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RT Hon Grant Shapps MP
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Department for Transport

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24 March 2021

Dear Grant,

UNION CONNECTIVITY REVIEW – INTERIM REPORT

Further to our call on 8 March, when we discussed the publication of the UK Government Union Connectivity Review Interim Report, I am writing to you to set out why the Scottish Government disagrees with the premise of the Review; the way in which it was established; the lack of consideration given to the role of the devolved administrations in relation to transport investment; and the ways in which the UK Government could use its role to improve transport connectivity to Scotland, without encroaching on devolved powers.

PRINCIPLE OF THE REVIEW

The UK Government established the UCR without meaningful discussion, set the scope and dictated the terms of reference. You have not sought to work with the devolved administrations and we expressed this to you in our joint letter dated 16 September 2020. Despite your reply in October, we have little confidence in your willingness to work with us in a collaborative way. If it was the UK Government's intention to genuinely address a missing piece of transport connectivity, the Review would have considered in detail the transport investment planning the Scottish Government has done to date and continues to undertake, and would have focussed on those areas where the UK Government have powers rather than encroaching into areas of devolved responsibility.

There is no evidence in the UCR interim report to support the UK Government's assertion that the purpose of the Review is to fill a gap in transport investment which exists due to each of the devolved nations having an inward facing focus. . The reality is, the Scottish Government does consider outward connectivity within our own investment decision making, to either invest within our own responsibility or further the case for investment in areas which are not devolved to Scotland, based on evidence.

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I re-iterate my comments that this Review, along with powers the UK Government has given itself through the Internal Market Act and initiatives such as the Levelling Up Fund, are moves to undermine devolution. The Review seeks to dictate funding priorities to the Governments of the three devolved nations and attempts to bypass our decision-making powers. Without meaningful involvement of the 3 devolved nations, the Review has little legitimacy.

UK STRATEGIC TRANSPORT NETWORK

The primary outcome of the Interim Report appears to be the emerging recommendation for a new UK Strategic Transport Network. The methodology set out in the report for considering a Strategic Transport Network and assessing potential enhancements to that network is lacking in detail, however and is not consistent with the approach taken in Scotland. Our approach takes into account a wider range of factors, including safety, wellbeing, social inclusion, rural considerations and high level strategic objectives, including Scotland's world leading climate change targets. These strategic, environmental and transformational objectives look beyond the quantified benefit-cost ratio, and have been emphasised in Scottish transport appraisal for some time, a change your Interim Report highlights, has only recently been made by HM Treasury.

It is not for the UK Government to determine what constitutes a strategic road in Scotland, that is for the Scottish Government to decide. The Scottish Government requires assurances that a UK strategic network is not another way to undermine devolution.

INVESTMENT IN SCOTTISH TRUNK ROADS

The Report, in its interest in the A1, M74/M6 and A75, fails to recognise that Transport Scotland has already completed two separate preliminary studies, namely the Borders Transport Corridors Study and South West Scotland Transport Study as precursors to the ongoing second Strategic Transport Projects Review (STPR2). These two studies, which are extensively evidenced and have been published for some time, identified the A1 and A75 routes as potential candidates for future transport investment. In the case of the A1, the potential investment would effectively complete the dualling between Edinburgh and the border; and in the case of the A75 the potential investment was for a series of targeted road and safety improvements.

Alongside the publication of the Report you announced £20 million for the development of some schemes, albeit in advance of the final conclusions of the UCR. One of those schemes mentioned was the A75. Given Transport Scotland is already undertaking this work it is not clear why you chose to reference this in the press release associated with the fund and instead stated we agreed to work together on this, which is untrue. Future decisions on the investment in Scottish strategic roads will be taken by the Scottish Government and we are identifying that through STPR2.

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AVIATION

The Scottish Government is acutely aware of the importance of air connectivity between Scotland and the rest of the UK, particularly in relation to routes where rail is not yet a strong alternative for business travel. While the Scottish Government believes domestic aviation will recover more quickly than international aviation post-Covid, we do not believe that every route previously operated will restart. I will be happy to discuss further the suggestions that Public Service Obligations may be a feature in restoring connectivity where there is a demonstrable need for a particular route and where it may be unlikely that the route will restart on a fully commercial basis.

I welcome the fact that the report notes the significance of the Scotland-Heathrow (LHR) routes. While our reliance on LHR for international connectivity has reduced as we have helped Scotland's airports secure many more direct international routes, good connectivity with LHR remains an essential part of our transport infrastructure. We have been clear that domestic capacity needs to be protected as LHR expands and the market recovers.

RAIL

The main mass transit mode between Scotland and England, in terms of passengers and rail freight, relies on two increasingly overloaded rail arteries (the West Coast and East Coast mainlines). It is imperative that we find solutions to deliver greater capacity on these routes to ensure longer-term economic sustainability and connectivity. Accordingly, I want the UK Government to accelerate and expand HS2 to Scotland, via the West Coast and East Coast, potentially by means of dynamic bypassing of the existing lines as a credible and affordable strategy in addressing modal shift and emissions reduction, as well as improving capacity and connectivity. Also, to reiterate the agreement UK and Scottish Ministers have already made to identify options that could reduce the Anglo-Scottish rail journey time to a 3 hour target, rather than the 3 hour 38 minute journey time achieved by the baseline HS2 Anglo-Scottish service specification.

It is imperative that all nations and regions of Britain benefit from the sustainable growth and prosperity that HS2 will deliver both in its construction and its implementation. I look forward to a commitment from your Government to commence design and development activity to deliver infrastructure that provides greater rail capacity throughout the routes of the West Coast and East Coast corridors.

With regard to strategic rail freight, I have long argued, for rail freight to achieve its economic potential and our environmental objectives, the rail network requires all of its routes to Britain's container ports to be electrified. The same issue now holds true in respect of connectivity to all the newly designated Freeports. Accordingly, I would welcome your commitment to address infill electrification on port routes as a matter of urgency.

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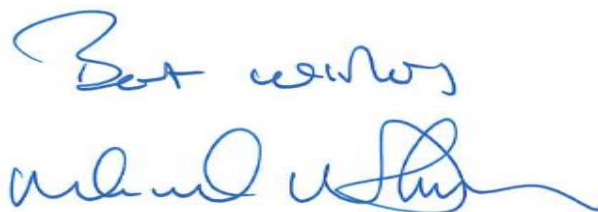
In the Interim report, you have set out that a feasibility study on a fixed link between Great Britain and Northern Ireland will now commence, and do so with little rationale for why this may be needed in the first place, therefore going against the advice of your own review and HM Treasury - that firstly Government should look at the strategic case for investment. As I have stated, just because it may be possible to construct, it does not mean it is necessary.

ENGAGEMENT

Finally, I would emphasise my disappointment that the Interim UCR Report was shared with my officials and I just hours before publication and that you wished to discuss the outcomes with me before receiving. This is indicative of the approach the UK Government have been taking to the Review and encapsulates the disrespect for the role of the devolved administrations in setting transport priorities for all of the UK. I have consistently indicated my willingness to work constructively with the UK Government. All devolved administrations have agreed that there is a need to address the historic underfunding of transport infrastructure and to promote growth in all parts of GB and NI. Our processes for identifying transport investment priorities are not undertaken in isolation and are in place to allow assessment of cross-government spending priorities across a whole host of other portfolios. Example of this are the Infrastructure Investment Plan and the approach to Comprehensive Spending Reviews.

Clarity is needed from the UK Government, on when and if sufficient capital funding will be made available to allow decisions on infrastructure priorities to be taken by each devolved government. Despite the Chancellor announcing a £27bn real terms increase in UK capital expenditure since 2019-20, the Scottish Government's capital budget was cut by over 5% in the UK Spending Review for 2021-22, exacerbated by the announcement ahead of the UK Budget that the levelling up fund would not provide consequential for the devolved administrations.

Transport infrastructure investment should focus on projects that improve lives, boost our economy, support communities and work towards Net Zero. That is how we are planning Scotland's future transport infrastructure investment through the second Strategic Transport Projects Review.



MICHAEL MATHESON

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