



The New Policy Context for Transport Investment

“Funding Scottish Transport”
STSG Annual Conference
2nd October 2008

Alex Macaulay,
Director of SEStran

Scottish Transport National



- Scottish Government
 - National Policy
 - National Transport Strategy
 - Delivery
 - Ports and Harbours
 - Ferries
 - Freight Facilities Grant
 - Air
- Transport Scotland
 - Rail Franchise
 - Trunk Roads and Motorways
 - National Concessionary Travel
 - Strategic Transport Projects Review
 - Major Projects

Scottish Transport Local

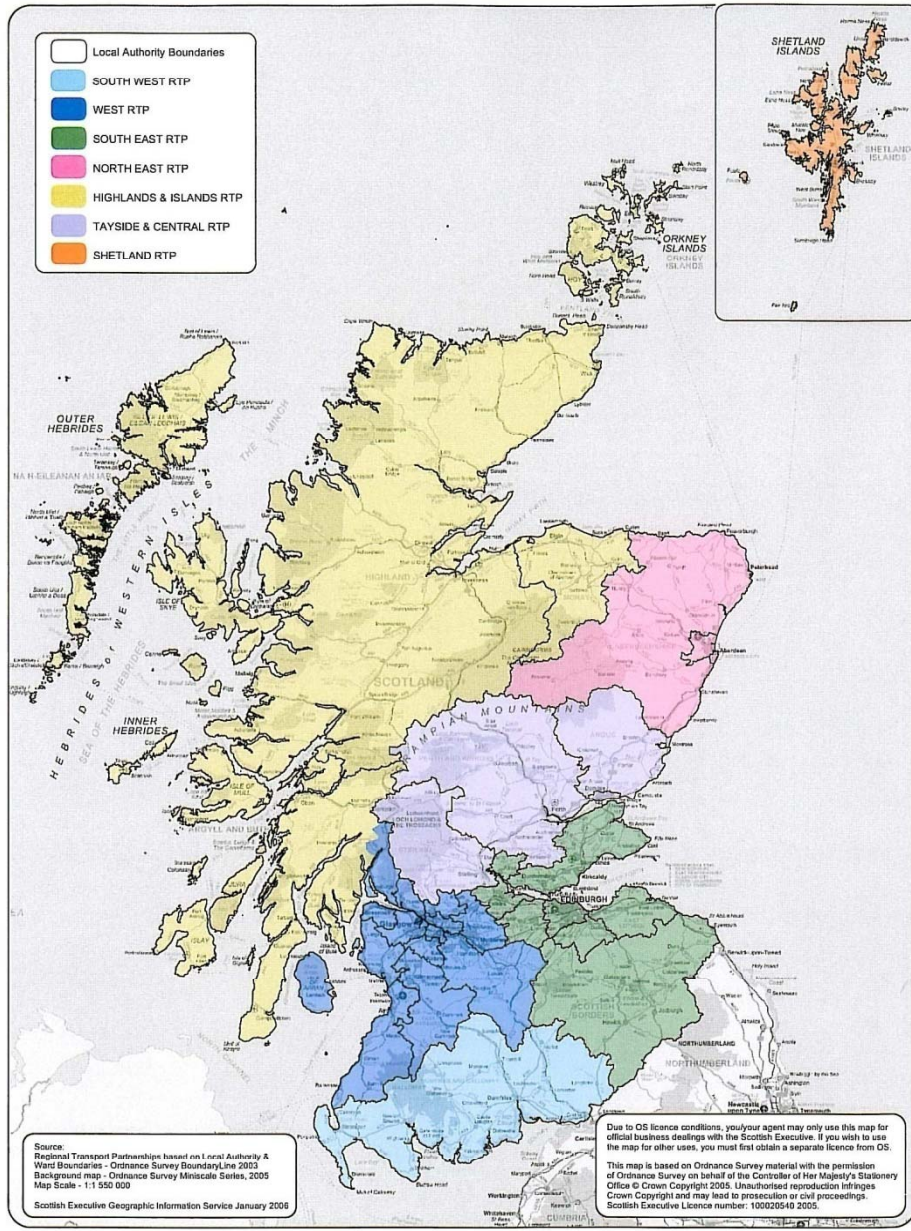


- Since 1996, 32 Local Authorities in Scotland
- Population ranging from 19,000 to 579,000
- Area ranging from 60 sq km to 25,659 sq km
- Responsible for :-
 - Local Roads and Car Parks
 - Local Public Transport Support except SPT, SWESTRANS and ZETTRANS
 - Local Transport Strategies

Scottish Transport Regional



- Transport (Scotland) Act 2005
- 7 **Statutory** Regional Transport Partnerships in Scotland (Regional Transport Authorities)
- First meeting Dec. 2005
- Primary Responsibility is Regional Transport Strategy
- Regional Capital and Revenue Projects Budget Delivered directly and in Partnership with LAs
- Growth Agenda



Some basic regional statistics



Region	Population (2004 figs in millions)	Area Sq km	Number of partner authorities
SEStran	1.447	8,237	8
SPT	2.14	10,115	12 (A&B Part)
NESTRANS	0.438	6,499	2
TACTRAN	0.475	9,717	4
ZetTrans	0.022	1,466	1
SWESTRANS	0.147	6,426	1
HITRANS	0.436	35,467	5 (A&B Part)

Partnership Models



- **Model 1** – limited number of statutory functions to be exercised concurrently with local authorities. Duty to prepare Regional Transport Strategy.
- **Model 2** – some transfer of functions from constituent councils.
- **Model 3** – significant transfer of public transport functions from constituent authorities.
- **All** have duty to prepare Regional Transport Strategy

Implementation Models



Region	Model
SEStran	Model 1
SPT	Model 3
NESTRANS	Model 1
TACTRAN	Model 1
ZETTRANS	Model 3
SWESTRANS	Model 3
HITRANS	Model 1

What have we achieved?



- Strong Partnership Working
 - With partner Local Authorities/CoSLA
 - With other RTPs
 - With Scottish Executive/Scottish Government
 - With business and outside bodies
- Additional funding attracted to our areas
 - Capital programme growing and delivered on time and programme
 - Revenue programme providing added value
 - Feasibility studies
 - Regional standards

So what has changed?

- **May 2007 Scottish Parliament Elections**
 - Lib/Lab pact lost power
 - SNP formed a minority Government
 - Spent the summer reviewing priorities
- **May 2007 Local Government Elections**
 - First under PR
 - Shift in power away from Labour in majority of Scottish Local Authorities
 - Most Authorities are coalition or minority administrations
- **Nov. 2007 Scottish Government/Local Authority Concordat**
 - Freeze of Scottish Council Tax
 - Delivery on Scottish Government Election Manifesto Promises
 - Single Outcome agreements between Government and each LA
 - Increase in Local Government share of Expenditure
 - Removal of Ring Fencing
- **Nov. 2007 Scottish Budget Spending Review**
 - Capital Budget of RTPs (Except SPT) moved to Local Authorities
 - RTP revenue budgets very tight

So what has changed?



- June 2008 Single Outcome Agreements
 - All 32 Authorities agreed SOAs with Scottish Government
 - Half with Community Planning Partnerships direct involvement
 - Aimed at meeting Government Outcomes
 - All 7 RTPs provided Regional Transport input
 - Transport Content Variable but analysis of all 32 has identified:-
 - “to improve Scotland's transport infrastructure (road, rail and air) and public transport system” with links to
 - “Scotland attractive to business”
 - “ economic potential .. employment opportunities”
 - and “local and global environment impact”
 - As nationally consistent “asks”
- Nov. 2007 to Present
 - Very difficult to fund Regional Projects
 - Funding needs to come from LAs
 - Pressure on local transport budgets from other service priorities
 - Major pressure on Government budgets
 - Credit Crunch

Where are we now?



- National projects
 - Flow from NTS and STPR
 - Delivered through Transport Scotland/Scottish Government
 - Major budget pressures
- Local Projects
 - Flow from LTSs
 - Delivered by LAs
 - Major Budget Pressures

The Gap?



- Regional projects
 - Flow from RTSs
 - Delivered by?
 - No capital budget
 - Very limited revenue budget
 - “It’s in the settlement!”

So where do we go from here?



- Need to look for innovative funding mechanisms
 - Prudential Borrowing
 - EU funding
 - National Lottery
 - Developer contributions not easy in the credit crunch
 - Revenue maximisation
 - Local transport tax
 - Any others?
- This conference
- COSLA/RTP/Scottish Government workshop