FINANCE AND CONSTITUTION COMMITTEE

TRANSPORT (SCOTLAND) BILL FINANCIAL MEMORANDUM

SUBMISSION FROM

Finance and Constitution Committee Questionnaire

This questionnaire is being sent to those organisations that have an interest in, or which may be affected by the Transport (Scotland) Bill FM.

In addition to the questions below, please add any other comments you may have which would assist the Committee’s scrutiny of the FM.

Consultation

1. Did you take part in any consultation exercise preceding the Bill and, if so, did you comment on the financial assumptions made?

Aberdeenshire Council has responded to all of the related consultations issued over the last 18-24 months and has sought to clarify issues around financial assumptions made within those consultations in any replies we have provided. The detail of such assumptions was however lacking within the consultations and is only now that these assumptions are set out in a little more detail within the financial memorandum.

As a large, rural, non-DPE Authority, our officers did engage directly with Transport Scotland on the issues that emerged from the “Improving Parking in Scotland” consultation. This included providing estimated figures associated with the promotion of exemptions and the legal processes associated with them.

The responses to the consultation on buses and ticketing both set out the financial issues and those concerns remain. The experiences of Aberdeenshire Council in developing and acting as lead authority on the Grasshopper Integrated Ticketing scheme have been shared with Transport Scotland officials.

2. If applicable, do you believe your comments on the financial assumptions have been accurately reflected in the FM?

The figures within the FM relating to costs associated with pavement and double parking do reflect those that were provided by Aberdeenshire Council.

The assumptions made across the FM would have benefitted from a broader range of inputs from Local Authorities. The use of average figures based on one or two potentially different types of authorities does not stand up to proper scrutiny and Scottish Government/Transport Scotland should engage with COSLA and SCOTS/ATCO to undertake a more robust exercise in support of the Bill.
3. **Did you have sufficient time to contribute to the consultation exercise?**

While reasonable time was available on each of the individual consultations that were undertaken the common issue that impacted on our responses is around the lack of detail at that time in relation to some aspects of what was to be included within the Bill. It was therefore very difficult to properly assess the potential financial consequences of each of the provisions within the Bill as drafted at the time of the previous consultations.

The initial timescale for consultation on the Transport (Scotland) Bill was not of sufficient length given it covered the summer recess period for all Councils. The extension to the end of September was welcomed but has still caused some issues in preparing responses for consideration by local members.

**Costs**

4. **If the Bill has any financial implications for your organisation, do you believe that they have been accurately reflected in the FM? If not, please provide details.**

The Bill will have direct and indirect financial implications for Aberdeenshire Council across almost all of the provisions that it sets out. Given the assumptions and uncertainty within the Financial Memorandum it is difficult, if not impossible at this time, to gauge what those impacts may be with any accuracy. Only through a better joint understanding of the potential implications of all aspects of the Bill will it be possible to say what scale of additional costs the Council will have to meet. Further work by Scottish Government/Transport Scotland is required on the financial implications.

What is clear is that there are new duties placed on this Council that will require to be met and to do so will require additional work. These direct duties include annual reporting of transport ticketing schemes, duties around parking enforcement/reporting, roadworks quality/safety plans and professional qualifications for staff.

The statement at paragraph 147 that additional reporting around ticketing schemes will be costs neutral cannot be correct for any authority that will have this as a new duty and is different from the statements at paragraph 145 that state the costs are negligible.

Paragraph 148 also refers to an obligation for the local transport authority to ensure that ticketing arrangements comply with the national standard but only a start-up cost is quoted. Given the specialist nature of meeting this new obligation there would be revenue costs that are not allowed for in current budgets.

The figure quoted for the costs associated (paras 60-73) with the establishment of a Bus Services Improvement Partnership is based on two estimates under different governance structures to the majority of local authorities in Scotland. These should be revisited.
5. Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?

*Please see response to Q4*

6. If applicable, are you content that your organisation can meet any financial costs that it might incur as a result of the Bill? If not, how do you think these costs should be met?

*The Financial Memorandum seems to indicate that Council’s will be funded in relation to any additional financial burden a new Act imposes on them, but the details of how this works in practice has yet to be established. The summary within the FM would suggest that the additional costs to Aberdeenshire associated with the provisions within the Bill could be £400,000 in each of the first 2 years and £250,000 per annum after that.*

*Given the experience of this Council around the significant gap in funds allocated within the GAE settlement to allow this Council to deliver statutory school transport and what it costs to deliver, it is hoped that the FM process will ensure that the additional duties within the Bill and any subsequent regulations are fully provided for. If they are not met then the costs associated with the new duties will have to be covered through reductions in other budgetary provisions.*

7. Does the FM accurately reflect the margins of uncertainty as associated with the Bill’s estimated costs and with the timescales over which they would be expected to arise?

No. See earlier comments that further work is required.

Wider Issues

8. Do you believe that the FM reasonably captures any costs associated with the Bill? If not, which other costs might be incurred and by whom?

*The potential impact on the wider passenger transport and logistics markets in the city regions outside where a LEZ is introduced requires to be more fully assessed. Whilst paragraphs 36-43 set out some information there are no figures quoted for the costs that will be incurred by taxis or freight. The grace period built into the Bill is four years but this is significantly shorter than the typical replacement profile across the bus, freight and taxi industries. The operating costs of Euro 6 vehicles is also higher and has not been assessed in the FM.*

*The FM should have given greater consideration to a particular and potentially likely scenario for local authorities as follows. An authority could, in order to maintain service delivery, commence direct operation of a route or network or routes, increase the viability of that service or group of services only to find that some or all of the services become commercially attractive. A private operator may then enter or re-enter the local market, requiring the authority to cease direct operations despite the*
financial and other investment (e.g. in vehicles and depot infrastructure) incurred to that date. The Bill requires to be amended to protect local transport authorities from such a scenario, by either allowing the authority exclusive rights to continue to operate such services and/or the ability to compete with the commercial sector under that scenario. Given that the FM at paragraph 92 sets out the significant capital and revenue costs associated with establishing a municipal operation the risks associated with the above scenario are considerable.

The statements at paragraphs 186 and 187 that there will be no costs to individuals or businesses associated with the pavement and double parking proposals will therefore mean that for a non-DPE authority such as Aberdeenshire Council there would be no revenue generated to offset the costs of enforcement. Clarification is therefore required whether running the enforcement at a deficit would be accepted within the provisions of the Bill.

9. **Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?**

Yes. For example around the Roadworks part of the Bill and what the approach to training, professional qualifications and quality plans will be. These cannot be quantified at this point. Further work should be undertaken across all of the proposals in the Bill.