

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**14 DECEMBER 2010****DIRECTOR'S REPORT**

This report updates Members on various matters of interest and relevance to the work of the Partnership.

1 RECOMMENDATIONS

1.1 That the Partnership :-

- (i) notes the revision to RTS Guidance on statutory review of Regional Transport Strategies as summarised in Appendix A;
- (ii) notes the various updates and other information provided in the report.

2 DISCUSSION**Review of Regional Transport Strategy**

- 2.1 The Transport (Scotland) Act 2005 and associated Guidance on the preparation of Regional Transport Strategies (RTS) requires that Regional Transport Partnerships keep their Strategies under review. The Act provides for Ministers to give direction on the drawing up of a new RTS and the RTS Guidance (March 2006) states that strategies should be comprehensively reviewed and rolled forward every 4 years.
- 2.2 Tactran's current RTS was approved by Ministers in June 2008, along with all other RTPs strategies. On this basis it had been assumed that, in the absence of further Guidance to the contrary, a comprehensive review of RTSs would be due for submission to Ministers by March 2012, for approval by June 2012.
- 2.3 RTPs have been seeking confirmation from Scottish Government on the arrangements and timescales for the next review of strategies. In these discussions RTP officials have pointed out the need for flexibility to take account of local circumstances, in particular alignment of RTSs with Single Outcome Agreements and related strategies, and also emerging Strategic and Local Development Plans, which require to be reviewed 5-yearly.

- 2.4 On 12 October 2010 Transport Scotland officials advised that Ministers have decided to amend current RTS Guidance by removing the reference to a 4-yearly review period. Instead RTPs should continue to keep their RTS under review and will have the ability to decide on the most appropriate time to make modifications or review the entire strategy in light of local circumstances. In coming to a decision on review, RTPs should take account of their objectives and project delivery to date, budgetary considerations and, where appropriate, the local electoral cycle. Recognising the linkages between transport and land use, RTPs should also have regard to the opportunities for review provided by the development of SDPs and LDPs and ensure that close links are maintained between the transport and land use planning processes.
- 2.5 The amendments to RTS Guidance, as summarised in Appendix A, take effect from 1 December 2010. It remains open for Ministers to direct one or more RTP(s) to draw up a new strategy and revised strategies continue to be subject to Ministerial approval.
- 2.6 In light of the revised Guidance consideration is currently being given to an appropriate timescale for reviewing the Tactran RTS. Proposals for review will be developed in consultation with Transportation and Development Planning colleagues in constituent Councils.
- 2.7 Proposed arrangements for review of the RTS will have regard to current SDP/LDP timescales and possible opportunities for alignment with these processes; the occurrence of Scottish Parliament elections in May 2011 and Local Government elections in May 2012; and Government and Local Government funding arrangements beyond 2011/12, as these become clearer. The arrangements for future review of the RTS will also be considered in developing a proposed 2011/12 RTS Revenue Programme for consideration by the Partnership at its next meeting, as discussed in a separate report on the 2011/12 Revenue Budget.

Forum of Chairs of Regional Transport Partnerships

- 2.8 A meeting of the RTP Chairs Forum was due to be held in Nairn on 1 December 2010. The meeting was cancelled due to the severe weather and a revised date in early 2011 is currently being sought. The Minute of the last Chairs meeting on 1 September 2010 in Aberdeen is attached at Appendix B for information.
- 2.9 Most of the business from 1 December will be carried forward to be considered on the revised date. Progress on an item on the Comprehensive Spending Review and Draft Scottish Budget and other updates on joint issues is summarised below.

Comprehensive Spending Review and Draft Scottish Budget

- 2.10 The Chairs had been due to consider a paper on the implications of the UK Spending Review and the Draft Scottish Budget. The paper is included as Appendix C to this report for information.
- 2.11 RTPs have been invited to consider submitting comments to assist the Scottish Parliament's Transport Infrastructure and Climate Change Committee's (TICC) scrutiny of the Draft Scottish Budget in early 2011.

Following consultation with the Chairs it is the intention that a joint submission will be made on behalf of the RTP Chairs Forum to the TICC, based on the comments included at Appendix C.

InterCity Express Programme

- 2.12 At its meeting on 14 September 2010 the Partnership endorsed a submission by the RTP Chairs Forum to the UK Secretary of State for Transport, strongly opposing suggestions contained in a report on Review of the InterCity Express Programme, that existing services between London and Aberdeen/Inverness would terminate at Edinburgh in future (Report RTP/10/31 Refers).
- 2.13 On 25 November the UK Secretary of State for Transport made a statement on Plans to introduce a new generation of trains through the Intercity Express Programme (IEP). In this it was stated that “the Government has now ruled out simply refurbishing the existing trains and has also ruled out requiring passengers to interchange from electric to diesel trains at stations where electric lines end. Two alternative options remain under consideration: a revised and lower cost IEP bid from Agility Trains (Hitachi and John Laing), which envisages a mixture of electric trains and 'hybrid' trains with both electric and diesel engines; and a new proposal for a fleet of new all-electric trains which could be coupled to new diesel locomotives where the overhead electric power lines end”.
- 2.14 This apparent reassurance on maintaining continued operation of through services to Aberdeen and Inverness is welcome news for passengers travelling to/from destinations north of the Central Belt.

Transport and Health

- 2.15 It was reported at the last meeting on 14 September that the RTP Chairs had written to Scottish Government requesting an update on the establishment of a previously suggested Short Life Working Group, to progress collaborative working on the Healthcare Transport Framework published by Scottish Government in November 2009.
- 2.16 Arrangements for establishing the Short Life Working Group have now been put in hand and the first meeting of the group is now expected to held in early 2011. It has been agreed that officials from Hitrans and SPT will represent RTP interests on the Working Group.
- 2.17 Further progress and developments on this will help to inform development of the Tactran Health & Transport Action Plan and will be reported to future meetings.
- 2.18 Audit Scotland has recently commenced a study into Transport for Health and Social Care. This will review how effectively the public sector is managing and delivering transport for health and social care services. A Project Advisory Group, which includes the same RTP representation as above, has been established to guide the work of this study. In addition Audit Scotland is to be meeting with each of the RTPs as part of their information gathering for the study.

2.19 The study is due to report in Spring 2011 and outputs from this work may also help to inform further development of the Regional Health & Transport Action Plan.

3 RESOURCE IMPLICATIONS

3.1 This report has no direct or additional financial or other resource implications.

Eric Guthrie
Director

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NOTE

The following papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing this Report :-

Directors Report to Partnership, RTP/10/31, 14 September 2010

Reports to Forum of RTP Chairs on 1 September 2010 and 1 December 2010:
Various

Amendments to “Scotland’s Transport Future: Guidance on Regional Transport Strategies” – published March 2006

Guidance Paragraph	Original Text – 2006	Revised Text – 2010
112 (Bullet 1)	RTS: 10 – 15 year strategy reviewed, revised and refreshed every 4 years in line with the local government electoral cycle.	RTS: 10 – 15 year strategy to be kept under review, and modified or renewed as appropriate.
131	Section 7 of the ACT requires RTPs to keep their strategy under review and, as necessary, make modifications or draw up a new strategy from scratch. The RTS should be reviewed and rolled forward every 4 years. If Ministers think a strategy is overdue for renewal, they can instruct RTP to do this (it is not expected that this would happen other than in exceptional circumstances).	Section 7 of the Act requires RTPs to keep their strategy under review and, as necessary, make modifications or draw up a new strategy. Sections 7(1)(c) and (3) of the Act provide that Ministers may give a direction to one or more RTPs to draw up a new transport strategy.
132	When modifying or renewing its strategy, the RTP ... the objectives may not need a great of change, except insofar as some have been achieved during the previous 4 years and some new ones may be needed to reflect changes in the challenges and opportunities arising in the region.	When modifying or renewing its strategy, the RTP ... the objectives may not need a great deal of change, except insofar as some have been achieved and some new ones may be needed to reflect changes in the challenges and opportunities arising in the region.

**Meeting of Chairs of the Regional Transport Partnerships
Held in Aberdeen on 1 September 2010**

Draft Minute of meeting

Present: Cllr Kevin Stewart, Chair, Nestrans (Chair)
Cllr Brian Collins, Chair, SWESTRANS
Cllr Will Dawson, Chair, TACTRAN
Cllr Jonathan Findlay, Chair, SPT
Cllr Alison Hay, Chair, COSLA
Cllr Russell Imrie, Chair, SEStran
Cllr Duncan MacIntyre, Chair, HITRANS
Cllr Alan Wishart, Chair, ZetTrans

In attendance: Rachael Chambers, SEStran (RC)
Michael Craigie, ZetTrans (MC)
Dave Duthie, HITRANS (DD)
Anil Gupta, COSLA (AG)
Eric Guthrie, TACTRAN (EG)
Bruce Kiloh, SPT (BK)
John Nelson, SWESTRANS (JN)
Alex Macaulay, SEStran (AM)
Derek Murray, Nestrans (DM)
Eric Stewart, SPT (ES)

Apologies: Cllr Iris Hawkins, Chair, ZetTRANS

Item	Action
1. Cllr Stewart welcomed the Chairs to the meeting.	
2. Minutes of Meeting on 3rd June 2010 The minute was agreed as a true record.	
3. Matters Arising It was noted that the report on SOA's would be prepared for the next meeting.	
4. Access to Healthcare Mr Duthie provided an update on the progress since this was last reported to the group. It was previously agreed with Nicola Sturgeon that a short term working group would be set up and this had not yet been done. It was agreed that the Chairs would write again to Ms Sturgeon to seek progress on this issue.	DD
It was noted that Scottish Ambulance Service were trying to move away from transport of non-emergency patients and that the local authorities were expected to organise DRT for this. It was suggested that the Chair and Chief Executive from Scottish Ambulance Service be invited to the next meeting.	AM

5. **Scottish Government Report on Policy and Proposals for Climate Change and Carbon Reduction**
Mr Gupta presented the report based on a COSLA paper. It was highlighted that this was still in the development stage and the costs of achieving the carbon reduction target were very high. It was noted that some of the best cost/benefit figures for carbon emissions were for low cost initiatives. It was agreed that the RTP Chairs should offer to present evidence to the parliamentary committee rather than waiting to be asked. **AM**

6. **Intercity Express**
Mr Murray gave an introduction to the paper. Cllr Stewart stated that there had been support from across Scotland for maintaining these services and that there would be a decrease in usage if through trains were cancelled. Cllr Dawson stated that Dundee Council had written to the UK Minister for Transport and invited him to Dundee. A paper would go to the next TACTRAN board to discuss this further. Mr Duthie reported that a paper would also be going to the Hitran's board and that HITRANS would be carrying out a economic impact assessment of the service to the Highlands. **DM**

Cllr MacIntyre noted that this needed to be linked with landing slots to Heathrow as if there was a reduction in rail then air access would become a bigger issue. It was agreed that the case for more landing slots should be made as part of this.

It was agreed that a joint response would be written to Phillip Hammond, UK Minister for Transport. Cllr Hay reported that COSLA were supportive of this and would also write to Phillip Hammond.

7. **Franchise Policy Statement**
Mr Guthie presented the paper and this addressed the issue of consultation if the tender was renewed or extended. It was agreed that the joint response should be submitted. **EG**

8. **NTS Stakeholder Meeting**
Mr Macaulay introduced the paper. This was noted.

9. **2011 Meeting Dates**
It was agreed to continue that pattern of meetings and the following dates were agreed, together with a host Partnership:

- Wednesday 2 March 2011 – ZetTans
- Wednesday 1 June 2011 - TACTRAN
- Wednesday 7 September 2011 – SEStran
- Wednesday 7 December 2011 – Swestran

It was agreed that the Lead Officer Group should continue to meet more frequently with meetings being scheduled three weeks before the Chairs' meeting and four weeks after. The dates would be:

- Wednesday 9 February 2011
- Wednesday 13 April 2011
- Wednesday 11 May 2011
- Wednesday 13 July 2011
- Wednesday 17 August 2011
- Wednesday 19 October 2011
- Wednesday 16 November 2011

10. AOB
None

11. Date of Next Meeting
Wednesday 1st December 2010 – Hosted by HITRANS

Regional Transport Partnerships Chairs Meeting

Nairn

1 December 2010

ITEM 4.: Transport Budget Pressures

Summary

The report updates Chairs on the impact of the Comprehensive Spending Review 2011/15 and the associated proposed 2011/12 Scottish Budget on transport services and infrastructure provision across the UK and more specifically, within Scotland.

Background

The joint Chairs have at their meetings in June and September previously considered papers on likely transport budget pressures taking on board the paper 'Outlook for Scottish Government Expenditure' by Dr Andrew Goudie, the Chief Economic Advisor to the Scottish Government, and the further potential impacts as a result of the UK Government's emergency budget which increased the rate and scale of cuts in public sector spending.

Impact of the UK Comprehensive Spending Review on Transport

The UK Government's Spending Review announcements on 20 October revealed top-level spending allocations to each UK Government department and the consequential impacts on budgets to devolved administrations over the Spending Review period of 2010/11 to 2014/15. This was followed on 26 October by a more detailed announcement on additional road and public transport schemes in England from the Secretary of State for Transport, Philip Hammond.

The Department for Transport's (DfT) capital budget will decrease by 11 per cent and resource (revenue expenditure) by 21 per cent; overall this is a reduction of 15 per cent in real terms. The implications of this squeeze will be widespread across the sector, not least because fare increases will be a key component of the savings. However, the Chancellor did recognize the importance of infrastructure in promoting economic recovery and confirmed that the following programmes will go ahead:

- £10bn has been allotted for key road and local transport schemes. These include work on the A11, M11, M4 and M5, easing congestion on M1, route extension and capacity increases on the Midland Metro, upgrades to the Tyne and Wear Metro and constructing a new suspension bridge over the River Mersey;
- £14bn to Network Rail for improvements. These include improvements to the East Coast Mainline, station upgrades at Birmingham New Street and network improvements in Yorkshire, Lancashire and the Barry to Cardiff corridor, delivering faster journey times in the North West, improving reliability on the Great Western Mainline services to Wales;
- The cap on regulated rail fares will be raised to 3 per cent above RPI for three years from 2012/13 (with the intention that this will help pay for investments in rolling stock);
- Funding will be made available to enable Crossrail in London to go ahead;
- £6bn has been allotted for improvements on the London Underground;

- PFI's in Sheffield, Hounslow and the Isle Wight for Highways improvement and maintenance, and the extension of the Nottingham tram network with two extra lines will proceed, together with the Mersey Gateway and Thames Bridge Gateway PFIs;

The Chancellor additionally announced other significant transport related implications as follows:

- Subject to consultation, the UK Government is proceeding with its plans to deliver a new high-speed rail network. They intend to bring forward legislation during this Parliament to allow construction to proceed.
- The UK Government's intends to proceed with Private Finance Initiative (PFI) projects, which will deliver sustained improvements in highways maintenance in Sheffield, Hounslow and the Isle of Wight, plus extend the Nottingham tram network with two new lines.
- The McNulty Review is set to make recommendations to improve value for money in rail over and above the 21 percent efficiency savings required by ORR of Network Rail by 2013/14. Changes in the incentives and working relationships between Network Rail and the operators at a local/regional level may result aimed at delivering improvements in supply chain efficiency and asset management.
- In bus, the Government has stated that it will reduce its subsidy to the industry by 20 percent in England. The protection of the statutory entitlement for concessionary bus travel will be maintained which suggests that the bus service operators' grant (BSOG) may be in jeopardy. The operators have warned fare increases/service reductions are a likely consequence of this.
- Backing up recent policy announcements, new powers to implement Tax Increment Financing will also be detailed in forthcoming White Paper on sub-national growth;
- DfT's programme of a national charging infrastructure for electric vehicles will continue, as will an incentive of up to £5,000 for the purchase of ultra-low carbon cars. These programmes will support both UK manufacturing and sustainable travel options. Transport Scotland has submitted a bid for the £3m Plugged in Places (PiP) for South and Central Scotland to the UK Office for Low Emission Vehicles (OLEV) and should learn if it has been successful in December / January.

Local Government Budgets in England

Local government resource grants (which fund local transport needs) have been worst hit by the Comprehensive Spending Review, with spending set to fall by 28% over the next four years. This will clearly have a major impact on funding for supported local bus services and local road maintenance across England.

Comment on UK Budget decisions

Inevitably there were going to be cuts to direct transport spending as part of the Review but at 16% over the period of the Review this is not as bad as the 25 to 40% that was initially feared. It is welcome that the importance and value of transport seems to have been respected by the UK Government, and particularly the recognition that transport spending is essential for economic growth. This was a key recommendation of the Eddington Transport Study in 2006. Investment in transport is listed under the UK Government's agenda for growth.

Impact of the proposed Scottish Government's Budget for 2011/12

The Scottish Government, as announced by the Cabinet Secretary on 17 November as part of his 2011/12 Budget proposal, intends to reduce expenditure in Transport less than in many other sectors recognizing its importance to supporting economic recovery.

The major 2011-12 proposals and updates are:

- Transport Scotland spend, both capital and resource, will only reduce by around 2.7%, from £1,855 million to £1,804 million.
- Prioritisation has been applied in favour of key capital infrastructure projects. These are to progress the design, development and procurement of the Forth Replacement Crossing at an overall estimated cost of £2.3 billion, and securing economic turnover of more than £1.3 billion and over 3000 jobs. Government will also complete the M74, the M80 and the A96 Fochabers projects.
- Increased investment in rail infrastructure is proposed to protect services and fund enhancements, including continued commitment to the £1 billion Edinburgh – Glasgow Improvement Programme and the Borders Railway.
- Government is exploring alternative forms of finance to progress other key projects in the pipeline. Subject to satisfactory completion of the legal processes, they will progress the M8 and Aberdeen Western Peripheral Route projects as part of a new funding pipeline under the NPD model.
- Budgets for essential lifeline air services and investment in public transport (as through the concessionary travel scheme and support for bus services) remains broadly as before. Increased funding is proposed for ferry services (from £102m to £109m), covering route subsidies, vessels and piers and the extended Road Equivalent Tariff Trial, and including procurement of new vessels such as MV Finlaggan for the Islay route.
- Trunk road minor improvement schemes will be reduced, though maintenance spending levels on trunk road winter maintenance programmes will be sustained.
- Spend on “support for the freight industry” is to reduce from £10.3m (out of a total spend of £76.3m), to £2.9m (out of £67.1m), a cut in support for logistics of over two-thirds. This is as a result of closing of the Freight Facilities Grant scheme to future bids.
- Support for Regional Transport Partnerships is provided outwith the Local Government Settlement through the budget for Transport Strategy and Innovation. The Scottish Government draft Budget identifies that the funding available through this budget line would reduce by 23% in 2011/12. Discussions with Scottish Government Officials indicate that there may be some relative protection for Regional Transport Partnerships (RTPs) within the Transport, Strategy and Innovation budget. The estimated reduction in government grant funding to RTPs is 15%.

Local Government Budgets in Scotland

The Government has offered Councils a 2.6% reduction in budget across all services on the condition that certain Government commitments are met. These are:

1. Council tax will not be increased in 2011/12
2. Councils commit to meeting Government targets regarding class sizes for primary pupils
3. Councils retain the level of front line Police levels at that previously provided meeting the Government's manifesto commitment in this area.

CoSLA has agreed in principle to this approach however it will be down to individual Councils to decide whether to accept this offer, or proceed with the alternative of 6.5% cuts and increasing Council Tax to make up for the loss in central Government support. It is estimated that Council Tax would have to be increased by approximately 18% to provide funding equivalent to the conditional offer being made by Government.

In addition to these budget proposals the Government has set a 3% efficiency target for 2011/12 across the public sector following previous practice but at an increased rate, which will challenge all sectors to reduce costs without reducing service levels. Should these efficiency savings not be realized, services will still have to work within their base budget minus 3% thus potentially adding further pressure to maintaining core front line services.

Comment on Scottish Budget Proposals

Spending on Transport at a national level has been preserved to a greater degree than that in many other sectors reflecting its importance in meeting the Scottish Government's key policy as included in its Economic Strategy of promoting sustainable economic growth. Capital spending has had to be curtailed and as a result no new major capital commitments are proposed in 2012 although work will continue to progress the major future schemes previously announced.

Given that the necessity is a continuing year on year reduction in overall budget until approximately 2015/16, as discussed in previous reports presented to the Chairs, the rate at which uncommitted major future transport infrastructure commitments can be realised is still to be identified. How progressing these commitments will be achieved may impact on transport spending on delivering other Government objectives such as those relating to Climate Change, Carbon Reduction, and promoting more sustainable and healthy modal choice across the country.

The Scottish Government is looking to maximise benefits within reducing budgets and to achieve this, greater partnership and cross sector working will be necessary. In this regard the proposal for a commission chaired by Dr Campbell Christie CBE to look into how best to deliver best public services in the future is welcome.

In the meantime the challenge is to come up with mechanisms to increase the impact of use of Government funding. Government may wish to reflect on the opportunity RTPs provide in being able to deliver maximum value from second-tier transport capital expenditure because they can ensure co-ordination across council boundaries. In terms of supporting Government in achieving its aim of economic growth it is notable that the robust appraisal system that is in place for transport investment demonstrates that transport capital projects offer excellent value for every £ spent when compared with most if not all other expenditure areas.

The Partnerships have been singularly successful in attracting European funding to match core funding from their own sources and those of their local partners and constituent Councils through the ERDF programme and increasingly through the transnational Interreg programmes. This has been possible as core funding has been available to lever in European support. Such successes will become increasingly difficult to replicate as public sector funding continues to be squeezed and Councils have to move towards retaining core services rather than service improvement. Initial indications are that the level of Cohesion Funding available to the UK and other E16 Member States through ERDF will be further reduced post the current programme period which ends in 2013, and as a result the RTP focus may have to continue its trend away from ERDF to other potential European grant and loan funding streams, but this will only be possible if Government recognises the opportunities available and encourages actions to access these opportunities.

It is likely that the transport budgets within Local Authority partners will be equally under pressure, particularly capital, reducing the potential level of project funding for implementation of interventions in support of the Regional Transport Strategies, and reducing the possible added value opportunities through match funding for EU supported initiatives.

While the relative degree of protection of RTP budgets within the Transport Strategy and Innovation budget line is welcome, accommodating the indicated 15% cut will result in cuts within the RTPs' core budgets to the extent that there is no scope for further savings and will also result in cuts in the availability of core funding for projects designed to promote the implementation of the Regional Transport Strategies. RTPs are in general small organisations with very little in the way of spare capacity so that dealing with cuts of this scale can affect their ability to deliver services to a disproportionate extent compared with much larger public sector bodies.

Dave Duthie

HITRANS

24 Nov 2010