

T: 0845 774 1741  
E: scottish.ministers@scotland.gsi.gov.uk

Maureen Watt MSP  
Convener  
Infrastructure and Capital Investment Committee  
Scottish Parliament  
EDINBURGH  
EH99 1SP



15 December 2011

*Dawn Dunn*

### ICI Committee - Draft Budget 2012-13 and Spending Review 2011

Thank you for advance sight of the Committee's Report a full response from the Scottish Government will be sent in due course. I am writing to provide further information in relation to walking and cycling spending, post project evaluations and resource to capital transfer.

#### Walking and cycling spending across portfolios

The Support for Sustainable & Active Travel Budget (SSAT) line invests in infrastructure to encourage more sustainable travel choices towards public transport and active travel (cycling and walking). Within this line there is £5m for support for low-carbon options including active travel promotion as well as support for smarter measures and low carbon vehicles (LCVs).

In 2011-12, the Transport Budget is providing grant funding to Cycling Scotland (£2.2m) and to Sustrans (£5.384m) for cycling and walking projects (including £5m of capital grants for infrastructure projects). The new Future Transport Fund (£50m over 4 years) will support emissions abatement, particularly in relation to LCVs and hybrid buses, freight modal shift and active travel (cycling infrastructure investment). Allocations to policy areas are still to be determined. I include at Annex A draft transport budget allocations to sustainable and active travel.

As part of the Local Government Settlement, the ring-fenced Cycling, Walking and Safer Streets grant to local authorities provides some additional funding for active travel through the Cycling, Walking & Safer Streets fund (CWSS). This year, CWSS provides local authorities with £7.458m for projects which can be match-funded by Sustrans grants for community links and safe routes to schools, and the Cycling Scotland "Give me Cycle Space" campaign.

1. The final grant payable across 2012-2015 will be determined once the overall Local Government settlement is determined (but expected to be around £6-£6.5m in future years, compared with £7.5m in 2011/12).
2. The Climate Challenge Fund has so far invested over £1.3m in projects which support or encourage cycling and walking. A further round of the Fund is currently open to applications from communities, and sustainable transport projects fall clearly within its remit.
3. The Health and Wellbeing Directorate will provide funding of £200k to Living Streets in 2011-12 to advocate better use of open spaces and improve the public realm for the benefit of pedestrians.
4. The Forestry Commission will receive £71m and Scottish Natural Heritage £61m this year from Rural Affairs & Environment. Some of this funding will be invested in the development and promotion of forest walking tracks, mountain biking facilities and general promotion of the countryside through the access legislation (Land Reform Act). Paths for All received £349k in 2010 from Scottish Natural Heritage to promote access.

All the stakeholders above work in partnership to deliver better facilities for both walking and cycling, and all had an input into the Cycling Action Plan for Scotland launched in June 2010.

### **Post project evaluation reports**

I offered to provide the Committee with some recent post project appraisals should they wish to see them to demonstrate that the economic benefits had been achieved. Evaluation of road projects is better established than that for rail. It is not possible for either road or rail projects to directly assess GDP benefits; current practice is to assess travel demand as a proxy.

As part of our continuous improvement programme Transport Scotland is developing STRIPE (Scottish Trunk Road Investment Programme Evaluation) and this is being used in the finalisation of the 14th and 15th Annual Trunk Road Evaluation Reports. This evaluation process has been established on best practice from around the UK and is aligned with The Scottish Public Finance Manual and HM Treasury's Green Book. The evaluation summary from the 13<sup>th</sup> Annual Trunk Road Evaluation Report is attached. The full report will be available on the Transport Scotland website in due course.

We are working to develop rail evaluation and will see a pilot evaluation, possibly of Larkhall-Milngavie, undertaken in 2012. It is standard to formally evaluate once a line has been open for a certain length of time, for example three years, so lines such as Airdrie to Bathgate are not yet in a position to be subject to evaluation. As part of a joint project with DfT, however, we have made an assessment of newly opened stations

(<http://www.transportscotland.gov.uk/strategy-and-research/publications-and-consultations/New-Stations-Study>), comparing forecast and actual demand, and I attach a paper on the new stations on the Larkhall-Milngavie line. Please note that the figures provided in table 2 are understated because (a) zonecard ticket sales are not included and (b) demand at Chatelherault in the following year ramped up to forecast levels (as shown in the table on p13 on this station). Taking these into account the actual passenger numbers would have matched or exceeded those forecast thus demonstrating through this proxy measure the benefits achieved.

## **Resource to capital transfer**

The Committee also requested a table detailing the resource to capital transfer. The breakdown of the estimated future switches from resource DEL to capital DEL that underpins the graph on page 28 of the Spending Review document is outlined below. This information was compiled at the time of the Spending Review and may be subject to adjustment over time to reflect more detailed portfolio spending plans.

Flexibility exists to use resource DEL to fund capital investment. For example, as indicated on page 93 of the Spending Review document, Scottish Enterprise and Highlands and Islands Enterprise have the flexibility to use resource budget to support capital programmes in pursuit of the objectives agreed for those bodies.

I include the estimated resource to capital transfer figures over the Spending Review period at Annex B.

During my evidence I stated that the cost of the two small projects on the A82 – Pulpit Rock and the Crianlarich Bypass and the small project at Inveramsay Bridge totalled something of the order of £60m. The budget allocated over the spending review period for these three projects is £13m.

I trust this is helpful.



**ALEX NEIL**

cc. Cabinet Secretary for Finance, Employment and Sustainable Growth  
Minister for Housing and Transport