Transport (Scotland) Bill 2018 – Proposed Consultation Response

Financial Memorandum - 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 (Financial Memorandum).

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?

Tactran responded to the previous consultations on elements of the Transport Bill with the Partnership confirming its responses to:

- Improving Parking in Scotland – A Consultation: Deadline was 30 June 2017 – extended to 31 August 2017 for RTPs. (Report RTP/17/22)
- Local Bus Services in Scotland – Improving the Framework for Delivery: Deadline was 5 December 2017, but extended to 12 December 2017 for RTPs.
- The Future of Smart Ticketing in Scotland – A Consultation: Deadline was 5 December 2017, but extended to 12 December 2017 for RTPs.

Tactran also responded to the consultation on the Financial Accounting Arrangements for Regional Transport Partnerships (RTPs) that closed on 12 January 2018. The provision to allow flexibility for capital/revenue carry over between financial years now forms part of the Bill and the Financial Memorandum (Part 6). (Report RTP/18/12)

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

In response to the consultation on the Financial Accounting Arrangements for RTPs, Tactran advocated that RTP’s be afforded the same range of powers and flexibilities that are available to other public sector bodies under the Local Government (Scotland) Act 1975 including the repair & renewal funds, insurance funds and capital funds and this has been reflected in the Bill.

3. Did you have sufficient time to contribute to the consultation exercise?

While reasonable time was available the greater issue is around the lack of detail in relation to some aspects of the bill, which the stakeholder consultation meetings have relayed that the detail will be contained in future Regulations, hence the difficulty in assessing potential financial consequences.
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.**

Yes, although in both the implementation of LEZs and Pavement Parking provisions **Tactran** considers that the financial burden for partner local authorities may have been grossly underestimated.

5. **Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?**

No, as per the above, the detailed processes and enforcement involved in implementing these policy changes may be prohibitive for Partner Councils at this time and may result in the powers being unused.

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?**

As detailed in the response, there needs to be adequate up front funding made available for the implementation of both LEZs and Parking controls with the ability of Partner Councils to recoup this funding once the enforcement regime income starts to accumulate.

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

In response to questions: 4 to 7 inclusive, **Tactran** believes that there are clearly a number of assumptions and uncertainty within the Financial Memorandum so it is difficult, if not impossible at this time, to gauge its accuracy. Without having a better understanding of the potential implications of aspects of the Bill it is not, at this time, possible to say whether, or how, partner local authorities will be able to meet additional financial costs.

It is noted, however, that in the case of LEZs the Financial Memorandum acknowledges that the financial management required to deliver LEZs will require a joint / partnership effort between the Scottish Government and local authorities. Therefore no single body will be responsible for the entire financial outlay and management necessary to deliver LEZs.

Notwithstanding this there will be an, as yet unquantifiable, financial outlay required for implementation and enforcement should the local authorities promote any LEZs, however, this would also generate income from the issue of Penalty Charge Notices (PCNs).

Similarly, there will be a financial outlay required to install the necessary signing and lining for streets that are exempted from the pavement parking ban. Once again, however, there will be some income generated from the issue of penalty charge notices for contravention of the ban. The Financial Memorandum states that the City of Edinburgh Council anticipates nine exemptions to the ban and Aberdeenshire
Council ten but we consider these figures to be surprisingly low and would expect there to be considerably more across the Tactran area. The suggested average cost per local authority of £25,000 to undertake the necessary assessments also appears extremely understated. As outlined above if additional resources are required to enforce the ban there will be financial implications associated with this. In addition the resources required to promote and administer exemption “Orders” do not appear to have been quantified.

The Financial Memorandum seems to indicate that Partner 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. Similar comments pertain to the additional powers granted to the SRWC which will entail additional costs.

Some of the costs associated with Bus Service Improvement Partnerships and franchising currently arise and may not be a burden, however, as outlined in the Financial Memorandum, for partner local authorities to provide and run bus services would have significant implications. However, the level of activity by Partner Councils in commissioning subsidised non-commercial routes is limited by available funding.

**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?**

As detailed above, Tactran does not believe that all costs associated with the implementation of LEZs and Pavement Parking have been acknowledge and accounted for with the result that the costs may be prohibitive for Partners Councils and the powers left largely unused.

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?**

In response to questions 8 and 9 it is not apparent, at this time, that there are any apparent costs associated with the Bill that have not been considered in the Financial Memorandum, or any future cost not yet identified. The exception to this is with regard to pavement parking where the cost of promoting and administering exemption orders will be substantial. It appears to be suggested this process will be akin to Traffic Regulation Orders which involve extensive consultation, are open to objection and require appropriate procedures to be in place to consider objection and decide upon the way forward. Given the number of exemptions Tactran anticipates the expected workload, and the associated costs, to be substantial.

In addition, while in some areas costs have been identified, Tactran believes some of the resourcing estimates, particularly in relation to pavement parking, are significantly understated.

There may also be additional costs that flow from the unintended consequences of implementing a LEZ resulting from the rerouting of traffic, signal amendments,
alternative cycling and pedestrian facilities along with fleet costs of key employers, including the public sector, in the area.