

Public Audit Committee

Edward Mountain MSP Convener Net Zero, Energy and Transport Committee <u>netzero.committee@parliament.scot</u>

10 July 2025

Dear Edward

Sustainable Transport: reducing car use

<u>At its meeting on 26 February 2025</u>, the Public Audit Committee ("the Committee") heard evidence from the Auditor General for Scotland (AGS) and the Accounts Commission on their joint report, <u>Sustainable Transport: reducing car use</u>. The Committee took further evidence from the Scottish Government, Transport Scotland and COSLA <u>at its meeting on 23 April 2025</u>.

Following the evidence session on 23 April 2025, the Committee <u>wrote to the</u> <u>Scottish Government</u> seeking further information on issues arising from the joint report, specifically in relation to the monitoring and oversight of the active travel funding and Places for Everyone programme delivered by Sustrans.

The Cabinet Secretary wrote to the Committee in response to its letter on <u>2 June</u> <u>2025</u> and again on <u>12 June 2025</u> providing an update on the progress of a renewed policy statement with COSLA on reducing car use. The letter confirms that the <u>Renewed Policy Statement on achieving car use reduction</u> was published on 12 June 2025 and was announced in an answer to a <u>Government Initiated Question</u> (S6W-28635).

The Committee considered the correspondence at its meeting on 25 June. It agreed to write to the NZET Committee to highlight key issues arising from its scrutiny that may be of relevance to its future work, and in doing so, close its own scrutiny of the report.

Lack of a costed and realistic delivery plan

The report notes that the car kilometre target was developed to help reduce emissions by 75 per cent by 2030 but that the Scottish Government does not yet have a clear plan for how it will achieve this target.

Contact: Public Audit Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email <u>publicaudit.committee@parliament.scot</u>. We welcome calls through Relay UK and in BSL through Contact Scotland BSL. It highlights that a lack of leadership across both national and local government has resulted in minimal progress and states:

"It is not clear if the Scottish Government remains committed to the target as key documents remain in draft form, there is no costed delivery plan or measurable milestones and arrangements for monitoring and scrutinising progress are insufficient".

It concludes that it is unlikely that the Scottish Government will achieve its target of reducing car kilometres drive by 20 per cent by 2030.

One of the report's key recommendations is that, by the end of 2025, the Scottish Government should publish a realistic delivery plan that sets out how it will work with partners to achieve the restated target and that this should include "the impact Scottish Government, councils and the Regional Transport Partnerships (RTPs) are expected to have, clear roles and responsibilities, timescales, costs and an appropriate monitoring and evaluation plan."

We explored this issue with the Cabinet Secretary, who confirmed during evidence that the Scottish Government will not be able to deliver the target and that "the figure of 20 per cent is not realistic and will need to be changed."

She subsequently confirmed to the Committee in her letter of 12 June 2025 that the Scottish Government will now publish a new route map with milestones and funding detail in Autumn 2025.

The Committee was disappointed to hear that a lack of clear leadership and planning has hindered progress on reducing car use resulting in the dropping of a target which was first announced in 2020. While we welcome the Scottish Government's commitment to publish a new route map, uncertainty still remains around when and how meaningful change is going to be delivered.

We highlight the Scottish Government's commitment to publishing a new route map in the Autumn. The NZET Committee may wish to monitor whether it meets the AGS's recommendations particularly on setting out realistic actions, costs, milestones and accountability.

Councils need clearer guidance from the Scottish Government

The report highlights the important role that councils and RTPs play in reducing car use but notes that some prioritise contributing to the target more than others and that they face different challenges in doing so.

It highlights that local authorities in rural areas face greater challenges in delivering change due to longer travel distances and limited public transport options. The draft route map also fails to specify targets for individual councils, instead leaving it up to them to decide their own approach and targets.

During evidence we heard from the AGS that:

"Scotland's councils are still looking for clarity and guidance from the Scottish Government about the role that they are expected to play. With some justification, partners are asking whether guidance without a delivery plan will really help them to do what is expected of them. We must recognise that there is wide variation in the ability of different parts of Scotland to play their part in delivering on the target".

The report recommends that in 2025, the Scottish Government should publish guidance for councils on how to reduce car use and that this should be aligned with the national planning framework and include the role that rural councils can play.

The AGS explained that there was limited evidence of working across government to deliver the target, for example through a joint governance board which was still to be stablished to oversee progress. In evidence Audit Scotland explained that was "largely to do with the lack of a final route map, without which it was difficult to establish the joint governance group".

While we noted that a joint governance board between the Scottish Government and COSLA was not in place for most of the period covered by the audit, the letter from the Cabinet Secretary dated 12 June 2025 confirms that a Renewed Policy Statement, agreed with COSLA, has now been published.

The Committee echoes the AGS's calls for clearer guidance for councils and draws your attention to the recently published renewed policy statement. As part of its scrutiny work, the NZET Committee may wish to monitor developments of local delivery plans and whether rural councils are being adequately supported to reduce car use.

Assessing impacts

The report sets out that Scottish Government and council spending to reduce car use is "complex, fragmented and lacks transparency". It notes that public bodies do not record how much is spent specifically on the target and it is not monitored either locally or nationally. It also notes that one year funding makes it difficult for bodies to plan and deliver longer term projects.

It provides examples of interventions such as concessionary bus travel and active travel but notes that it is "impossible to understand which interventions will have the most impact on the target or deliver the best value for money." It explains that the Scottish Government has not even considered how to target funding to have the most impact on car use.

The Committee explored with the AGS what evaluation had taken place by the Scottish Government to assess the impact of funding for bus and rail services on reducing car use. He told us:

"We found that evaluation arrangements are in place for the various projects but not to the extent that they are collated in order to form meaningful conclusions. Again, there is work to be done by the Scottish Government to understand clearly which particular parts of its interventions are having the most significant bearing on the delivery of its target. That will be fundamental to where it goes next with its plans to deliver a route map and to clarify its intentions."

A key recommendation in the report is that the Scottish Government and COSLA should, by the end of the 2024/25 financial year:

"confirm the joint governance and collective accountability arrangements for delivering, overseeing and scrutinising progress towards the 20 per cent car kilometre target. These arrangements should include clear roles and responsibilities and have membership from across the Scottish Government, councils and RTPs."

It also recommends that the Scottish Government, councils and RTPs should report annually through the climate change monitoring report and local and regional strategy updates on how spending in the year has affected the desired outcomes of fewer people using their car.

In evidence, the Scottish Government described a "top-down monitoring regime" which monitors progress on all the priorities and outcomes that we have set out in the national transport strategy. They told us:

"That is published on an annual basis, and the most recent report was published in December 2024. Using the various statistics and data that we have available, it sets out how we see ourselves making progress from a national transport strategy perspective, and it is supported by a three-yearly report to Parliament that evaluates how we are delivering against the strategy and how that needs to change".

The Committee supports the AGS's calls for improved reporting and monitoring to track progress and inform future decision making. There may be merit in exploring whether the new route map sets out how success will be measured and includes the data needed to track change over time.

Financial control and oversight of public funds

The report sets out that Transport Scotland previously provided funding to several organisations to administer various grants. The main delivery partners were:

- Sustrans
- Paths for All
- Cycling Scotland.

However, it highlighted that the 2023/24 audit of Transport Scotland found it needed to improve processes for paying grants and that there was a consistent lack of evidence provided for grant expenditure schemes. Over the course of 2023/24, Sustrans had accrued £72.5 million of unspent active travel funds in its accounts.

During evidence the AGS confirmed that:

"When a public body, in this case, the Scottish Government, pays money to a partner outside Government, whether it is in the third sector or otherwise, that normally comes with clear grant conditions and grant funding arrangements: that is, the body says, "We will give you money and you will do something in particular in return." What we have in this case, regrettably, is an example of grant conditions not being followed."

Following the session, the Committee sought further clarification on the oversight arrangements and financial controls in place between 2018 and 2023 for the administration of the Places for Everyone programme and how these aligned with the grant conditions agreed with Sustrans.

In her response to the Committee on 2 June 2025, the Cabinet Secretary provided further detail and confirmed that new arrangements and financial management controls have been introduced. From 2024-25, this introduced a delivery system which enables more funding to be provided directly to local authorities and RTPs.

The letter states that:

"Since changes were introduced by Transport Scotland, Sustrans has not been permitted to build up reserves with funding being provided to match actual, claimed expenditure". and that the Scottish Government "have also increased the amount of evidence required to support grant claims to facilitate greater scrutiny. The result of this activity being that Sustrans has not been paid any funding for 2024-25 that could be carried over to 2025-26."

While the Committee notes that the Scottish Government has introduced new financial controls, the NZET Committee may wish to continue to monitor arrangements and whether the improved financial oversight of third parties and delivery partners is sufficient.

Equity and accessibility

The report states that the Scottish Government recognise that the current transport system drives inequalities.

"A lack of reliable transport alternatives means that some people cannot easily access key services that others with a car can. This potentially pushes people into poverty as they need to own a car they cannot afford. People on lower incomes, those from an ethnic minority group, women and elderly people are less likely to own a car."

During evidence, Audit Scotland confirmed "There are other dimensions to inequality that are linked to geography and disability, for example, there are people who cannot avoid car use, because of disabilities ... we have not seen any change in car use. That raises the question whether the measures are being delivered in a way that is effective in tackling inequalities."

The report recommends that the Scottish Government use the Equality Impact Assessment (EQIA) process to consult with communities and the third sector to ensure that efforts to reduce car use do not deepen inequalities. The Committee notes that the Cabinet Secretary's correspondence acknowledges the importance of accessibility but does not detail how future policies will be assessed.

We draw your attention to the report's recommendation that the Scottish Government consult with communities and the third sector to ensure that efforts to reduce car use do not deepen existing inequalities. The NZET Committee may wish to explore how equity and inclusion will be embedded in the new route map, once published, and whether future policies will be assessed for their impact on different groups.

I hope these findings are helpful in informing your future work.

Yours sincerely,

Richard Leonard MSP

Convener