July 2019

Dear Convener,

Response to your email of 6 June - follow up questions from 15 May Transport Update

Please accept our apologies for the delay in responding, see below Scottish Government’s answers to the Climate Change questions received in your email of 6 June.

1. Given the First Minister’s recent announcement of a climate emergency, do you intend to refocus Scottish Government transport investment away from trunk roads and into facilities for walking, cycling and public transport?

This Government is committed to active travel and has doubled investment to £80 million in 2018-19 and maintained this for 2019-20 to encourage and support an active nation. £66 million was allocated to infrastructure projects, with the remaining funding delivering behaviour change and education projects, and successful new e-bike grants and additional funding for e-bike loans.

With the doubling of the budget, we now have levels of investment in active travel that match our ambitions. Including match funding from local authorities, Scotland’s investment on walking and cycling in 2018-19 was £135 million, which is over £25 per capita. Far more than the rest of the UK and similar to our Northern European neighbours, such as the Netherlands and Denmark.

We are investing over £1 billion annually in public transport and other sustainable transport options to encourage people out of their cars. 525 million public transport journeys were made in 2016/17 and 30.1 percent of journeys to work were by Public or Active transport in 2017. In early 2017 we revised the Cycling Action Plan for Scotland towards delivering the shared vision that 10% of everyday journeys to be made by bike by 2020.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot
More than ever, it is absolutely vital we take a whole systems approach to deciding on future investment, to deliver a transport network fit for the 21st century. The forthcoming Strategic Transport Project Review will help deliver the vision, themes and outcomes for transport which are set-out in the National Transport Strategy (NTS). Imbedding the sustainable travel hierarchy in decision making, promoting walking, cycling, public transport and car sharing in preference to single occupancy car use. The outcomes from STPR2 will help make Scotland more accessible for residents, visitors and business, creating better connectivity with sustainable, smart and cleaner transport options. It will be used to shape our ambitious plans for strategic transport investment that will deliver real benefits for people and places, and businesses in Scotland over the next two decades.

2. The proposed 50% reduction in air passenger duty would have reduced Scottish Government income by £150m per year, which will now be available for investment elsewhere. Do you anticipate investing some of these funds in active and sustainable travel initiatives?

The introduction of Air Departure Tax in Scotland has been deferred until the issues raised in relation to the Highlands and Islands exemption have been resolved. In the interim the current UK Air Passenger Duty (APD) rates and bands continue to apply in Scotland, and HMRC will continue to administer and collect APD across the UK. Due to the deferral the Scottish Government does not currently control the tax or revenues, and the financial impact of our previous policy to reduce ADT by 50% has not been factored into future financial plans. This means that the change in policy has not released new funds for investment elsewhere.

The Scottish Fiscal Commission produced an illustrative forecast of Scotland's share of UK APD revenues on 30 May 2019. The forecast for the fiscal year 2019-20 was £295 million, and for 2020-21 was £307 million. It should be noted that, as the SFC's forecasts of the Scottish share of UK APD are purely illustrative, they have no impact on the Scottish Budget.

3. What measures will the Scottish Government take to help reduce demand for air travel – do you now oppose further airport expansion, including at Heathrow Airport?

Aviation is a global industry with airports and countries competing with each other for new routes. We have always been clear about the importance of improving Scotland’s international connectivity and that remains our position. Now, even more than ever, as Brexit threatens our ability to trade and threatens our prosperity, it is vital that we have those connections to make it easier for people to visit Scotland, and to make it easier for Scotland to do business with the rest of the world. We will continue to support airports to grow the number of direct routes which are important for business and inbound tourism.

We have also been clear that there is a balance between the economic value of aviation and the environmental impact it creates. Where airports are growing, as we see at Inverness and Edinburgh, the economic benefits are clear. The re-introduction of a Heathrow-Inverness service has opened up the Highlands to the rest of the world. Over the last five years, Edinburgh has secured connections with major markets in North America, the Middle East and Asia comprising a combination of direct routes and strong connections to global hubs like Dubai and Doha.
Scotland’s airports are competing globally for new capacity from airlines and new routes. In line with our export growth strategy and tourism strategy we support these ambitions.

But the environmental impact of global growth in aviation is of course at the forefront of our minds. In the short term, new technology continues to drive reductions in emissions. We are already seeing many more efficient aircraft including the Airbus A320neo and the Airbus A350 being used every day on Scottish routes. That will continue as airlines renew their fleets and aircraft manufacturers continue to push the boundaries of technological development. Airports are also modernising arrival and departure routes which provide more direct routing and less holding both in the air and on the ground.

Aviation is no different to other modes of transport. We need to look beyond the limitations of today’s technology and look towards the opportunities of the future. We are entering the third revolution in aviation following the Wright brothers and the Jet Age. Hybrid aircraft and fully electric aircraft are being developed now and we want Scotland to be part of this third revolution. Electric aircraft, particularly on short highlands and islands routes, are likely to be a preferred solution for the future to provide affordable, reliable and sustainable connectivity for our islands communities and we are actively considering that now. In addition, on the ground, there is an ongoing programme of improvements at almost all Scotland’s airports to minimise their environmental impact.

4. How do you intend to take forward the other proposals to decarbonise the Scottish transport system outlined by the Climate Change Committee?

We have committed to updating the Climate Change Plan within 6 months of the Climate Change Bill receiving Royal Assent. Consistent with the First Minister’s statement on responding to the Climate Change Emergency this will require that we will look across our whole range of policies to make sure we continue with those that are working and increase action where that is necessary. We will shortly commission independent research to build our evidence base on how best to decarbonise the Scottish transport sector to meet the new climate change targets. This research will consider the potential for zero emission transport technologies across all modes of transport and also policies to change travel behaviour towards active travel and public transport. Our current activity is rightly focused on encouraging the uptake of new technologies for road transport as that is where the greatest impact can be made to reduce emissions.

I trust this is helpful.

Best regards,

MICHAEL MATHESON