

**ICE SCOTLAND**  
**WRITTEN SUBMISSION**

**INTRODUCTION AND BACKGROUND**

ICE Scotland welcomes the opportunity to contribute to the Infrastructure and Capital Investment Committee's call for evidence on the Scottish Government's draft budget for 2014/15.

Our response focuses on those issues within the remit of the committee, and the following National Performance Framework indicators:

- To raise the GDP growth rate to the UK level
- To reduce emissions over the period to 2011 and reduce emissions by 80% by 2050
- Reduce deaths on Scotland's roads
- Reduce traffic congestion
- Increase the proportion of journeys to work by public or active transport
- Reduce Scotland's carbon footprint

ICE Scotland acknowledges the Scottish Government's aim of supporting an investment-led recovery through infrastructure investment. Around two-thirds of Scotland's civil engineering workload is supported by projects undertaken by Transport Scotland and Scottish Water, highlighting their importance to the engineering profession.

With official forecasts suggesting that the Scottish capital budget will not return to pre-recession levels until late in the next decade, we welcome the Government's commitment to explore alternative funding models to support infrastructure investment, for example, through the Regulated Asset Base (RAB) model for the rail industry and the Non Profit Distribution (NPD) model for roads investment. ICE Scotland also welcomes the devolution of borrowing powers through the Scotland Act (2012) which take effect from 2015.

Our [\*State of the Nation: Transport\*](#) report, launched in October 2013, highlighted a number of other areas where we believe Government could explore further alternative models of investment, for example, in the way that pay for and use our roads and in empowering our city regions to support local economic growth through models such as the UK Government's *City Deals* programme. Government recognises of the importance of cities and their regions to our national economy and we would welcome further exploration of these concepts.

## **AVIATION**

Scotland's airports have an important socio-economic role to play, connecting island communities with the Scottish mainland and providing access to key domestic and international markets. We welcome the support outlined in the budget for the Air Discount Scheme and Public Service Obligation (PSO) flights which support services between the mainland and remote island communities. We would support efforts to identify a successor to the Route Development Fund which was ended as a result of EU guidelines on state aid and. Although outwith the remit of the Scottish Parliament, we remain concerned over the impact of Air Passenger Duty (APD) on Scottish airports and have called on the UK Government to consider the benefits of devolving responsibility to Holyrood.

## **RAIL SERVICES**

The draft budget outlines a package of measures to support the development of rail services and infrastructure in Scotland, which include actions to extend electrification, progress the Edinburgh-Glasgow Improvement Programme (EGIP) and deliver the Borders Railway.

We would press the Government to consider reinstating aspects of the EGIP programme. The rail electrification programme will help to reduce emissions, but its benefits will only be fully realised with a decarbonised electricity network.

Given the substantial level of public support for both rail infrastructure and services, we would encourage the Government, Network Rail and the next ScotRail franchise holder to continue working together to drive down costs during the next control period (CP5). The Paisley Canal electrification programme was identified during our *State of the Nation* research and engagement sessions as a useful example of what can be achieved with greater partnership working.

We fully support Transport Scotland's efforts to make the case for Scotland's early inclusion into plans for high speed rail (HS2) and look forward to hearing how the proposed Edinburgh-Glasgow high speed line will be incorporated to ensure both continuity and compatibility.

## **ROADS**

The draft budget outlines a pipeline of work to deliver further improvements to the Scottish road network aimed at improving journey times, alleviating congestion and improving safety.

The success of projects such as the M74 extension, and the savings achieved in the delivery of the Queensferry Crossing demonstrate the value of

professionally qualified civil engineers in the delivery of major infrastructure projects. They help ensure the highest standards of project delivery, helping to keep projects on programme and within budget.

Delivering investment in the strategic roads network is a priority for Government, with a number of projects identified for the coming decade. ICE Scotland's *State of the Nation* report has suggested that these projects could be accelerated by considering alternative sources of funding from beyond the public purse.

The condition of the existing road network continues to give cause for concern. While conditions have stabilised, the backlog of repair work has been estimated at over £1.5bn. ICE Scotland believes that failure to act decisively to tackle this backlog risks prolonging the present situation. Our *State of the Nation* report has highlighted a series of actions which we believe can help address this problem.

## **CONCESSIONARY FARES AND BUS SERVICES**

The Scottish Government values the National Concessionary Travel Scheme (NCTS) as an important part of its 'social wage', and it fulfils a valuable social and economic function. In the current economic climate, and with pressures on public spending likely to grow due to an ageing population, we would encourage Government to address the concerns of organisations such as Audit Scotland, who have questioned the future viability of the scheme in its present form.

The NCTS has also supported the roll-out of smartcard technology across the Scottish bus network. ICE Scotland believes the roll out of such technology to all users across the network would be beneficial and help to increase the attractiveness of bus travel. This has been identified as a key aspiration of Government for the next rail control period, with Strathclyde Partnership for Transport introducing similar technology on the Glasgow Subway.

## **SCOTTISH FUTURES FUND**

We welcome the Government's allocation of a further £10m to support sustainable and active travel as part of the Scottish Futures Fund.

Cycling has the potential to account for a greater share of journeys under two miles, can contribute to reducing congestion and emission as well as bringing health benefits. ICE supports action that increases the uptake of cycling, and we would encourage efforts to improve the quality of cycle routes and increase education and awareness around the benefits and dangers of cycling. We would also encourage efforts to achieve modal shift of freight from road to rail as well as short-sea shipping, which can help to support a

ports industry that contributes upwards of £4bn to Scotland's GDP and supports more than 75,000 jobs.

This fund also supports efforts to develop low carbon vehicles. Our research and engagement around the *State of the Nation* report identified concerns that the Government's support for road building was inconsistent with its ambitious aim to decarbonise our transport networks by 2050. Over the long-term, securing a low carbon transport network will require considerable technological (and behavioural) changes, requiring the support of both the public and private sectors.

## **SCOTTISH WATER**

Significant progress has been made by Scotland's water industry over the past decade, and this has been acknowledged in the draft budget. We look forward to engaging with the ICI committee when the Scottish Government publishes its investment priorities for the 2015-21 regulatory period in 2014. ICE Scotland has previously argued for longer regulatory periods which would allow for better strategic planning and investment.

Our State of the Nation reports of [2011](#) and [2012](#) provide a useful commentary on the key issues facing Scotland's water industry from a civil engineering perspective and we invite the committee to consider these in more detail. The establishment of the Output Monitoring Group (OMG) fulfils a call made in our 2011 report for the development of closer relationships between water industry stakeholders and investing in Glasgow's waste water infrastructure over the next five years - both identified in the draft budget - reflect previous ICE calls, which we look forward to discussing with the committee as it considers the draft budget moving forward.

## **PROCUREMENT**

The draft budget document identifies the value of public sector procurement to the wider Scottish economy and while not specifically referenced, we welcome the aspirations of the Procurement Reform (Scotland) Bill and look forward to providing evidence to the committee as it considers the bill later this year.

## **ICE SCOTLAND**

**15 October 2013**