



## **Scottish Government**

Consultation response

# **Consultation on Scotland's National Transport Strategy**

The Scottish Council for Development and Industry (SCDI) is Scotland's Economic and Social Forum. We are an independent and inclusive economic development network representing all sectors and all geographies of the Scottish economy. Our mission is to convene our members, partners and stakeholders across the private, public and third sectors to deliver inclusive and sustainable economic growth for Scotland.

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## Consultation on Scotland's National Transport Strategy

### Section A: The Vision and Outcomes Framework

#### **1. Is the Vision that is set out for the National Transport Strategy the right Vision for transport policy over the next 20 years? YES/NO.**

There is nothing in the Vision with which SCDI would disagree. However, SCDI members have raised concerns that it is not sufficiently ambitious and/or that it is too generic and could equally be applied in other policy areas, rather than being specific to the transport system. The Vision is less detailed than the Vision which was set out in the 2006 National Transport Strategy.

SCDI members recommended that it should articulate higher ambitions where Scotland aimed to be world-leading and/or had challenging targets. One exemplar which was raised, and had some support, was Scotland's targets for renewable electricity, which were stretching, but had brought focus and strengthened partnerships, and had, ultimately, been achieved. It was proposed that Scotland might have an equivalent target for intelligent and sustainable mobility, or might have spatial visions such as joining-up Central Scotland into one smart city-region, and/or for transforming the standard of transport infrastructure in rural areas of Scotland. This kind of Vision was felt to be important in attracting private investment and sparking innovation.

The Programme for Government 2019-20 does include visionary commitments:

- The Highlands and Islands to become the world's first net zero aviation region by 2040
- Reduce emissions from Scotland's railways to zero by 2035

This follows the target in the Programme for Government 2017-18 to phase out the need for new petrol and diesel cars and vans by 2032, one of the most ambitious timescales globally.

The Strategy should give greater prominence to these commitments.

SCDI agrees that the Vision for Scotland's transport system must include helping to deliver a more prosperous Scotland for communities, businesses and visitors. Reports such as EY's Scottish Attractiveness Survey show that, when added together, the quality of transport infrastructure and of telecommunications and technology infrastructure are the most important attribute that investors are looking for when evaluating a UK region as an investment location. Last year, the rating for transport infrastructure increased from 17% to 24% and was described by EY as "especially influential". The 2006 National Transport Strategy included in its Vision "services recognised internationally for quality, technology and innovation, and for effective and well-maintained networks". Given the importance of transport to international competitiveness, the new Vision should also reference a high-quality transport system.

#### **2a. Are the Priorities and Outcomes that the Strategy is trying to achieve the right Priorities and Outcomes for transport policy over the next 20 years?**

The Priorities and Outcomes are generally supported.

Businesses raised whether freight was clearly an equal priority for the transport system throughout the Vision, Priorities and Outcomes, then the Policies. While it is understood that they are intended to be mode neutral, many of them are phrased to be about the movement of people (e.g. “Gets us where we need to go”, etc) rather than the movement of freight. The lack of applicability to freight is also an issue with the current Sustainable Travel Hierarchy.

**2b. Are some of these Priorities and Outcomes more important than others or are they equally important?**

The National Performance Framework 2018 says that the Purpose of the Scottish Government is: “To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth.”

This could be said to encompass all of the Priorities and Outcomes and give them equal importance. The Strategy should not, therefore, elevate one or more of them to a position more important than the others. Moreover, all of the Priorities and Outcomes are related. The lens through which they are viewed may change at different times – for example, the Climate Emergency is an immediate concern – but the Strategy should aim to deliver across them all.

**3. Are the Challenges the Strategy highlights in Chapter 3 the key Challenges for transport, or are there others the Strategy should focus on?**

The Strategy highlights a number of positive trends in Scottish transport. It should then incorporate the Scottish Government’s existing transport policy and infrastructure investment commitments on which Policies will be built to address the current and emerging challenges.

The Strategy includes a comprehensive series of Challenges. The Strategy should address all of these, but a national strategy should have clearer prioritisation in terms of focus.

The Strategy rightly identifies the positive trends in linking Scotland’s cities through significant investment in road and rail projects. The section on Cities then focuses on challenges within city-regions due to the growth of cities, congestion, and economic and social inequalities. The Scottish Cities Alliance has highlighted that “In a global and European context the transport connections within and between Scotland’s major urban centres remains of varied quality. This has a significant impact on our cities as places to live, work and invest.” SCDI agrees that higher investment is needed to address the challenges in city-regions and in the last year reports such as the Glasgow Connectivity Commission’s have identified priorities. However, improvements to intercity connectivity, particularly for the North of Scotland, have not been completed,

and delivering the Scottish Government's road and rail infrastructure commitments in full remains a high priority to maximise the economic potential of all seven of the cities.

Furthermore, the Strategy does not reference improvements to connectivity with the north of England and London. There continues to be major investments in the city-regions of the Northern Powerhouse and in London, one of the world's leading financial and business hubs. The planned development of HS2 between the north of England and London, which is currently subject to a review, is a Challenge for the economy of central Scotland because Edinburgh and Glasgow would be relatively further from London than cities in the Midlands and the north of England, as well as an opportunity. Transport Scotland and Transport for the North signed a Memorandum of Understanding to improve cross-border connectivity in 2016 and there are studies into and discussions about the proposed Northern Powerhouse Rail and high-speed connections to Scotland. The Strategy should include reference to this Challenge.

SCDI welcomes the positive comments about the key role that aviation plays in Scotland's connectivity and, therefore, economic competitiveness, and the balanced comments about its environmental impacts and working with the sector on the opportunities to minimise them.

It should be noted that, for some areas of Scotland, being able to undertake a meaningful working day in Scotland's or the UK's largest cities is only possible through internal aviation.

SCDI strongly welcomes the references to improving surface access to major gateways. However, access to gateways for some parts of Scotland can be via internal air services and for freight can be via coastal shipping services. The strategy should also reference improvements in access to major gateways by transport modes which are not land-based.

The section on trade and connectivity highlights data on Scottish exports. However, it does not offer analysis of where manufactured exports are produced, the key routes for freight transport within Scotland, or the markets for which exported goods are ultimately destined.

SCDI welcomes the intention to improve point to point routes as well as connectivity with global hubs like Heathrow, Amsterdam, Frankfurt and Dubai airports, and to improve freight and logistics routes. Deeper analysis of trade and travel sources and destinations would improve understanding of the Challenges and the opportunities. For example, while The Netherlands may appear to be Scotland's largest export market, many of these goods will be shipped from Rotterdam to non-EU markets. The Challenge is to improve Scotland's connectivity with these markets, which could include deep sea shipping as well as links with UK and continental ports.

In relation to UK hubs, the Strategy should include support for the capacity at UK hubs to remain global hubs and improve connectivity with Scotland, for development of associated logistics hubs within Scotland, and for some of this capacity to be ring-fenced for access to and from Scotland, especially for those areas without competitive surface connectivity.

The Strategy should be clearer about the importance for freight transport of seamless modal integration. SCDI also believes that it should highlight the Challenge for the rail freight industry in Scotland following the disappearance of coal traffic to coal-fired power stations as they have been closed. Network Rail Scotland has highlighted this as a key issue for Scotland's railway. SCDI does not agree with the description of freight transport as "particularly problematic at peak times when commuters are travelling to work and children are on their way to school". Freight is a key part of the economy and the problem is the overall level of congestion.

The report does not fully cover the potential Challenges from technological advances and changes in business models. These were summarised by SCDI's Connectivity Commission.

The Strategy should reference the Challenge of funding transport infrastructure and services in the future as the way that people pay for infrastructure services changes and the growth of Mobility As A Service, Electric Vehicles and Connected and Autonomous Vehicles reduces revenues for governments from motoring taxes and for public transport operators from fares.

## **Section B: The Policies to Deliver the NTS**

### **4a. Are these the right policies to deliver Priorities and Outcomes of the National Transport Strategy?**

The Policies are all accepted, but there was a widespread view among the businesses which participated in the research that there were too many Policies in the Strategy and that they were a level too high. They believed that it should focus more on Policies in which significant changes are most needed or wanted. The overall aim of the Policies should be to provide a sense of direction and impetus for Scotland's transport system and businesses, which emphasises positive opportunities, rather than a negativity about specific modes.

All comments are recorded below. Key points included:

- The Policy on taking climate action is the 13<sup>th</sup> out of 14 Policies. It should be further up the list. In the Outcomes, there should more of a focus on integration as a potential driver of sustainability and the sustainability of the transport system as a whole.
- Clear reference in a Policy (not only a Measure) to a cross-mode, cross-operator smart and integrated ticketing and payments mechanism, key to a customer-friendly system.
- A Measure on the ability to be productive while travelling and actions to support it.

Some businesses commented that the draft framework on the potential tensions between and within Policies and their associated Outcomes. These included the relative priority given to maintaining the operation of the current transport system or to transforming the system, and to taking climate action or to optimising competitive

connectivity for the economy. They believed that the Strategy should explicitly acknowledge where there are potential tensions between Policies and set out how Transport Scotland proposes to address them.

<b>Policy</b>	<b>Comments</b>
A	Reference to the current investment hierarchy would explain the approach.
B	The integration of policies and infrastructure investment across the transport, energy and digital system has so far been at a place-based level. The proposed National Policies and Measures do not yet say anything how integration will be achieved at different levels.
C	See comments on Policy B.
D	<p>There could be an explicit reference to the increasing Productivity agenda.</p> <p>There should be a Measure on the Productivity of Travel. People still want face-to-face meetings even with Skype etc and businesses, such as professional services, increasingly work in an agile way and need to be where clients need them to be. There should be more emphasis on making travel time efficient for businesses. Journey time is not as important for some journeys as being productive while travelling. Digital connectivity is key.</p> <p>Gateways need capacity and flexibility as well as resilience, not least due to Brexit. Gateways to global markets include gateways in other parts of the UK and international.</p>
E	“Routes” might be added to infrastructure “hubs” and “link” to emphasise the importance of co-ordinated investments across different modes to improve end-to-end journeys on passenger and freight routes, especially to and from rural and remote areas, and islands.
F	<p>This could be said to summarise where we are rather than where we want to be.</p> <p>A customer-friendly system was a common theme – in particular, a cross mode, cross operators smart and integrated ticketing and payments mechanism was regarded as an essential feature of a modern system. The Policy itself should clearly include this point.</p> <p>There should be a reference to the key role of data.</p>
G	<p>The Measures should explicitly reference increasing R&amp;D and Industrial Strategy.</p> <p>It was suggested that rephrasing “beneficial innovations” to “transport innovations that will be beneficial for Scotland” may make the meaning clearer for the layperson.</p>
H	“Efficient” can be understood in a range of ways. Should it be defined?
I	There is potential confusion about whether this applies to both passengers and freight. The Measures seem to be focussed on passengers. If so, the Policy should say that it is focussed on passengers rather than, for example, different sizes of businesses or rural businesses.

J	<p>Transport is a service for all parts of the economy and society, not just those parts listed. A National Transport Strategy should be based on optimising the enabling role of transport.</p> <p>There is also a need to examine the policies of public services which impact on travel.</p>
K	<p>Specific references to digital skills and to a diverse workforce should be considered.</p>
L	<p>Active Travel might be integrated with public transport services (as is drafted) or include public transport services. Does the Scottish Government have a view on this relationship?</p>
M	<p>While welcoming the prominence of taking climate action in the Vision, the renewables industry said that this was not reflected in the Policies in which it is not specifically addressed until the 13<sup>th</sup> of 14 Policies. They suggested that it should appear higher up.</p> <p>Some businesses queried the extent to which the Scottish Government's declaration of a Climate Emergency is evident in the Policy and Measures. Language such as 'facilitates' and 'encourages' should be strengthened, for example to 'ensures', 'delivers' or 'provides'.</p> <p>There were some differing views about how emissions should be reduced:</p> <ul style="list-style-type: none"> <li>• Some businesses were concerned about classifying some modes as sustainable and others as unsustainable. They were more likely to highlight why the market operates as it does at present and people and businesses make the choices that they do, and call for realism in targets. These businesses said that what matters is the sustainability of the transport system as a whole and that integration is key. For example, road haulage is usually still needed at either end of a rail freight movement. Investment in integration will enable some modal shift from road to rail and the logistics industry should work together, but road will still be needed. They also pointed to the potential for decarbonisation across transport modes and said that this would reduce the need for modal shift and/or demand management.</li> <li>• Some other sectors supported a more ambitious net zero target and clearer a Measure for modal shift, particularly to reduce demand for travel by car.</li> </ul>
N	<p>Should this be part of Policy A?</p>

**4b. Are some of these policies more important than others or are they equally important?**

SCDI asked the trade associations and businesses it engaged with on behalf of Transport Scotland to identify the three Policies which are most important to their sector or organisation.

From the responses which were received, the Policy which clearly had the most votes was:

**D. “Provide a transport system which enables businesses to be competitive domestically, within the UK and internationally”**

There were then six Policies which received a similar number of votes:

**E. “Provide a high quality transport system that integrates Scotland and recognises our different geographic needs”**

**H. “Improve and enable the efficient movement of people and goods on our transport system”**

**C. “Integrate policies and infrastructure investment across the transport, energy and digital system”**

**G. “Embrace transport innovation that positively impacts on our society, environment and economy”**

**B. “Embed the implications for transport in spatial planning and land use decision making”**

**M. “Reduce the transport system’s emissions to support our national objectives on air quality and climate change”**

Significant care should be taken about interpreting the results. It is not possible to weight them according to size of business or sector, or make comparisons between a trade association representing many businesses and an individual business, or between the businesses and trade associations which were individually interviewed and the group responses which were provided at the workshop. Some businesses had a very clear view of the ranking of their priorities whereas others did not differentiate between their top three. Transport operators will have different views than businesses which use transport services. For example, Policy K (‘Support the transport industry in meeting current and future employment and skills needs’) is obviously a high priority for the transport industry. It should also be noted that some businesses did not believe that prioritisation was possible, principally because they did not believe that the Policies were sufficiently detailed to make comparisons meaningful.

### **Section C: Transport governance – democracy, decision-making and delivery**

**5a. Are there specific decisions about transport in Scotland that are best taken at the national level (e.g. by Transport Scotland or the Scottish Government), at a regional (e.g. by Regional Transport Partnerships ), or at a local level (e.g. by Local Authorities)?**

Transport Scotland and the Scottish Government have a clear role in national strategy and policy. A wide range of businesses highlighted that while this is a national strategy

much of the delivery will be at a regional and/or a local level. They questioned if it could and would be delivered, given the statutory autonomy of regional and local bodies, and the budgetary pressures upon them, and would welcome explanation of how it will be fully delivered.

SCDI does endorse the recommendation of the Roles and Responsibilities Working Group that “future transport governance arrangements should be on the basis of some form of regional model allowing for variations in approach between different geographic regions”. SCDI has consistently supported a regional model which is based on travel-to-work areas.

As any new model is developed, there is a need for explanation for businesses and other stakeholders about how national strategy and policy be delivered and monitored at regional and local levels, and of how the strategy will be joined-up with other Scottish spatial planning and infrastructure strategies, and with the UK’s transport and infrastructure strategies.

**5b. Should local communities be involved in making decisions about transport in Scotland? If so, how should they be involved, and on which specific issues should they be involved in making decisions on?**

Local communities should be informed and consulted on transport investments and services which affect them. This should include local businesses. Local authorities are already developing engagement tools and these could be the best way to involve local communities.

**Section D: The Strategy as a whole**

**6. Does the National Transport Strategy address the needs of transport users across Scotland, including citizens and businesses located in different parts of the country?**

The Strategy attempts to address the needs of transport users across Scotland, but it needs to go further in some important aspects. SCDI has already highlighted issues such as internal air services, intercity infrastructure in the north of Scotland and between the north of Scotland and the Central Belt, and transport infrastructure and services in rural areas of Scotland.

In addition, the Strategy should include discussion of the higher costs of transport for businesses in remote, rural and island areas, and the impacts on business competitiveness.

The Strategy rightly raises the importance of reliability for businesses, but should specify the Challenges for rural areas, where reliability may be even more important for people and businesses. The Strategy presents urban congestion as the cause of poor reliability, but in rural areas it can be due to the limited routes, lack of capacity to accommodate different vehicles and seasonal changes in demand, and vulnerability to significant incidents or events.

There should be a higher profile for freight movements throughout all sections of the Strategy.

## **Section E: Looking Ahead**

### **7a. What aspects of the transport system work well at the moment?**

Scotland has a modern transport system which, generally, works well at the moment.

It is particularly relevant to focus on those aspects of the transport system which are working better than at the time of the 2006 National Transport Strategy – and those which are not.

In relation to the transport-specific National Indicators in Scotland's National Performance Framework which covered most of this period, road safety has improved significantly.

There have been substantial investments in strategic road and rail infrastructure and train service enhancements for passengers, with a range of key projects successfully completed. Many of these projects have met and exceeded anticipated benefits in their strategic business cases, supporting local, regional and national economic development and regeneration.

The investments in rail infrastructure and services have supported large increases in the numbers of ScotRail and cross-border rail passengers, with total journeys at record levels.

Despite the impact of the financial crisis and more recent regional economic challenges, and the relatively high levels of taxes on flights, there has been substantial investment in the infrastructure of Scotland's major airports and new international routes have been developed.

The National Cycle Network is increasingly being extended and cycling has grown.

CO<sub>2</sub> emissions from transport are lower than they were in 2006.

### **7b. What practical actions would you like to see the National Transport Strategy take to encourage and promote these?**

Commitments to strategic road and rail infrastructure improvements should be maintained.

Examples of current good practice should be included to inform and inspire others.

### **8a. What aspects of the transport system do not work well at the moment?**

The National Indicators for congestion and modal share in Scotland's National Performance Framework between 2007 and 2018 show steady performance rather than great progress.

Integration between transport modes continues to be lacking.

While the enhancements to the road and rail networks have been welcome, most have been in central Scotland and the transport improvements elsewhere in Scotland have lagged. The commitments to improve North-Central Belt infrastructure have not yet been delivered and are uncertain. Transport infrastructure and public transport provision across rural Scotland can be patchy with many rural areas far removed from the trunk road network and some of the key arterial routes in rural areas failing to meet trunk road specification. There have been marked deterioration in journey times as a result of line speed reductions on some rural routes. The ferry fleet continues to age with increasing challenges around capacity and reliability.

Many aspects of Scotland's transport system have maintenance challenges and backlogs. Audit Scotland has concluded that the status quo in road maintenance is no longer an option. Outwith the trunk road network, local authorities have struggled to maintain regionally and locally significant routes due to the real-terms reductions in budgets since the financial crisis. Weak resilience at times of disruptive events is a foremost concern for many businesses.

Compared with many countries with which Scotland competes, it has fewer international air and shipping routes, which can be a barrier to developing trade and tourism opportunities.

While bus transport remains the most commonly used form of public transport, the number of journeys has continued its long-term decline leading to an increase in people being poorly – if at all – served by bus routes. This has a particular impact on those geographically and/or economically unable to access other transport modes, for example reducing opportunities.

The Scottish Government's target for the percentage of journeys to be made by cycling is not close to being achieved and there have been setbacks to the provision of infrastructure. There has been limited progress in repurposing transport networks in Scotland's urban areas.

People in low-income households, disabled people and people in rural areas continue to have greater challenges, including availability and cost barriers, in accessing transport services.

There has been limited modal shift in freight lifted from road to rail and there has been a major reduction in rail freight volumes, which has been largely due to the decline in coal traffic.

Because CO<sub>2</sub> emissions from other sectors have fallen faster, for example in electricity generation, transport now comprises a larger proportion of Scotland's total emissions.

## **8b. What practical actions would you like to see the National Transport Strategy take to improve these?**

The Strategy needs to go beyond "catch-all" statements and make commitments that are measurable and can deliver to targets. Budgets and targets also need to reflect

these priorities if they are to be taken seriously. SCDI members suggested the following in our discussions:

<b>Policy</b>	<b>Actions</b>
A	<p><b><u>Safety</u></b></p> <p><u>Small-scale</u></p> <p>Better signage, vegetation clearing to increase visibility etc.</p> <p><u>Medium-scale</u></p> <p>Road-widening and realignment etc.</p> <p><u>Large-scale</u></p> <p>Dualling of key routes such as the A96 etc.</p> <p><b><u>Resilience</u></b></p> <p>Long-term solutions to the closures of the A83 at the Rest and Be Thankful due to landslips and to the A95/A941, and multimodal facilities to provide options in response to incidents.</p> <p>Digital tech can deliver remote monitoring through sensors.</p>
B	<p>More could be done to plan and support housing development around new stations and existing stations with capacity. It is, at present, difficult to spend Section 75 revenues from developers on rail-related infrastructure such as footbridges and bikes lanes to stations.</p> <p>Local delivery needs to be encouraged and enabled, such as through national planning policy and through permitted development rights. Among the areas mentioned were charging points, distribution centres, and the demolition of carparks where there is overcapacity. Provision of facilities for HGVs and their drivers in commercial developments would help to improve driver's health and wellbeing, addressing workforce challenges.</p> <p>There is a need for a more holistic appraisal of the economic benefits of transport projects, which takes into account their potential as a catalyst for wider economic activity.</p>
C	<p>There is a need for better Wi-Fi and mobile connectivity along transport corridors. The ability to work productively on trains is essential for an agile workforce. The introduction of Connected and Autonomous Vehicles makes 5G connectivity increasingly essential.</p> <p>Successful delivery of the R100 programme is vital for rural areas of Scotland.</p> <p>A 20-year National Transport Strategy needs to analyse the interfaces and interdependencies with other infrastructure. We need to think not only of</p>

	<p>energy inputs into transport, but of transport's role in the wider infrastructure system (including the economic benefits). Transport can help to tackle local energy network constraints. Surplus renewable energy generated could, for example, be used to create hydrogen for ferries.</p> <p>Much more utilisation of data could be made to inform sensible investment decisions.</p>
D	<p><b><u>Productivity of Travel</u></b></p> <p>Introduce a Measure on the productivity of travel.</p> <p>There is a major contrast in Wi-Fi connectivity between different rail routes. There is a need for collaboration between transport, telecoms and government to improve connectivity. Bus travel can also be encouraged through enhancement to Wi-Fi provision.</p> <p><b><u>Intra-Scotland</u></b></p> <p>Road enhancements, options for rail freight and connections to and from islands, particularly those which are locations for export industries and/or tourism.</p> <p>Continued electrification of the Scottish railway network.</p> <p>Trains need to be competitive over longer distances with cars and flights.</p> <p>Progress between the North and the rest of Scotland has been modest so far. The new InterCity fleet cannot operate to its full capacity due to the track infrastructure.</p> <p>The Highland Main Line needs more dynamic loops which are sufficiently long for freight trains to keep moving while they are being passed by passenger services.</p> <p>Diversification of the North East Scotland economy requires shorter journey times. Journey times between Aberdeen and Edinburgh/Glasgow should be reduced to two hours or less. The Aberdeen City Region Deal improvements to Aberdeen-Central Belt rail lines have not moved forward and the process to analyse potential interventions needs to be made clear.</p> <p><b><u>UK</u></b></p> <p>High-speed rail connections between Central Scotland and London.</p> <p>UK gateways can be key to global connectivity. The Scottish Government should support improved links with them and capacity which meets the needs of the Scottish economy.</p> <p><b><u>Global Connectivity</u></b></p>

	<p>Ensure Scotland's container ports and rail terminals are well-connected with key markets. Their capacity, resilience and flexibility in relation to Brexit should be considered.</p> <p>Re-establish direct ferry connections with continental Europe.</p> <p>Encourage transport providers in Scotland to develop and integrate their services, including the quality and availability of information, for visitors from other countries.</p> <p>Following the Scottish Government's decision not to reduce then abolish Air Departure Tax, there is a need for a plan to improve Scotland's aviation connectivity.</p> <p>For North East Scotland, air travel is key to international and UK connectivity. The oil and gas sector's Vision 2035 strategy identifies substantially increased exports of services as a priority. Business in the region suggested that the devolution of Air Departure Tax to local authorities should be explored. There are concerns in North East Scotland that Aberdeen Airport is disadvantaged due to government support for nearby airports.</p> <p>Research by the tourism industry about the transport solutions preferred by visitors should be used to inform the National Transport Strategy and transport services.</p>
E	<p>Businesses welcomed that the recognition of different geographic needs in Scotland.</p> <p>Investment to improve end-to-end journeys in rural and remote areas, and islands, often needs to be planned and co-ordinated across different modes to avoid pinch-points.</p> <p>The car is the primary means of travel for people and businesses in Scotland outside the Central Belt. Its key role in delivering this Policy needs to be understood and accepted.</p> <p>The Aberdeen Western Peripheral Route is demonstrating that major infrastructure can continue to be <u>part</u> of the solution to congestion and air quality issues. The benefits of removing long distance traffic from cities and town centres should not be underestimated. Air quality issues in city centres are very different to the issues for rural roads.</p> <p>All of the challenges for freight are magnified in rural areas. For example, parking spaces outwith ports are disappearing. There is a shortage of drivers in rural areas, with the shortage of drivers of vehicles for livestock especially acute. There has been great investment in some industries in rural areas, but not yet in transport infrastructure.</p> <p>The public transport networks need to link to key locations for the tourism sector.</p>

	<p>A planned Private Members' Remote and Rural Communities Bill should be monitored.</p>
F	<p>Data will be key to integrated transport. Legislative changes will be necessary. An open and accessible data platform should be created. Standardisation of data is needed.</p> <p>There is a need for apps which can both help to join-up journeys across modes and inform comparisons between different modes for journey times, prices and carbon emissions etc.</p> <p>There are apps which are already available in UK and international cities which could be made available in Scotland. Traveline Scotland has been also been developing its app.</p> <p>There is a need to look beyond smart cards. We should be able to tap in and out at train station barriers with our debit or credit cards. There should be flexibility around payments for those who are not simply making return journeys. Artificial Intelligence could calculate the cheapest tickets for the journeys a person has made and adjust payments accordingly.</p> <p>There is a need to support smaller operators, for example bus companies, with the necessary infrastructure and information so that they can be part of this seamless journey.</p> <p>Real-time information at bus stops not only has to be constructed, but maintained and operated. In areas of the country this is not happening due to funding pressures.</p> <p>Seamless journeys would be supported by prominent real-time information at more train stations about buses (and vice versa), and by more cycle parks around bus stations.</p> <p>100% digital connectivity is needed for the next generation telematics and the introduction of platooning of HGVs. Remote monitoring of vehicles can help to increase the efficiency of driving and, therefore, to reduce emissions of particulates and carbon from vehicles.</p>
G	<p>There are different scenarios for the decarbonisation of different vehicles and modes of transport. These vary between countries. There are difficulties in predicting how technologies (e.g electrification, hydrogen) and markets will develop. Transport Scotland should be modelling scenarios and share them with businesses and other stakeholders.</p> <p>There needs to be more of a focus on R&amp;D and deployment of solutions in logistics.</p> <p>The coming together of energy and mobility should reduce overall bills. However, there are locational issues with risks around pricing. For example, the costs of electricity in the north of Scotland are higher. These risks may increase as the private sector delivers an increasing share of the</p>

	<p>infrastructure. This has implications for Policies E. and I. There is a need for policies which ensure that this transition does not widen social or regional inequality.</p> <p>The public sector, including local authorities, has no framework at present within which to engage with innovative transport solutions. A national framework which outlines priorities and explains how at a local level these could be delivered would be helpful to them.</p> <p>Scotland should review what is happening in intelligent mobility in places like Finland, New Zealand, the Netherlands and parts of Australia, and seek to engage closely with them.</p> <p>There are concerns that the market will not deliver innovations in transport services, in Scotland's smaller cities, towns, and rural and remote areas. There is the potential that Mobility as a Service can improve social and regional equity, however government at all levels and industry will need to work together on how to develop the opportunities.</p>
H	<p>See Policies D, E and F.</p> <p>There is a need for a deeper understanding about the future of city and town centres, for example, how will people and businesses be supplied and waste removed? If recent announcements from retailers about removing the packaging which keeps food fresh are a sign of the future, will mean more freight movements or a different delivery model?</p>
I	<p>Social equity needs to be considered in relation to demand management.</p>
J	<p>A route is needed to integrate policies and services across public services and transport operators. This would support their adoption of innovative transport solutions.</p>
K	<p>There are already shortages of drivers in parts of the transport industry.</p> <p>Government support is needed for training and promotion of careers in the industry.</p> <p>Research into automation and digitalisation show that upskilling and reskilling will be especially important in this sector. Tech skills are becoming as important as mechanical skills. There is a risk that increasing demand for digital skills leads to skills shortages, poaching and wage inflation. So, action is needed generally to upskill the workforce. Potentially, actions could be piloted in transport, such as new apprenticeships or incentives for retraining, which, if successful, could be adopted in other sectors facing these issues.</p> <p>There are difficulties for companies in accessing funding from the Apprenticeship Levy. This is targeted at younger workers. However, the costs of insurance for young drivers are high.</p> <p>Make the case for an immigration policy which meets the needs of the industry.</p>

	HGVs drivers need dedicated places to rest and facilities to eat and wash themselves. This would help to make the industry more attractive and diverse, addressing skills issues. Lorry parking and facilities for driver could be enshrined in public planning for commercial areas.
L	<p>Digital tools can help to support this Policy.</p> <p>The Active Nation Commissioner should make bus part of her agenda. There should either be an Active Travel Action Plan which includes bus and other forms of public transport or the action plans for public transport modes and active travel should be closely integrated.</p>
M	<p>As explained in the comments on the Policy, there were differing views on the Policy. All businesses would support the integration of modes. However, some would emphasise the sustainability of the transport system as a whole and that integration will enable modal shift, while others would emphasise reducing demand for specific transport modes.</p> <p>Some businesses, including the road haulage industry, highlighted tensions between air quality and climate change policies. For example, investments now in new HGVs to meet the standards of Low Emission Zones may lead to higher carbon emissions over time. The National Transport Strategy should develop a long-term, joined-up Policy. It should be recognised that HGVs will continue to need to access city centres, for example construction sites, and that hauliers are microbusinesses which, with the costs of vehicles rising, can only change their fleets over time. There is a need for a sensible lead time for Low Emissions Zones, standard regulations across cities and support for trials of alternative fuels.</p> <p>With the health impacts of noise becoming an increasing concern for policy-makers and health professionals, there are implications for overnight deliveries. Electric and hydrogen vehicles are much quieter and their development could help to address these concerns.</p>
N	See Policy A.

SCDI's Rural Commission on transport infrastructure that the Scottish Government should:

- Commit to bringing up to specification all trunk roads and provide support to enhance regionally significant roads
- Set a minimum speed for rail infrastructure to create greater parity of service
- Create a long-term ferry vessel and port plan to enhance and strengthen the resilience and frequency of island links and look to adopt vessel classes
- Review concessionary bus funding and consider different rates between urban and rural areas to provide more equitable access
- Offer greater flexibility in funding and standards to support the roll-out of active travel that is appropriate for rural areas

**9. Chapter 6 of the Strategy sets out immediate actions the Scottish Government will take in three key areas: Increasing Accountability; Strengthening Evidence; and Managing Demand. Is there anything you would like to say about these actions?**

These are key areas. While SCDI welcomes urgency, the actions should be thought through.

SCDI welcomes the establishment of a Delivery Board which would be accountable for the successful delivery of the Strategy. However, SCDI believes that there is a need for a Board which is more focussed on the future of mobility and has a broader membership than transport.

SCDI has proposed the creation of an Intelligent Mobility Partnership Board to lead the development of Scotland's industrial opportunity routemap for Intelligent Mobility. The Board would advise the Scottish Government on a review of legislation and regulation in Scotland, and enable the Scottish Government to influence the UK Government and UK regulators, in order to ensure that there is a fit-for-purpose, joined-up framework for Intelligent Mobility.

SCDI understands the thinking behind the establishment of Transport Citizens' Panels. However, a range of forums are in existence and whether these already or could be developed to meet the objectives of the Strategy should be considered before extra panels are set up.

SCDI welcomes and is ready to assist with the commitment to continue business engagement.

Some of the businesses which SCDI spoke with believed that the Policies are currently being made in areas which impact on transport and in transport without sufficiently broad and detailed analysis. SCDI would welcome a strengthening of evidence, including improved and increase availability of national, regional and local data on the transport system. Businesses will want to engage with Transport Scotland in the development of Headline Indicators.

SCDI is supportive of demand management, but measures should only be introduced following consultation, and support better transport and the economy. They should not be punitive. It welcomes the review and update of the Scottish Transport Appraisal Guidance (STAG) and investment decision-making processes. SCDI's Connectivity Commission has recommended scenario-based assessments and Multi-Criteria Decision Analysis to assess projects, including contributions to the Outcomes in the the National Performance Framework.

Beyond the commitments which the Scottish Government has made to strategic projects, there will be a continuing need for investments in infrastructure improvements. The Sustainable Travel Hierarchy does not include freight transportation. If freight is not included, there is a risk that funding will prioritise the movement of people above the movement of goods.

## 10. Is there anything else you would like to say about the National Transport Strategy?

SCDI believes that the Strategy could benefit from:

- Real-life scenarios for how Scotland's transport system might develop
- Identification of clear targets, with milestones, and lead responsibilities
- More details about the anticipated sectoral or geographic impacts

Transport Scotland has said that, following the completion of the Strategy, it will publish a Delivery Plan to support it. There may also be a need for mode-specific delivery plans. The Cabinet Secretary for Transport, Infrastructure and Connectivity Michael Matheson MSP recently said that he is minded to work with the sector to develop a Scottish aviation strategy.

In 2018, SCDI published the report by its Connectivity Commission into Industrial Strategy, Inclusive Growth and the Future of Mobility, which was titled *Scotland's Big Mo*. Its central message was that strategic thinking needed to be undertaken as a matter of urgency to decide if Scotland's vision was to be at the forefront of some or all of the changes in mobility, or if it will plan to adapt current services and adopt new services as the market rolls them out. This is still the case. Its key recommendations for Government, industry and regulators were:

### **Government policy and regulation**

1. Adoption of a fully integrated approach to Scottish Government policy development across all the aspects of infrastructure that enable connectivity. The issues that are identified in this report must be the immediate priority for the review of the National Transport Strategy and the revised Strategic Transport Projects Review – but also a key priority for the more recently developed Energy Strategy and refreshed Digital Strategy.

2. Working closely with industry, seek to realise the benefits of the application of digital and low carbon technologies across all transport modes through policies that will:

a. enable the roll-out of in-vehicle technologies that support the efficient use of road space and rapid development and implementation of CAVs for both freight and passenger traffic

b. enable the roll-out of the digital railway, modernising signalling and automating the control of trains to accommodate more passenger and freight paths, along with strategic investment in key routes

c. rapidly enable smart, integrated planning and payment methods and smart logistics systems, and enhance multi-modal travel information, to support door-to-door journeys. The potential for new payment methods should be explored with the FinTech sector

d. urgently develop a data strategy to protect personal data and unlock the benefits of sharing data for users, operators and networks

e. continue to electrify the rail network, potentially including development of new battery technologies, and support the rollout of infrastructure to fuel low carbon vehicles, considering both electric and hydrogen options, and the development of smart charging arrangements

f. strengthen regional integration of transport, digital and energy with land use planning and delivery, to enable sustainable population and economic growth, tackle congestion, and increase active travel

g. develop an industrial strategy that provides a clear policy direction and a framework for pilots and partnerships that will enable inclusive growth for a low carbon highly connected economy.

### **Funding and business models**

3. Addressing the issue of investment funding and how this could be generated from government agencies, funders and industry will be critical going forward, as the dynamics of the required infrastructure and the business models for delivery and use of that infrastructure evolves. The Scottish Government needs to act as a focal point to establish and implement new ways of funding road and rail infrastructure, including the digital and energy infrastructure to support CAVs and MaaS, to meet the new investment demands as well as offset the potential offset loss of revenue from fuel duty. There is also the potential that the pay as you go and dynamic pricing systems that will underpin MaaS will generate revenue streams, which can be effectively captured and utilised. Government also needs to promote new ways of funding, like Land Value Capture, to help meet the cost of future connectivity systems.

4. The Scottish Government and industry should review how, with the emphasis in the technology sector on scale, network effects and control of data, competitive markets at a city region level could be maintained and the barriers to entry could be low enough for innovative services.

### **Evaluation and prioritisation**

5. The Scottish Government should broaden its assessment methods for investment in improvements to and the operation and maintenance of Scotland's transport networks as well as consider how such investment decisions can be prioritised both within transport but also across other critical enabling infrastructure such as digital and energy networks. Given the uncertainties about future developments, scenario-based assessments are recommended. Transport networks should be reviewed and re-shaped to best deliver future demand and services, economic, social and environmental outcomes, reliability, resilience, and affordability. The apparently substantial additional costs of new infrastructure projects in Scotland and the UK compared to most other European countries should be fully analysed and addressed.

### **A focus on mobility and integration**

6. The Scottish Government, industry and regional and local authorities should discuss the potential implications, including the risks and opportunities, for inclusive growth of new technologies and business models in transport services, such as MaaS. These include: demand for and funding of socio-economically important services, especially

but not only in rural and remote areas; how services could be adapted to continue to be provided; and how new digital services models like MaaS could support these services, or whether the market would need to be regulated or support services provided, to ensure that dynamic pricing does not further disadvantage people living in poverty. Performance indicators should be discussed and set for transport services linked to national and regional outcomes.

7. The UK Government, Scottish Government and industry should review transport legislation and regulations to ensure that they are fit-for-purpose for changes in transport delivery, such as MaaS, to allow operators to respond much more rapidly and flexibly to data showing changing demand, or to partner to integrate or provide services in a different way; enabling door-to-door journeys, protecting socio-economically important availability and/or improving efficiency.

## **Section F: Strategic Environmental Assessment (SEA)**

**11. What are your views on the accuracy and scope of the information used to describe the SEA environmental baseline set out in the Environmental Report?**

No comment.

**12. What are your views on the predicted environmental effects as set out in the Environmental Report?**

No comment.

**13. What are your views on the proposals for mitigation and monitoring of the environmental effects set out in the Environmental Report?**

No comment.

**14. Is there anything else you would like to say about the Environmental Report?**

No.