados (Spanish), Hochtief (German) and American Bridge International (US)) whilst the fourth (Morrison Construction) is a division of an English company (Galliford Try). Should the Scottish construction industry require financial stimulus from the Scottish Government then this would be better served by the prioritisation of capital expenditure more likely to be recouped by Scottish companies rather than by companies headquartered outwith Scotland. There has been a continuing failure by Scottish Government administrations to tackle the widely-acknowledged road

maintenance backlog (which Audit Scotland has reported to be over £2 billion²). 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.

Increased investment in active travel infrastructure would benefit Scottish suppliers as such investment (e.g. paths for cyclists and walkers) is typically built by small civil engineering contractors and local authorities, with the materials used sourced locally. This would not only boost local economies and support local jobs but would also improve health and save emissions. We would draw the Committee's attention to the evidence submitted by Sustrans Scotland to the Infrastructure and Capital Investment Committee in its consideration of Scottish budget 2012-13.³ This lists the variety of Scottish organisations (civil engineering contractors, stewardship/maintenance contractors, Direct Labour Organisations and other suppliers) spread across all of Scotland supported by Sustrans' work in creating active travel infrastructure.

The Scottish Government should seek to **establish Scotland as a centre of excellence in sustainable technology for public transport**. Scotland doesn't make cars - but we do make buses. Scotland has Britain's largest bus manufacturer in Falkirk-based Alexander Dennis Limited. Scotland also features two of the world's largest public transport operators in FirstGroup and Stagecoach. The Scottish Government's Low Carbon Vehicles (LCVs) policy should build on this home-grown experience and take the lead in developing sustainable automotive technology for all forms of public transport: buses, trams, trains and ferries. In order to give a specific boost to the uptake of low-carbon bus technology, the Scottish Government should put in place a programme to upgrade the whole of Scotland's bus fleet (over 4,000 buses) to low carbon technology through a significant expansion of the *Scottish Greener Bus Fund* (which has so far provided for around 70 low-carbon buses).

² See <http://www.audit-scotland.gov.uk/media/article.php?id=164>

³ Available at:

http://www.scottish.parliament.uk/S4_InfrastructureandCapitalInvestmentCommittee/General%20Documents/Written_evidence_from_Sustrans.pdf