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September 2003

CONSULTATION ON *SCOTLAND'S TRANSPORT – PROPOSALS FOR A NEW APPROACH TO TRANSPORT IN SCOTLAND*

I am pleased to enclose a copy of *Scotland's Transport – Proposals for a new approach to transport in Scotland*. With the publication of this consultation document, I want to begin a discussion on how to deliver the infrastructure improvements and provide the better transport services to which the Scottish Executive is committed.

Scotland's Transport meets the Scottish Executive's Partnership Agreement promise to bring forward proposals for a national transport body and regional transport partnerships.

The document contains consultation proposals for a new national executive agency which will be responsible for delivering significant improvements across road, rail, bus, air and water. The new agency will be a centre of excellence that puts the passenger at the heart of its work by focusing on providing better transport services and infrastructure.

This document also consults on future working arrangements between the new agency, local authorities and regional transport partnerships – seeking to build consensus between all stakeholders on the best way forward.

I look forward to hearing your views on how we can build a shared vision for better transport delivery and improved transport services for the people of Scotland.

Yours sincerely,

NICOL STEPHEN



SCOTTISH EXECUTIVE

Enterprise, Transport & Lifelong Learning Department
Transport Group

Victoria Quay
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17 September 2003

SCOTLAND'S TRANSPORT – PROPOSALS FOR A NEW APPROACH TO TRANSPORT IN SCOTLAND

Responding to this consultation paper

We are inviting written responses to this consultation paper by **17 December, 2003**. **Please send your response to:**

transport@scotland.gsi.gov.uk

or

Scottish Executive
Transport Scotland Consultation
Victoria Quay
EDINBURGH EH6 6QQ

If you have any queries, please contact Ross Loveridge or Geoff Pearson on 0131-244-1682 / 0131-244-0907, who will be glad to assist you.

It would be helpful if you could clearly indicate in your response which questions or parts of the consultation paper you are responding to (using the list of consultation questions to guide you), as this will aid analysis of the responses received. Please use the **respondee information form** attached at **Annex A**, when submitting your response. This form covers important issues on data protection and the publication of your personal details.

If you wish to access this consultation online, go to www.scotland.gov.uk/view/views.asp. You can telephone Freephone 0800 77 1234 to find out where your nearest public internet access point is, if you prefer to submit your response by e-mail to transport@scotland.gsi.gov.uk

Access to consultation responses

The Scottish Executive will make all responses available to the public in the Scottish Executive Library by 20 January 2004, and also on the Scottish Executive consultation webpages (www.scotland.gov.uk/views/views.asp) by 20 January 2004, unless confidentiality is requested. All responses not marked confidential will be checked for any potentially defamatory material before being logged in the library or placed on the website. General information on Scottish Executive consultations is attached at **Annex B**.



INVESTOR IN PEOPLE



Public consultation

The Scottish Executive plans to hold a series of public meetings and seminars at which you will have the opportunity to exchange views with officials and other interested parties. Details of these events will be sent to you when they are finalised.

The Minister for Transport will host a national transport conference at the end of November, which will provide a focus for debate for all interested persons and stakeholders.

SCOTTISH EXECUTIVE
Transport Group

RESPONDEE INFORMATION FORM

Please complete the details below and attach it with your response. This will help ensure we handle your response appropriately:

Name:

Address:

Title of consultation:

1. Are you responding as:

An individual

On behalf of a group or organisation

2. Do you agree to your response being made public (in SE library and/or on SE website)?

Yes

No

Where confidentiality is not requested, we will publish your full response including your name (and address, where provided).

If you do not wish for these personal details to be published, please tick this box:

Are you content for the Scottish Executive Enterprise, Transport & Lifelong Learning Department to contact you again in the future for consultation purposes?

Yes

No

The Scottish Executive Consultation Process

Consultation is an essential and important aspect of Scottish Executive working methods. Given the wide-ranging areas of work of the Scottish Executive, there are many varied types of consultation. However, in general Scottish Executive consultation exercises aim to provide opportunities for all those who wish to express their opinions on a proposed area of work to do so in ways which will inform and enhance that work.

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body. Consultation exercises may involve seeking views in a number of different ways, such as public meetings, focus groups or questionnaire exercises.

Typically, Scottish Executive consultations involve a written paper inviting answers to specific questions or more general views about the material presented. Written papers are distributed to organisations and individuals with an interest in the area of consultation, and they are also placed on the Scottish Executive website (www.scotland.gov.uk), enabling a wider audience to access the paper and submit their responses. Copies of all the responses received to consultation exercises (except those where the individual or organisation requested confidentiality) are placed in the Scottish Executive library at Saughton House, Edinburgh (K Spur, Saughton House, Broomhouse Drive, Edinburgh, EH11 3XD, telephone 0131 244 4552).

The views and suggestions detailed in consultation responses are analysed and used as part of the decision making process. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

If you have any comments about how this consultation exercise has been conducted, please send them to:

Scottish Executive
Transport Scotland Consultation
Victoria Quay
EDINBURGH EH6 6QQ

transport@scotland.gsi.gov.uk

**SCOTLAND'S TRANSPORT –
PROPOSALS FOR A NEW APPROACH TO TRANSPORT
IN SCOTLAND**

A Consultation

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SCOTLAND'S TRANSPORT

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Foreword

The Scottish Executive Partnership Agreement sets out a powerful range of transport commitments to improve life for everyone in Scotland. We are committed to improving our transport infrastructure, putting in place an integrated transport system that connects communities, gets goods to market quickly and efficiently and gets people to work safely and on time.

Our aim is an accessible Scotland, with a safe, reliable and sustainable transport system.

To achieve this we have set a budget which will grow to over £1 billion a year by the end of the current spending period in 2005-06. We are investing to improve our transport system after decades of neglect. This is both a significant opportunity but also a major challenge. It is many decades since transport in Scotland saw this level of investment. We need to ensure we get the right skills and the right structure to deliver these projects effectively.

Here we set out our thoughts on an important step in delivering these major changes. This consultation focuses on the government and public bodies that are responsible for transport in Scotland. The simple challenge is to create a system which can deliver better.

During this Parliament I am determined that we will achieve real improvements in Scotland's transport infrastructure. We have identified our priority transport projects and have committed to major investment. The approach outlined in this document should help us together to deliver these improvements. Your views will help us to get it right.

A handwritten signature in black ink that reads "Nicol Stephen". The signature is written in a cursive, flowing style.

Nicol Stephen MSP

Minister for Transport

September 2003

SECTION A

TRANSPORT SCOTLAND

Introduction

1. This document sets out proposals which could change the way in which large parts of the transport systems of Scotland are managed and improved. The proposals start from a consideration of how the very large infrastructure projects of the next decade – like airport rail links – can be built to provide better quality transport services for everyone. We have not attempted projects on this scale for many years and if we are to be successful, we need a new approach. In thinking about what needs to be done for such projects it is vital that we also consider what is needed to build an integrated system in the mid to longer term.

2. Over decades, there has been under-investment in transport in Scotland – and roads have dominated what spending there has been. That was right for the time but rising congestion and a need to bring services to every sector of the population mean that we should not regard the private car as the primary transport system for all. Building a strong network of public transport improves access and meets our deepening concern for sustainable development. This is not a discussion of the relative merits of the various modes of travel; more a recognition that transport is provided to serve our needs, and the systems we have today are not likely to meet that need for much longer.

3. The funds available within transport budgets are substantially higher than in previous years. However, we need to establish the framework for the management of the scale of this investment, targeted on long term improvement. The normal planning for government expenditure is not tuned to massive investment over periods as long as a decade but that is exactly what we will need to construct our largest projects. We need a strategic approach, stepping outside our normal financial planning horizons. We need an organisation which can focus on the long term, set up to be able to keep a goal in sight despite short term glitches.

4. And our investments will focus in particular on those sectors untouched for many years, such as rail. The railways of Scotland offer great scope for improving links and alleviating congestion. In other countries, rail has contributed substantially to the growth of the economy. We recognise the importance of delivering on our rail and roads investment programme.

A National Transport Body

5. Scotland is not a large country – and many countries of comparable population manage their transport systems through a single national body. They have not had the advantage of effective local authorities and regional bodies. Much of what we need to do can still be tackled at these levels, but we do see a need to provide a national

centre of excellence which will attract the best people to deliver for us quickly and at high quality. A core task for a national body is to ensure the construction of the major new projects on which the first phase of our transport planning is centred.

6. But there is much more to good transport than smart trains, quality buses and clear motorways. We need a body which focuses on the journey, and not solely on infrastructure. We need a body which sees effective transport services as the goal. Reliability, being on time, connectivity, information and simple access arrangements, like ticketing, are more important than incremental improvements in speed. For this reason, we believe that any new body established should be committed to integration from the start and be charged to deliver it. That is a task at least as daunting as the management of the major infrastructure investment.

7. If such a body were in place then we could make better progress on schemes where people across Scotland might expect to find some measure of uniformity, such as concessionary fares and information. And, behind the scenes, we could do much more to plan networks that linked places between which people wished to travel, not fettered by current boundaries.

8. It is these considerations that lead us to our proposals for a new body, tentatively called *Transport Scotland*, which would:

- Be a centre of excellence in delivering transport
- Provide a foundation for the development of Scotland's largest transport projects
- Work for an integrated, multi-modal approach to services
- Take social justice and sustainable transport as central goals
- Aim to achieve reliable and improving services across Scotland

9. Later in this document we examine the forms that body might take and explain the solution we have settled on.

Delivery to the user

10. Many of our daily journeys, to school, shopping, getting to work or visiting friends and family, are short and do not need major infrastructure. Walking and cycling beat the jams, provide exercise to benefit our health and are as sustainable as transport gets. We must do more to encourage increasingly sustainable and accessible transport services. Our local authorities have done much to make such journeys possible and pleasant. It is essential that such support continues and increases.

11. Nevertheless, the provision made by Councils varies considerably. This reflects the decisions made by each Council, given their proper responsibilities for setting

priorities. While some might think that more could and should be done in some areas, local democracy is regarded by many as an essential component of transport provision. We recognise this and wish to play our part by ensuring that local government has a strong partner to work with in the new body.

12. It is also likely that much more could be done locally to improve services if Councils could increasingly share expertise and resources. The last local government re-organisation established Council areas of a size which has proved right for many local authority functions. However, by breaking the large-scale transport system into 32 areas, it has proved very difficult to achieve consistent services over the regions which people commonly regard as their natural travel zones. In many areas people travel daily across two or more Council areas and may experience variations in service levels.

13. Smaller Councils are also limited in the scale of investment they can make – not just in cash terms but in the expertise available to them, and often have to focus on the day-to-day issues. Adjacent Councils across Scotland can have radically different priorities leading to sudden changes in road quality on even short journeys and differences in services like concessionary fares, which mystify passengers.

14. This paper discusses the advantages and disadvantages of the current arrangements, and seeks views on the best way to ensure effective delivery of transport services.

THE FORM OF A NATIONAL BODY

Strategic and focused

15. Successive Governments in Scotland have made attempts to bring a strategic view to transport in Scotland. That top-down approach, while commendable in terms of seeking to give leadership, has not led to durable and shared priorities. Whatever the reasons for that shortcoming, it is important that we now settle on a strategy for Scotland to underpin investment at all levels. We conclude that a central goal for a new body should be to engage widely across Scotland. This should include all transport modes, the private sector in business and industry, transport operators, and the public sector – especially local Councils – to bring together a strategy to which everyone can operate. To do that we conclude the national body needs the accountability which comes from being closely linked to Ministers and Parliament.

Capable

16. In recent months, attention has been focused on the major projects to which we committed in the 2002 Budget, *Building A Better Scotland*, and confirmed in *Building Better Transport* (March 2003) – such as the Larkhall-Milngavie rail line, the Stirling-Alloa-Kincardine rail line, and Edinburgh trams. It is already evident that some of these

projects will stretch the expertise we have available in Scotland. We need an organisation which can bring together a core of experts to ensure that the larger projects, and those of similar size to come, can be built. When the various existing delivery organisations in Scotland embarked on the current range of projects there was little perception of the demands they would make; and a variety of structures has been established. There is a possible risk that they will compete against each other for staff with the right expertise, already scarce in Scotland, leading to delay and risk to delivery. Once a core of experts has been secured, it should be available to projects across the country and across modes.

An able manager of infrastructure

17. As well as being in the business of major projects, we think the new body should have the capability of managing major assets. The largest of these is the trunk road network, currently managed directly and effectively by the Scottish Executive. Bringing together the expertise in long term high quality management with that for substantial projects should lead to individual projects being designed in a way which ensures their continuing safe and effective maintenance. Equally, there are important marine and air-related services in which the Scottish Executive has a substantial or direct interest such as CalMac, and Highlands & Island Airports Limited (HIAL).

Authoritative

18. There is a considerable role in Scottish transport in specifying and inspecting standards of provision, to ensure high quality. This is carried out today directly by the Scottish Executive in relation to trunk roads.

19. We are also committed to co-ordination of national concessionary fares schemes and integration issues, such as ticketing, where an expert and authoritative national body, commanding respect in the industry, would be welcomed.

20. Identifying targets and working with others to secure their achievement, as in traffic stabilisation and in cycle use, also would require the body to be regarded as authoritative, if it were to take on these roles.

Able to harness the private sector

21. Most of our transport system, whether the construction of roads or the operation of public transport, is carried out by the private sector. Some of the innovation and dynamism that the private sector can provide is crucial to improving transport services. There are questions about how much public sector intervention is needed to assist the private sector to provide the services we need. *Transport Scotland* must develop close links with the private sector to achieve those good services. It must also provide a competent partner for the major commercial interests which will be constructing much of our new infrastructure.

Concentrated on services to transport users

22. Transport users in Scotland, whether cyclists, motorists, walkers, disabled people, bus, train or ferry passengers, have a right to expect a high quality journey experience that is consistent throughout the country. We recognise that in the past, some of the large transport decisions, whilst taken for rational economic reasons, might have made little sense to those who use trains daily or travel along the same roads on their way to work. The challenge of Community Planning compels all public bodies to actively participate in the delivery of local services to meet community needs. In future, we would expect *Transport Scotland* and other transport bodies in Scotland to place the journey experience of users, and the enabling function of transport for so many of life's activities, at the heart of their strategies.

Committed to integration, social justice and sustainable development

23. Although last in the list of desirable qualities, these are absolutely key. Integration includes a strong commitment to social justice and these can be difficult issues for the market to address fully, without guidance and support from the public sector, particularly in disadvantaged areas.

24. Transport has to be developed on a sustainable basis, taking resource use and energy consumption as key indicators of progress. The commitment to sustainable development will mean that the body would seek to play its part in achieving the Scottish Executive's target of stabilising road traffic volumes by 2021. In its work, *Transport Scotland* would develop procedures to ensure that sustainable development is at the heart of its work, and that project planning and implementation seek to minimise the use of non-renewable resources – thus playing its part in achieving the aims set out in the Scottish Executive's vision on sustainable development, *Meeting the Needs*.

25. The chosen form of body needs to be able to advance these concerns robustly.

26. We seek views on the overall aims for a new national transport body.

27. We would welcome comments on the best way of widening public involvement in the planning of transport services in Scotland.

MODELS

28. *A Partnership for a Better Scotland* commits us to bringing forward proposals for "a Strategic Transport Authority, as an agency within the Executive directly accountable to Ministers". This prescription was not achieved without careful thought, taking into account the factors discussed above. However, it may be helpful to explain our preference by looking at the main options.

Direct Departmental management

29. It would be possible for much of the desired function to be achieved by direct action by the Scottish Executive as now. Indeed much is already being achieved by a new approach to delivery within Transport Group and its associated parts of the Scottish Executive. But more could be achieved by the establishment of an agency, a clear signal of our commitment to improving provision, providing a centre of excellence that will attract the new skills and capacity we need.

Special Purpose Vehicles

30. The City of Edinburgh Council has set up a wholly-owned company, Transport Initiatives Edinburgh Limited, to deliver its new transport initiatives including road user charging, tramlines and, now, the proposed rail link to Edinburgh Airport. Other such companies or delivery organisations might (with a local or regional or even national remit) take forward, or project-manage, work on other major developments in different parts of Scotland.

A New Public Body

31. At the other end of the spectrum from direct Scottish Executive management, although stopping short of a full private sector model, lies the classic non-departmental public body (NDPB or 'quango'). This meets virtually all the criteria set out above. In particular, it meets the requirements for authority, ability to plan and think long term.

32. An NDPB would normally be set up under primary legislation setting out, in some details, its powers, responsibilities and duties as well as the way in which it would be expected to work and report.

33. However, the scale and complexity of the rapid development of transport required over the next decade points to closer Ministerial control and direction. The body would need to retain close links with strategic policy development, and this argues for a direct relationship between the Chief Executive and Ministers. The legislative route could also introduce an element of delay in establishing the body, and some inflexibilities in its structure and functions.

The Executive Agency

34. We are therefore drawn to the standard executive agency, of which there are about a dozen in Scotland. The main features are that the Chief Executive of an agency reports directly to the Minister and is personally responsible for delivery of a programme agreed as required with Ministers. A key aspect is that an agency is, at heart, a ring-fencing of part of the existing civil service support to Ministers set up in a way, including the financial regime, carefully adjusted to the specific nature of the task. No legislation is needed to establish a body by this method, although some adjustment of related powers may be needed and we are examining the need for that at present. The lack of establishing legislation also means that an agency can be flexible and have its scope and terms of reference changed as circumstances require.

Conclusion

35. Ministers have concluded that Scotland needs the immediacy, flexibility, direct control and accountability that an agency could provide. This was clearly stated in the Partnership Agreement. We do not plan to revisit the option of an NDPB.

WHAT POWERS WILL THE AGENCY NEED?

Achieving the right balance

36. Delivering a quality transport network fit for the needs of modern Scotland will require strong and focused actions. An executive agency will be able to use the powers of Scottish Ministers to drive forward its strategy and deliver real improvements. Local government, too, has significant powers to influence transport services, and will benefit from having such a dedicated partner to work with.

37. The executive agency framework does not, in itself, require any alteration to the balance of powers between Scottish Ministers and local authorities. Scottish Ministers will retain democratic control over an executive agency, whilst local government will continue to provide the local democratic accountability necessary to secure good local services. However, to equip the executive agency effectively to deliver our Partnership commitments on national concessionary fares schemes and quality bus contracts, where powers currently lie with local government, some changes in responsibility may be required.

38. One facet of the current structure is that Scottish Ministers have no powers to promote railways or any other project which would normally proceed by Private Bill authorisation in Parliament. The role of local government and private sector partners to carry forward the actual promotion and construction of big new projects will continue to be key. In coming years the sheer volume of projects queuing up for Parliamentary approval – a positive reflection of the delivery momentum that we have together created and intend to maintain – may lead to a log-jam and unnecessary delay. We are considering ways in which such a log-jam might be avoided, perhaps by streamlining the approval process. A further possibility is that an executive agency could be given new powers to promote railways and tramways (similar to the Scottish Executive's powers to promote trunk roads), in addition to the existing powers for other bodies to do so via the Private Bill process.

39. We have an open mind at present on any transfer of powers but would welcome views on whether changes should be made to the existing balance. In particular:

- **Are there any transport powers currently with Scottish Ministers that might more effectively be exercised by local government, whether at regional partnership or local authority level?**
- **Will *Transport Scotland* need to attract powers that are currently with local government – especially in relation to concessionary fares and quality contracts, now that these are to be co-ordinated nationally?**
- **Would it be helpful for *Transport Scotland* to have powers to promote new railways or tramways in Scotland at its own hand?**

SECTION B

HOW BEST TO DELIVER LOCALLY?

40. As we suggested earlier, much of Scotland's transport system is delivered at a local level by local authorities and related bodies, such as the Strathclyde Passenger Transport Authority (SPTA). These have been very effective in some parts of the country. But it is clear that the scale of the investment now in prospect, and the complexity of projects now envisaged, is such that local authorities are going to be very hard pressed to deliver.

41. In making new investment, mainly in the cities, various mechanisms have been adopted with, as yet, no common pattern emerging. As more investment is planned there is risk of more bodies being established, with no guarantee that newer models will serve the function any better than before, or that best practice will be shared. The diversity which has emerged is helpful but there may be wasted effort in setting up a sequence of new organisations. Even if that were not the case, there is as yet no consensus emerging on the best model.

REGIONAL TRANSPORT PARTNERSHIPS

42. In recognition of this need to rationalise and streamline the delivery of transport services in Scotland, the Partnership Agreement commits to the development of "effective regional delivery partnerships". But we were not prescriptive about precisely how those partnerships should look. We recognise that there is a whole range of options for the future delivery of local transport services.

43. The experience of the voluntary regional transport partnerships has suggested a possible way ahead. The 4 regional transport partnerships, HITRANS, NESTRANS, SESTRAN and WESTRANS, have developed out of a realisation that more could be achieved by local authorities working together on transport at a regional level. We want to draw on that experience and build on the achievements of the existing regional partnerships.

44. The needs of transport users, central to delivery of transport services at a local level, have been discussed earlier in this document (paragraph 22). In evaluating a possible new approach for transport at the local level, three key issues require further thought:

- The right management framework
- The area of a regional transport partnership
- Making resources count

THE RIGHT MANAGEMENT FRAMEWORK

45. Establishing the right management framework and organisational structure for regional partnerships that meet the needs of tomorrow requires detailed thought. There are a number of options that might be considered, and these are set out in paragraphs 46-63:

- Maintaining current arrangements for local government
- Existing voluntary regional transport partnerships
- Passenger Transport Authorities & Executives
- Joint Committees and Joint Boards
- Special purpose bodies

The implications of these options for the Strathclyde Passenger Transport Authority and Executive are set out in paragraphs 64-69.

Maintaining current arrangements for local government

46. Maintaining the status quo continues to be an option. Local authorities are experienced in transport delivery, well-placed to appreciate the needs of local communities although, as noted earlier, can struggle to meet regional objectives. Voluntary regional transport partnerships are working well, although are perhaps reaching the natural limits of their form. SPT has worked hard with public and private sector operators to establish a public transport network that is amongst the most extensive in the UK.

47. It is feasible that the management framework for local government transport could go on as it is at present, with local authorities continuing to produce their local transport strategies, and working in voluntary partnership to agree common priorities and produce joint transport strategies for wider regions. However, some of the models that might give regional partnerships a more statutory basis are also valid options.

Existing Voluntary Regional Transport Partnerships

48. Following the last local government re-organisation, there was a realisation that more could be achieved by local authorities working together on transport within wider areas than those of individual Councils. So far we have four voluntary regional transport partnerships, each with structures and objectives to suit their areas. In the Highlands and Islands, HITRANS has brought together all the Councils and the private sector to develop a joint strategy for the transport networks in their region. NESTRANS, in the north-east, has also involved the private sector through the enterprise network and Chambers of Commerce, and has a strong presence, supported by full-time officials. SESTRAN in the south-east has achieved its goal of a high-level strategic view of the needs of its area and has drawn together expertise to benefit all its members. In the west, WESTRANS has provided the roads and related infrastructure counter-balance to the passenger transport network provided by SPT and has taken a step away from a voluntary partnership by adopting Joint Committee status under local government legislation. Each partnership is working towards a full-time core team of officials.

49. Each partnership is different in form and approach and each is recognised as a useful step towards integrating transport over multiple local authority areas. Nothing in this document should discourage local authorities not already in partnerships from considering the benefits of joint working. The four TRANS bodies have made a real difference to the perception of transport in their areas and have been effective, within their scope and powers, at delivering specific benefits. The question now is whether the close working that the voluntary partnerships have pioneered is sufficient to enable them to take the tough decisions on priorities and spending that will be needed over the coming years.

Passenger Transport Authorities and Executives

50. In the late 1960s a new form of organisation was established - the passenger transport authority and executive. While these are statutory public bodies, they are not NDPBs nor agencies, but organisations with their own specific duties. The model has survived across Britain for almost 40 years and, in the west of Scotland in the form of the Strathclyde Passenger Transport Authority, has involved the provision of services every day to almost 2 million people in the former Strathclyde Region. The SPT Executive is under the control of the SPT Authority made up of Councillors from each of the 12 Councils in its area. This provides democratic accountability for transport services in the area, independent of the 12 Councils, and the 700 or so staff of SPT are the largest force of transport professionals we have in Scotland.

51. SPT has managed substantial infrastructure projects. Over the years it has advanced major proposals for rail enhancements in the west of Scotland, such as the Ayrshire and Argyll line electrifications. It has managed the Glasgow Subway and provided sustained investment in a strong network of regional train services, the largest in the UK outside of London.

52. However, PTAs and PTEs deal only with public transport and this can lead to a lack of integration between the PTA/PTE and the local roads authority. Indeed there can be considerable confusion – in perception, if not in fact – over the relative powers and duties of local authorities and the PTA/PTE. Councillors who sit on the PTA do not explicitly represent their Council and this can exacerbate the differences between Councils and the PTA/PTE. To take that path we would need to consider the strengths and the weaknesses of the PTA/PTE model in both local and national terms. Furthermore there are no powers to establish new PTAs and PTEs, so following this model would require new primary legislation.

Joint Committees and Joint Boards

53. The range of organisations within the local government system already offers two further models for future regional partnerships that are widely-established in Scotland:

- Joint Committees
- Joint Boards

54. Joint Committees allow for two or more local authorities to arrange, by agreement, for the joint discharge of any of their functions. In structure planning, The Glasgow & the Clyde Valley Structure Plan Joint Committee is a Joint Committee established by Glasgow City, Inverclyde, Renfrewshire, East Renfrewshire, East Dunbartonshire, West Dunbartonshire, North Lanarkshire and South Lanarkshire Councils, to discharge jointly each Council's statutory function to undertake structure planning.

55. Joint Boards, on the other hand, may be established by Scottish Ministers to discharge agreed local authority functions. The regional Police and Fire Joint Boards throughout Scotland exist where local authority functions on police and fire were incorporated during the 1996 local government reorganisation.

56. The major difference between a Joint Committee and a Joint Board is that once incorporated, a Joint Board assumes a separate legal authority to take decisions and discharge its functions; whereas a Joint Committee pools the discharge of functions from its local authorities, and has legal authority only through the agreement to share that power. There is also a financial difference, discussed later, in that a Joint Board may set a budget that is binding on the constituent local authorities, while a Joint Committee's budget is set at the discretion of those local authorities, which can make agreement and provision of the budget difficult.

57. Joint Committees and Joint Boards may employ staff and own property. Their membership should primarily be drawn from local authorities (a minimum of two-thirds), but may include other people from outside local authorities. Joint Committees and Joint Boards could therefore allow the range of interested organisations from the public, private and voluntary sectors such as the Enterprise Networks, Chambers of Commerce, and Structure Plan Teams, who are represented on some of the current

voluntary regional transport partnerships, to maintain an interest under the statutory framework.

58. The wide membership and capacity to employ staff combine to allow Joint Committees and Joint Boards to form an easy evolution from the existing voluntary regional models. They are a well-proven and accepted model in Scottish local government, and could be established quickly, without the need for new legislation in the Scottish Parliament. Joint Boards have the added advantage of being incorporated with separate legal authority and can therefore decide and act in a more strategic way than may be possible for a Joint Committee.

59. Were neighbouring Councils to vest their transport responsibilities in a Joint Board it is likely that the staff resource would also be pooled to deliver better services for the area as a whole. It is possible to imagine Joint Boards of this type having substantial numbers of staff. For example, if a Joint Board were to succeed SPT, almost 700 staff would transfer from SPT in order to maintain existing services. Adding in staff from constituent Councils to secure the desired integrated approach would increase numbers further. Organisations of this size and power are considerably different to voluntary partnerships.

60. It is also possible to envisage Joint Boards exercising only some of the existing local authority transport powers, with the constituent Councils continuing to exercise others. But economies of scale might be lost and a three tier system might simply increase the complexity of the existing transport landscape rather than improve matters. In some ways this mirrors the existing relationship between SPT and Councils in the west of Scotland. It might be simpler and cleaner to imagine local government Joint Boards exercising all transport powers across the area – certainly all aspects that have a regional dimension – and ensure that local accountability is maintained through the local authority's membership of the Joint Board. Nevertheless, we are aware that a single model may not be ideal in all parts of the country and are conscious that the range of services to be provided varies widely. For example, in island areas, ferries and air services rightly carry the badge 'life-line' whereas in urban areas traffic congestion rather than any particular service may be the central issue. This may have implications for the precise balance of powers between local authorities and regional partnerships.

61. Joint Boards, as bodies created under local government powers, would automatically be participants in Community Planning partnerships and processes which could build on existing local authority efforts to develop integrated transport provision in communities.

Special purpose bodies

62. We also recognise the important contribution organisations like Transport Initiatives Edinburgh (TIE) are making and will continue to make. These bodies are an innovative approach to addressing some of the difficulties of major transport infrastructure delivery. Without TIE, the Edinburgh tram project would probably not be possible in our present system. There is no doubt that we need TIE

and similar bodies now to deliver quickly on current major projects. There may be scope for other such bodies, and they give another firm foundation on which to build. In the medium to longer term there is also a risk that a proliferation of such bodies might make competing demands on the skills base and other resources available.

63. We welcome views on the management framework options for regional partnerships:

- **existing local authorities working together through voluntary partnerships**
- **new Passenger Transport Executives across Scotland, repeating the SPT model in the rest of Scotland; while leaving responsibility for local roads with existing Councils**
- **the creation of new Joint Committees across Scotland, made up from existing local authorities, building on the benefits of the voluntary partnerships, with more formal structure and constitution, but without strong decision-making and budgetary powers**
- **the creation of new Joint Boards, also made up from local authorities, properly maintaining the link with the constituent Councils, but with the powers and budget to plan and take difficult decisions on transport matters for their area**
- **the active creation of further special purpose bodies to work with local authorities and the voluntary partnerships**

The implications for the Strathclyde Passenger Transport Authority and Executive

64. As noted, it is not possible to establish any other PTAs and PTEs without primary legislation in the Scottish Parliament. If consultation suggests strong support for one of the different management frameworks for regional partnerships, this could have a significant impact on the unique status of the Strathclyde Passenger Transport Authority and its Executive.

65. SPT is Scotland's only PTA/PTE, providing for the public transport needs of the west of Scotland. In the last couple of years, however, two particular limitations of the

PTA/PTE model for the future of transport services have begun to emerge – on finance and on scope.

66. A PTA/PTE derives its income from three sources: the fare box, direct contributions from its constituent local authorities and direct from the Scottish Executive. Despite the breadth of services it provides, local authorities have not felt able to meet the full extent of SPT's call for support and last year the Scottish Executive had to re-establish the SPT reserves and provide for essential repairs to the Subway as well as fund new bus services. SPT has not felt able to raise fares sufficiently to underpin its operations and the trend towards central funding seems likely to increase.

67. When founded in the 1960s, it must have seemed right to concentrate on providing good passenger services and to leave roads and traffic issues to others (to the extent that they were a concern then). Today the core issue for transport is the relationship between the private car and public transport. In the west of Scotland progress has been made by close working between SPT, the individual Councils in the area, and WESTRANS; but it is not an easy process and, on occasion, solutions are difficult to find. An integrated management framework is increasingly important.

68. Enabling integrated transport requires the right people to do the job. SPT staff have invaluable experience in concessionary travel and in network planning and information systems. They operate demand-responsive bus services over a wide area and the organisation as a whole has over 30 years' experience on which to draw. Much of this expertise has been derived from the demanding task of providing transport services to meet the needs of the complex travel patterns of a densely-populated conurbation. Yet the challenges of congestion and accessibility first encountered in large urban areas now exist throughout most of Scotland. Whatever happens next, it is essential that the staff and expertise of SPT continue to be available, in whatever organisational form, to both the west of Scotland and, through the new strategic authority, to the country as a whole.

69. We welcome comments on the future of SPT and the challenge of delivering integrated transport in the west of Scotland, particularly if new regional partnerships are established across Scotland.

THE AREA OF A REGIONAL TRANSPORT PARTNERSHIP?

70. At present, transport boundaries in Scotland are complex. We do not intend to suggest any changes to the existing geography, nor to endorse the current partnership areas. We think it right that the opportunity be taken now to consider what is appropriate to the needs of today and tomorrow. It is arguable that 32 transport authorities – based on current local authority boundaries – is too many and loses economy of scale, as well as creating difficulties when dealing with the connectivity within regions, such as travel-to-work areas, which are universally larger than a single local authority. On the other hand, some of the transport partnerships, such as

WESTRANS, operate over ambitiously large areas. Smaller units, for instance covering Dumfries & Galloway and Ayrshire, might present a possible alternative.

71. Some Councils do not feel drawn to formal partnerships, perhaps because of the competing pulls of neighbours in other partnership areas. Even those, such as Perth & Kinross, Dundee and Angus already operate in close association, recognising the benefits of partnership working, while stopping short of formal arrangements.

72. In some areas, such as North Ayrshire and Argyll & Bute, local authority boundaries do not sit easily with travel patterns, and these Councils have membership of both WESTRANS and HITRANS to reflect the different needs of the urban and rural parts of their areas. Similarly, parts of Fife feel drawn to Dundee, even though Fife is a member of SESTRAN. Likewise, many people living in Stirling and Falkirk, though part of SESTRAN, commute to the WESTRANS area.

73. Others have suggested that the economy of the central belt (and thus profoundly affecting Scotland as a whole) would be better served by a central belt partnership bringing together conurbations of Edinburgh and Glasgow.

74. We have an open mind on the appropriate areas for regional partnerships. What we are clear about is that, while they may be of a different scale, they should map onto the boundaries of existing public delivery bodies such as local authorities.

75. We invite views on the appropriate number and geographical extent of regional partnerships.

MAKING RESOURCES COUNT

76. Scottish Ministers fund transport at the regional and local level principally through two different mechanisms. The main, and traditional, route for funding transport is via the general local government settlement as Grant Aided Expenditure (GAE), where Councils then make decisions on how they spend their allocations. More recently, Scottish Ministers took powers under section 70 of the Transport (Scotland) Act 2001 to pay grants for specific transport purposes to any Council, organisation, or individual. While GAE remains the primary funding route, section 70 is used increasingly to fund specific transport schemes.

77. Establishing a financial model for funding future regional transport partnerships will depend on what models are adopted at national, regional and local scales. It is likely that *Transport Scotland* would continue to use the power of Scottish Ministers to issue section 70 and other grants under existing powers for specific projects, and these could be paid to Joint Committees, Joint Boards, local authorities, or whatever forms of body are established.

78. If Joint Committees were established, funds would continue to be allocated to Councils, either via GAE or via section 70 grant. If given as section 70 grant, the Joint

Committee would have a discrete budget; if sent via GAE in the local government settlement, it would be for individual local authorities to make decisions on how much of their allocation they gave to the Joint Committee. This latter option may expose long-term planning to the risk of funding uncertainties as is currently the case with the similar SPT model - although local authorities receive firm 3-year funding settlements to assist in their financial planning and it may be possible to agree medium term allocations for a Joint Committee.

79. If Joint Boards are established, again, they could receive funding directly from *Transport Scotland* as section 70 grant. As in the Joint Committee model, Joint Boards could also be funded via the GAE mechanism. In this instance, the Joint Board would set a budget and local authorities would be required to fund that budget according to a pre-determined formula (probably per capita). This has the advantage of enabling the Joint Board to take a co-ordinated view across its area when setting its budget. As the Joint Board would be focused only on transport, and not balancing pressures across other council services, care would have to be taken that the Joint Board had regard to the impact of its budget on other council services.

80. Whichever of the two funding routes is adopted, it remains the case that democratic decisions on the allocation of money to regional and local transport services generally would continue to be made by elected members. Whether this is in agreeing the allocation of a general budget funded by section 70 grant, or via local authority GAE, we recognise the fundamental link between local democratic accountability and the provision of local transport services. It is also the case that in allocating funding at the regional scale, Councils would still feel the benefit of this investment, and might expect to receive better and more efficient services from the more effective larger bodies.

81. We would welcome views on the options for resourcing effective regional partnerships, recognising that the preferred method will be informed by what model of regional partnership is chosen:

- **the majority of funding continuing to be provided to local authorities through GAE, with Councils each deciding individually and separately how much to pass on to the partnership (voluntary partnership or Joint Committee)**
- **funds still provided to local authorities through GAE and regional partnerships requisitioning their budget from their constituent Councils (Joint Board)**
- **section 70 paid direct from *Transport Scotland* to the regional partnerships replacing some or all of the transport GAE provided to constituent Councils.**

The Partnership Agreement commitment

Bringing forward proposals for a Strategic Transport Authority, as an agency within the Executive directly accountable to Ministers,

- focusing on: delivery improvements in transport infrastructure;
- co-ordination of national concessionary fare schemes;
- better investment balance between transport modes and monitoring of the delivery of national targets and standards to secure sustainable transport;
- taking responsibility for the delivery of quality bus contracts;
- securing improved working with local authorities as partners in delivery;
- the development of effective regional delivery partnerships;
- overseas routes promotion; and
- oversight of currently tolled bridges.

The Ministerial role would be to set policy direction and budget allocation.

A Partnership for a Better Scotland May 2003

SECTION C

CONSULTATION – YOUR VIEWS

82. CONSULTATION QUESTIONS:

Q1. We seek views on the overall aims for a new national transport body (paragraph 26).

Q2. We would welcome comments on the best way of widening public involvement in the planning of transport services in Scotland (paragraph 27).

Q3. We have an open mind at present on any transfer of powers but would welcome views on whether changes should be made to the existing balance. In particular (paragraph 39):

(a) Are there any transport powers currently with Scottish Ministers that might more effectively be exercised by local government, whether at regional partnership or local authority level?

(b) Will *Transport Scotland* need to attract powers that are currently with local government – especially in relation to concessionary fares and quality contracts now that these are to be co-ordinated nationally?

(c) Would it be helpful for *Transport Scotland* to have powers to promote new railways or tramways in Scotland at its own hand?

Q4. We welcome views on the management framework options for regional partnerships (paragraph 63):

(a) existing local authorities working together through voluntary partnerships

(b) new Passenger Transport Executives across Scotland, repeating the SPT model in the rest of Scotland; while leaving responsibility for local roads with existing Councils

(c) the creation of new Joint Committees across Scotland, made up from existing local authorities, building on the benefits of the voluntary partnerships, with more formal structure and constitution, but without strong decision-making and budgetary powers

(d) the creation of new Joint Boards, also made up from local authorities, properly maintaining the link with the constituent Councils, but with the powers and budget to plan and take difficult decisions on transport matters for their area

(e) the active creation of further special purpose bodies to work with local authorities and the voluntary partnerships.

Q5. We welcome comments on the future of SPT and the challenge of delivering integrated transport in the west of Scotland, particularly if new regional partnerships are established across Scotland (paragraph 69).

Q6. We invite views on the appropriate number and geographical extent of regional partnerships (paragraph 75).

Q7. We would welcome views on the options for resourcing effective regional partnerships, recognising that the preferred method will be informed by what model of regional partnership is chosen (paragraph 81):

(a) the majority of funding continuing to be provided to local authorities through GAE, with Councils each deciding individually and separately how much to pass on to the partnership (voluntary partnership or Joint Committee)

(b) funds still provided to local authorities through GAE and regional partnerships requisitioning their budget from their constituent Councils (Joint Board)

(c) section 70 paid direct from the strategic transport authority to the regional partnerships replacing some or all of the transport GAE provided to constituent Councils.

CONSULTATION PROCESS AND TIMING

83. Responses to this document are invited by **Wednesday 17 December 2003**. In order to inform the debate on the issues covered by this consultation, the Scottish Executive intends to follow its normal practice of making copies of responses received available to the public on request. We will, therefore, assume that responses can be made publicly available unless respondents indicate that they wish their comments to remain confidential. Any such request for confidentiality will be strictly respected.

84. The Scottish Executive will hold a national transport conference in November to focus on this and other improvements to transport delivery. Further details will be published shortly. If you wish to know more send a message to transport@scotland.gsi.gov.uk or write to the address below.

85. Responses to the consultation, and requests for further copies of this document should be sent to:

Scottish Executive
Transport Scotland Consultation
Victoria Quay
EDINBURGH
EH6 6QQ

Or from www.scotland.gov.uk/publications