

Transport Connectivity for Remote Communities in Scotland

Roundtable on Connectivity for Small Populations in Remote Communities

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Structure

- ▶ Background and context
- ▶ Transport challenges and policy initiatives
- ▶ Policy effectiveness and shortcomings
- ▶ Transport appraisal in Scotland



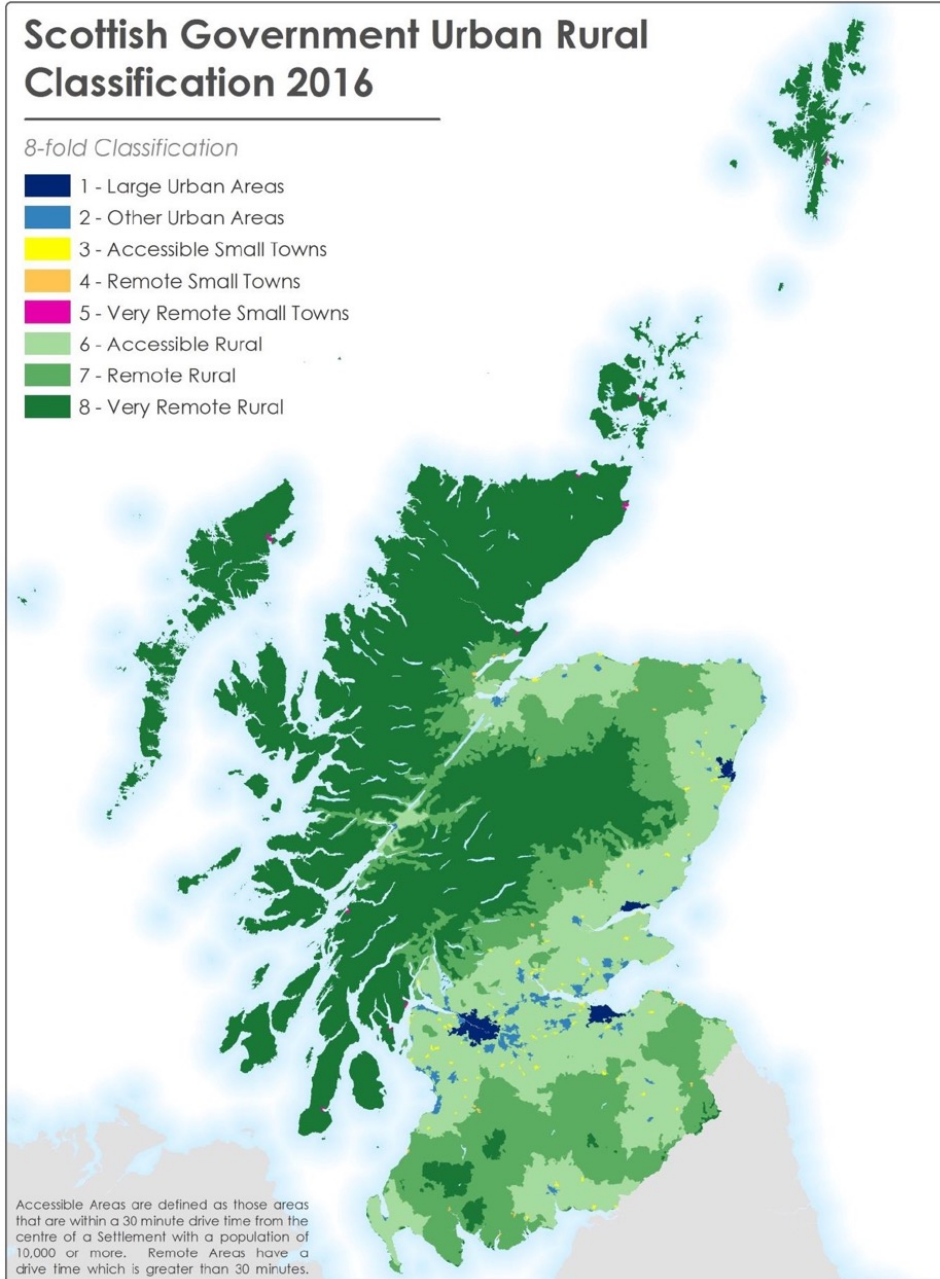
Background and context



Scottish Government Urban Rural Classification 2016

8-fold Classification

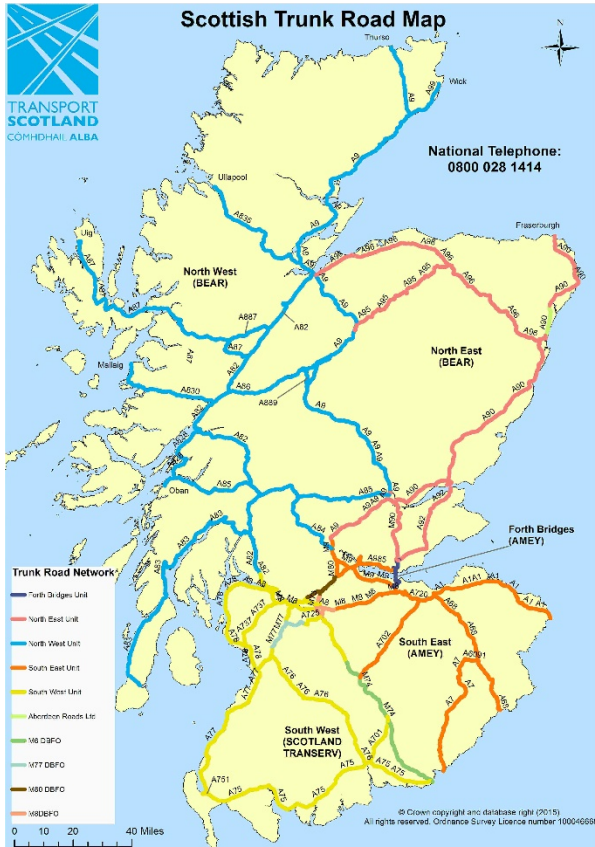
- 1 - Large Urban Areas
- 2 - Other Urban Areas
- 3 - Accessible Small Towns
- 4 - Remote Small Towns
- 5 - Very Remote Small Towns
- 6 - Accessible Rural
- 7 - Remote Rural
- 8 - Very Remote Rural



Remote communities in Scotland

- ▶ 70% of land area
- ▶ 9.5% of population
- ▶ Population in decline
 - ▶ 4% down in last 25 years
 - ▶ projected to decrease by 26% in next 30 yrs
- ▶ Higher employment rates
- ▶ in Highlands and Islands GVA per head at 95% of Scottish average (incl. Inverness), but could be 70% of average in places
- ▶ Economy more focused towards primary sector and tourism than rest of Scotland
- ▶ High car dependency
 - ▶ More driving licences, more cars per household, less bus use, less walking, longer trips
- ▶ Higher costs of travel

Transport connectivity



Road



Transport challenges and recent policy initiatives



Transport challenges

- ▶ Slow journey times
- ▶ High travel costs
- ▶ Poor network resilience and reliability
- ▶ In places a lack of coordination in the delivery of services
- ▶ Bus services under pressure
- ▶ Reducing carbon footprint
- ▶ Holes in mobile phone and broadband connectivity - as a substitute for travel
- ▶ Transport demand - high seasonality (under utilised in winter, over capacity in the summer)

Government support measures

- ▶ Background
 - ▶ PSO air network & zero APD
 - ▶ Subsidised rail network
 - ▶ Subsidised ferry network
- ▶ Recent subsidies and discounts (since 2000)
 - ▶ Concessionary bus and ferry fares (Scotland wide)
 - ▶ Air fare discount (for remote residents)
 - ▶ Road Equivalent Tariff ferry fares
 - ▶ Rural fuel (petrol/diesel) duty relief scheme
 - ▶ Skye Bridge Toll removal

Government support measures

- ▶ Recent and ongoing infrastructure investment
 - ▶ Inverness airport terminal
 - ▶ Ferry investment
 - ▶ Highland mainline and Inverness-Aberdeen railway upgrades
 - ▶ Road: A9 and A96 (to Inverness) upgrades

Policy effectiveness and shortcomings

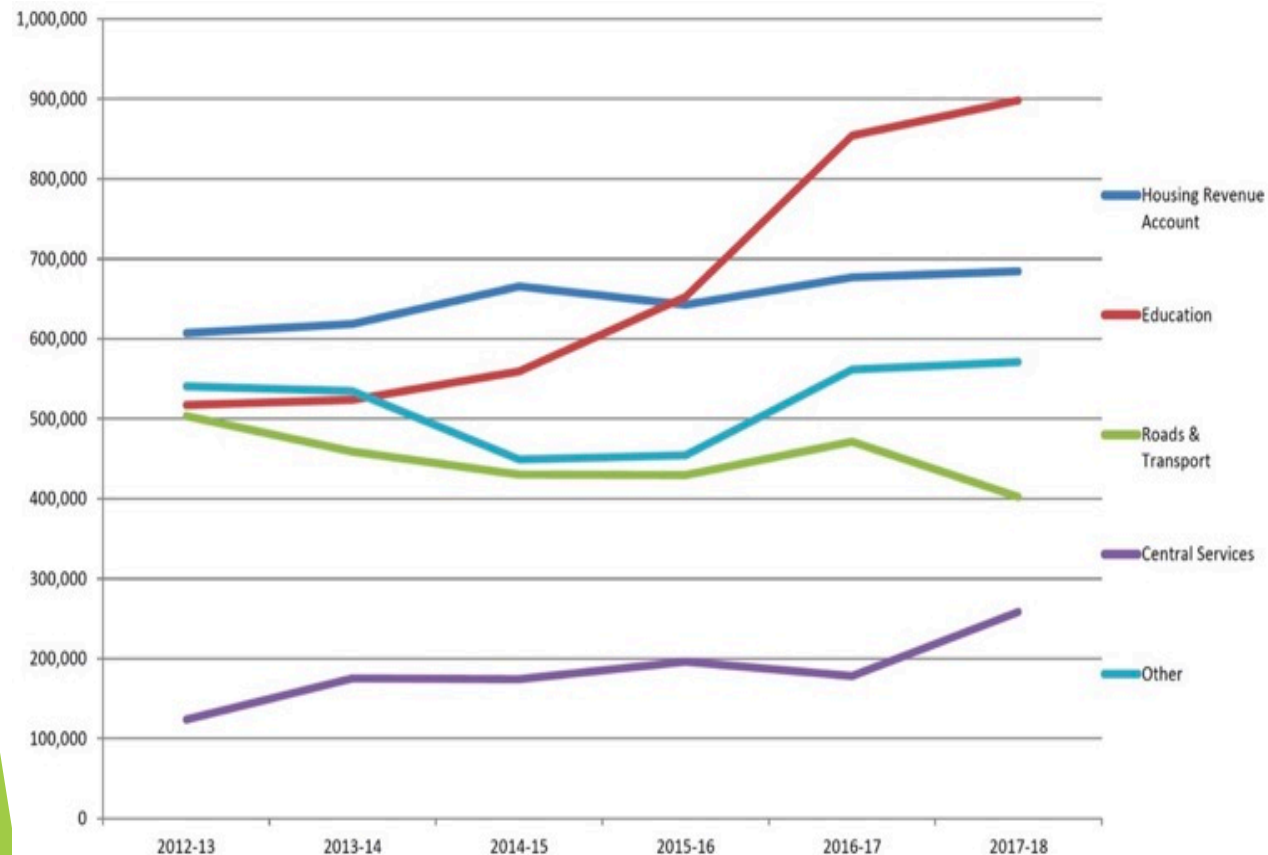


Transport Governance in Scottish Remote Communities

Government	Main responsibilities
European Union	Regulatory (incl. consumer rights, working time directive, state aid, PSOs, road freight sector, maritime cabotage)
UK Government	Regulatory (health and safety), taxation, vehicle & fuel taxation, cross-border services
Scottish Government	National transport policy, funder for subsidised transport services (incl. buses), strategic road, ferry, rail and air services.
Regional Transport Partnerships	Regional transport strategy, coordinating role between local authorities, and can take on their delivery roles.
Local authorities	Local road, ferry, bus and air services. Local transport infrastructure

- ▶ 1994 local government reform
- ▶ 2008 Single Outcome Agreement between Scottish Govt and local authorities
- ▶ 2008 until now: austerity and impact on government budgets
- ▶ 2018 Islands Act

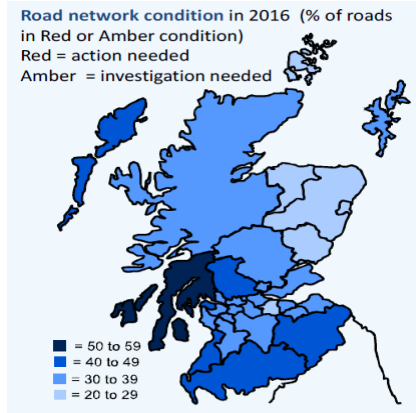
Transport finances: Strategic vs Local



- ▶ Capital stock at local level is weak
- ▶ Local government prioritising education investment (transport capital investment has fallen)
- ▶ Central government still has a large transport investment programme
- ▶ Note: Local government budget has contracted more than Scottish Government budget

Transport finances: Strategic vs Local

Strategic roads:
£6billion
planned
investment in
A9 and A96



Local roads:
deferred
maintenance

Strategic ferry routes: RET
and new dual
fuel ferries



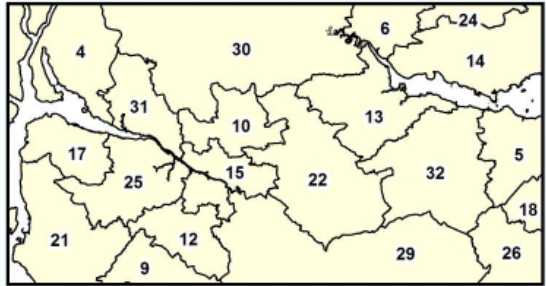
Local ferries: old
fleet with reliability/
resilience issues

Air fare
discount

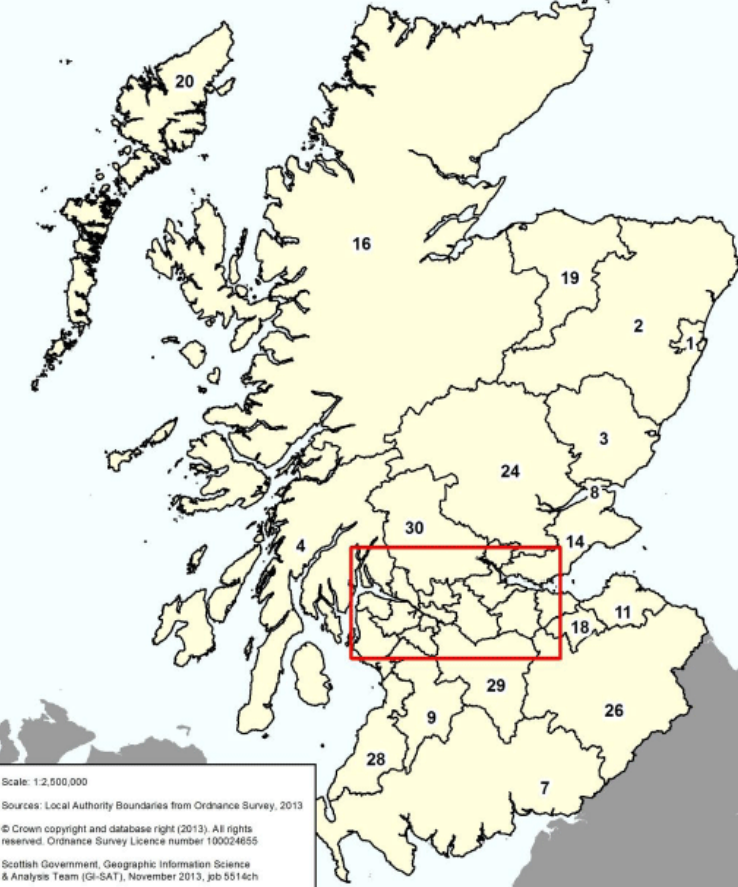


Subsidised bus
services: 16%
reduction in bus
service kms in 4 yrs

Local Authority Areas in Scotland



- 1: Aberdeen City
- 2: Aberdeenshire
- 3: Angus
- 4: Argyll and Bute
- 5: City of Edinburgh
- 6: Clackmannanshire
- 7: Dumfries and Galloway
- 8: Dundee City
- 9: East Ayrshire
- 10: East Dunbartonshire
- 11: East Lothian
- 12: East Renfrewshire
- 13: Falkirk
- 14: Fife
- 15: Glasgow City
- 16: Highland
- 17: Inverclyde
- 18: Midlothian
- 19: Moray
- 20: Na h-Eileanan Siar
- 21: North Ayrshire
- 22: North Lanarkshire
- 23: Orkney Islands
- 24: Perth and Kinross
- 25: Renfrewshire
- 26: Scottish Borders
- 27: Shetland Islands
- 28: South Ayrshire
- 29: South Lanarkshire
- 30: Stirling
- 31: West Dunbartonshire
- 32: West Lothian



Scale: 1:2,500,000
Sources: Local Authority Boundaries from Ordnance Survey, 2013
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Scottish Government, Geographic Information Science & Analysis Team (GI-SAT), November 2013, job 5514ch



Transport: a regional matter?

- ▶ Legislation is clear regarding private and/or public sector provision of transport services
- ▶ But
 - ▶ Transport journeys cross local authority boundaries to access services - long distances in remote communities
 - ▶ Shared interests in ferry & air travel and remote communities has led to collaborative working in HITRANS - the RTP
 - ▶ But is there 'over-stuffing'? Do RTPs need a stronger role in delivery?
- ▶ Unfortunately transport governance is can be a casualty of local government reform and financing.

Health, Education and Transport Co-ordination

Ferry



Health



Education



Air

- ▶ High level of inter-dependence in remote communities:
 - ▶ NHS largest business user of Argyll air services
 - ▶ Education trips 40% of demand for local air services
 - ▶ £1 subsidy in good bus services can save NHS £2
- ▶ BUT no formal coordination
 - ▶ Problem against a backdrop of cuts in local government budgets

Transport Appraisal



Transport appraisal in Scotland

▶ The Business Case

- ▶ The Strategic Case: showing alignment with public policy objectives;
 - ▶ The Economic Case: to demonstrate value for money;
 - ▶ The Commercial Case: showing commercial viability;
 - ▶ The Financial Case: demonstrating financial affordability; and
 - ▶ The Management Case: showing the project is achievable
- ▶ A project needs to 'pass' each sub-case of the Business Case
- ▶ It is recognised that not all benefits (and costs) will be in the Economic Case (cost benefit analysis)
- ▶ Judgemental decisions are therefore permitted

Transport appraisal in Scotland

- ▶ Scottish Transport Appraisal Guidance (STAG)
- ▶ Bottom up & Objectives Led
 - ▶ Case for Change
 - ▶ Strategic argument for government intervention/investment
 - ▶ Long list of options
 - ▶ STAG Part 1:
 - ▶ appraisal of long list to get a short list.
 - ▶ Appraised against local transport planning objectives, STAG criteria, established policy directives, feasibility, affordability and acceptability
 - ▶ STAG Part 2:
 - ▶ Appraisal of short list to get preferred option
 - ▶ Appraised against local transport planning objectives, STAG criteria, cost to government and risk and uncertainty

Weak Economic Cases

- ▶ Passing The Economic Case
 - ▶ Unnecessary if:
 - ▶ There are significant unmonetised benefits
 - ▶ Strong Strategic Case (aligning with the missing non-monetised benefits)
 - ▶ Examples:
 - ▶ Borders Rail (Edinburgh to Galashiels). Core benefit cost ratio of 0.5.
 - ▶ A9 (Perth to Inverness) Dualling. Core benefit cost ratio of 0.8.
- ▶ However:
 - ▶ Local stakeholders feel a poor Economic Case leads to:
 - ▶ Reduced investment in remote regions; and
 - ▶ Choice of minimum standard transport provision.

Improving the Economic Case

- ▶ Characteristics of transport investments in remote communities that require specific treatment in CBA:
 - ▶ High generalised cost of transport => Induced demand
 - ▶ Low frequency transport services (e.g. 1 to 4 a day)
 - ▶ Network resilience (long diversions, outages of lifeline services)
 - ▶ Journey quality/comfort (e.g. driving conditions on single carriageway roads)
 - ▶ Land use change (e.g. population and economic growth)
 - ▶ Defining the Do Minimum for e.g. lifeline services
 - ▶ Wider economic benefits (in labour markets & product markets)
 - ▶ Wider social benefits (e.g. from dispersed population)
- ▶ Significant 'international' research effort needed to address these missing benefits

Conclusions



Conclusions

- ▶ In Scotland there is a:
 - ▶ Good legislative framework
 - ▶ Good appraisal framework
 - ▶ Good levels of government financial support for transport services to remote communities
- ▶ BUT (1)
 - ▶ There is a need for investment to maintain existing services, and this is against a backdrop of austerity.
 - ▶ Differences exist between levels of local and central government investment in transport
 - ▶ There is a lack of coordination between transport, health and education despite the strong inter-dependencies
- ▶ Is there a role for a stronger regional government transport delivery body?

Conclusions (contd)

- ▶ The good appraisal framework can lead to:
 - ▶ Project selection of projects with weak Economic Cases (if benefits are missing), and strong Strategic Cases
- ▶ BUT (2)
 - ▶ Local stakeholders are concerned weak Economic Cases lead to:
 - ▶ Selection of minimum standard options as the preferred
 - ▶ Reduced levels of investment
- ▶ Should the Economic Case be strengthened?
 - ▶ Would require significant ‘international’ research effort,
 - ▶ Though there are some complementary research areas with more mainstream interests (e.g. resilience in rail, labour market wider economic benefits, land use change)



Thank you for your attention

