

DIRTY DEALS

HOW TRANSPORT SPENDING IN
SCOTLAND'S CITY REGION DEALS
THREATENS OUR LOW-CARBON FUTURE

March 2024



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EXECUTIVE SUMMARY

The Scottish City Region Deals are a key mechanism for the Scottish and UK governments to coordinate with local authorities to fund major projects based on regional priorities. Together the Deals amount to £4.6 billion of spending, including £1.3 billion on transport infrastructure. They were created in a world in the midst of climate catastrophe, in a country with legally binding climate change commitments, and in a sector that has failed to make emissions reductions progress over three decades.

Despite this, the Deals were developed without carbon assessments or reference to Scotland's climate targets. The Scottish Parliament and others have raised concerns regarding the transparency and reasoning behind project selection. And data about the carbon impact of spending in the Deals is difficult to obtain, or in some cases missing entirely. This report sets out to answer the question:



Will the City Region Deals lead the way to an equitable, healthy, sustainable, net zero Scotland; or will they further entrench unsustainable, high carbon infrastructure, exacerbating the problems the transport network currently faces?



By compiling figures from official sources and obtaining previously unpublished data through Freedom of Information requests, this report assesses the carbon impact of transport investments for all the Scottish City Region Deals, including analysis by region and local authority. It then goes on to make a series of recommendations so that the Deals, and the large scale public spending

they represent, can be aligned with the Scottish Government's commitments and policy goals. The analysis and data gathered for this report will allow informed decisions about which Deals and local authorities need to adjust their approach to align with the Scottish Government's net zero commitment.

The findings show that a staggering 71% – over £920 million – of transport spending in the Deals is increasing and embedding high carbon transport for years to come. They represent a vast misallocation of nearly one billion pounds of public investment which should instead be preparing Scotland for the future it needs and reducing the inequalities and lack of opportunity propagated by high carbon transport. Only one of the City Region Deals commits all of its spending to low carbon transport and two Deals commit all transport spending to unsustainable high carbon projects. At a local authority level, just five areas account for almost 80% of this high carbon spending.

This is a missed opportunity on a large scale. As Transport for Quality of Life notes, 'When rebuilding the economy, it is vital that investment supports behavioural shifts that will also help to achieve reductions in carbon emissions. Cancelling [road building projects] would free up investment for this.' This was also the main finding of the Infrastructure Commission for Scotland which recommended that 'the Scottish Government should prioritise all new infrastructure investment decisions based on their contribution to the delivery of an inclusive net zero carbon economy.'

Therefore, this report makes the following recommendations:

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1. ALL ROAD BUILDING PROJECTS SHOULD BE HALTED PENDING A CLIMATE CHANGE ASSESSMENT

- Halt all road building projects included in the City Region Deals
- Carry out climate change assessments on all projects in the City Region Deals, building on the work of the A96 Dualling review and the Welsh Roads Review
- Reshape City Region Deals to contribute to an inclusive net zero economy as recommended by the Infrastructure Commission for Scotland
- Calculate and report on the climate change emissions implications of all City Region Deal projects, ensuring not to omit those that are likely to increase emissions

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2. UNDERTAKE COMPREHENSIVE SUSTAINABILITY & EQUALITY AUDITS AS RECOMMENDED BY PARLIAMENT

- Implement Committee recommendation from 2018 for comprehensive equality impact assessment and sustainability audits of all City Region Deals
- Hold an urgent inquiry by Local Government, Housing and Planning Committee to ensure Parliamentary oversight in making the Deals net zero compatible

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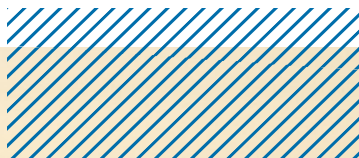
3. ALL FUTURE TRANSPORT PROJECTS MUST BE PRIORITISED BASED ON THEIR CONTRIBUTION TO AN INCLUSIVE NET ZERO ECONOMY

- Implement, in full and with urgency, the recommendations of the Infrastructure Commission for Scotland
- Introduce a moratorium on high carbon transport projects until they have been properly assessed to be climate change compatible
- Learn from and build on the work of the Welsh Roads Review Panel

The City Region Deals are currently managed in a way that is opaque, with many key spending figures difficult to obtain and in some cases not available at all. It is unacceptable that for projects which are spending millions of pounds of public money, no data on the overall projected spend is available, and the lack of clarity prevents public scrutiny by elected members.

In June the First Minister added Transport to the brief of the Net Zero and Just Transition Cabinet Secretary and also appointed an experienced MSP as Transport Minister. This suggests that the Scottish Government understands the importance of transport in addressing the climate emergency, and the need to align investment to support emissions reduction. The recommendations in this report would help with this alignment and result in overhauled City Region Deals that make a positive contribution to an inclusive net zero economy, and provide reporting for ongoing scrutiny. Scotland cannot afford to go on pursuing moribund road building policies from the middle of the last century. To ensure communities aren't marooned in a sea of outdated and high carbon infrastructure, change needs to happen now. There is plenty of expert advice and knowledge of what needs to be done, what is needed is the commitment to put it into practice with urgency.

1



INTRODUCTION



INFRASTRUCTURE AND THE CLIMATE EMERGENCY

Scotland has committed to achieving net zero climate change emissions by 2045.¹ If infrastructure being built now does not support decarbonisation, it will be impossible to see widespread adoption of low carbon actions and behaviour over the coming years. Transform Scotland has been concerned about the infrastructure investment priorities of national and local governments in Scotland for years. Many billions of pounds have been invested in expanding capacity for private motor vehicles, dwarfing spending on sustainable transport options.²

The City Region Deals represent further billions being spent on infrastructure, and will affect the transport choices and habits for millions of people for decades to come. They represent a significant opportunity cost to alternative transport projects due to the funding and implementation capacity that is being committed to projects in the Deals, as well as impacting future revenue budgets through ongoing upkeep and maintenance costs. It is therefore important to ask the following question:



Will the City Region Deals lead the way to an equitable, healthy, sustainable, net zero Scotland; or will they further entrench unsustainable, high carbon infrastructure, exacerbating the problems the transport network currently faces?



Because of infrastructure's importance and the large amounts of public money required, spending should be targeted in ways that are socially responsible and align with policy objectives. The Scottish City Region Deals involve spending commitments across Scotland from central governments, local authorities, public institutions, and private companies. In 2017, Transform Scotland raised concerns that the transport elements of the Deals lack strategic focus and prioritisation, cohesiveness, and transparency; these concerns were supported by the Scottish Parliament's Local Government and Communities Committee.³

It appears that there has been little done to address these concerns in the subsequent six years. Of particular concern, the lack of transparency means it's not been previously possible to assess whether the City Region Deals are beneficial in moving Scotland towards a sustainable transport system, or are entrenching the car dependent, high carbon practices of the past. This research addresses the problem by assessing the carbon impact of transport investments for all the deals, with figures also split out by region and local authority. This will allow informed decisions about which Deals and local authorities need to adjust their approach to align with the Scottish Government's net zero commitment. The Scottish Government and local authorities have recently committed to work together to transform the economy to deliver net zero, and adjusting the projects and infrastructure spending in the Deals can make a meaningful contribution to this commitment.⁴

SCOTLAND'S CITY REGION DEALS

City Region Deals are a key mechanism the Scottish and UK governments are using to fund major projects in Scotland. They were set up to coordinate funding and implementation of a package of development – mainly large infrastructure projects – in regions centred on one or more urban areas.⁵ At their heart, the Deals are agreements between central governments and local authorities to provide funding for councils to 'support economic growth, create jobs or invest in local projects.'⁶ The Deals are intended to be locally-led, strategic and long-term in their approach, involve partnership working between the public sector and major institutions, and have a multiplier effect by attracting further investment. Each deal is tailored to the region it is based in, and the programme of interventions should 'support positive, transformative change.'⁷

There are six City Region Deals in Scotland worth a total of £4.6 billion, based on the areas around Aberdeen, Edinburgh, Glasgow, Inverness, Stirling, and the Tay Cities (Dundee and Perth). Funding is composed of £1.3 billion from the Scottish Government, £1.2 billion from the UK Government, and £2.1 billion from local authorities and regional partners.^{8,9} City Deals as a concept originated from the UK Government in 2011 as a way to boost regional growth and devolve powers in England. The first Deal in Scotland was announced in 2014 for Glasgow and the Clyde Valley and led to the Scottish Government becoming involved. There are a few aspects unique to the Scottish City Region Deals that are worth noting:¹⁰

- 1. In Scotland, there is no shift in decision-making powers from central government to local authorities, or creation of new regional bodies such as mayoralities.**
- 2. The Scottish Government introduced the concept of 'inclusive growth'***

as opposed to the UK Government's goal of 'economic growth', which was intended to lead to a difference in the projects which are prioritised as part of the Deals.¹²

- 3. Funding in the Deals is split between the two national governments based on whether projects are in reserved or devolved policy areas, as HM Treasury will not fund objectives in the 'devolved space' due to the risk of 'double spending'.**

Concerns have been raised regarding the transparency and reasoning behind project selection for Scotland's City Region Deals. In the conclusions to its inquiry into the Deals, the Scottish Parliament's Local Government and Communities Committee found that the project selection process was not working effectively. Their conclusion was that:



The process is too opaque, with not enough information published to explain why certain projects were chosen or otherwise. We are also of the view that the process is still too 'top down' at local authority level despite some of the efforts to consult and engage with local people and businesses.¹³



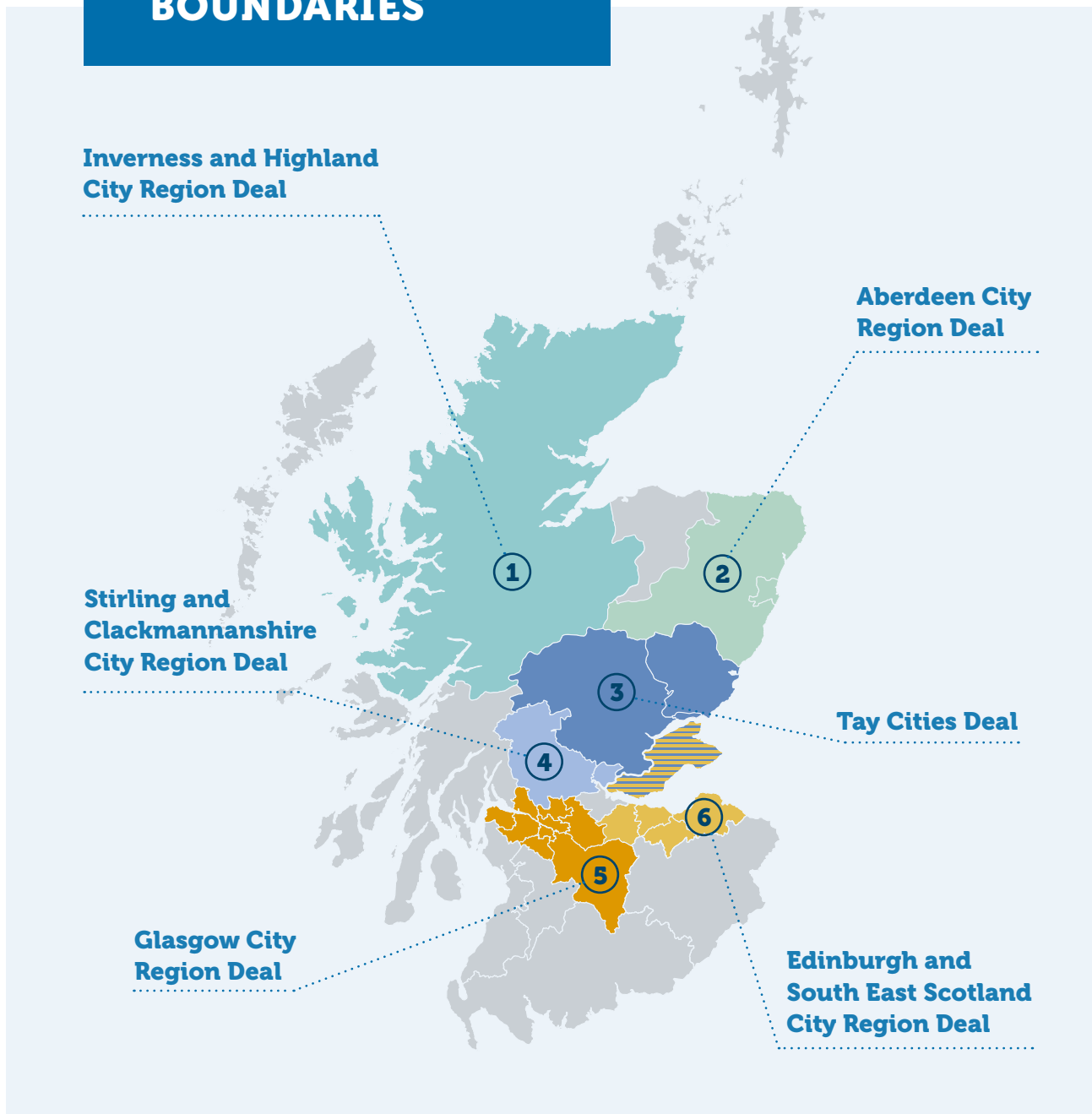
Even participating local authorities did not always have insight or influence as to which projects would be included in the Deals. For instance, Fife Council expressed disappointment that none of its proposed transport projects were included in either of the Deals it is part of – including two important rail projects it wanted included.¹⁴

* 'Inclusive growth' was adopted by the Scottish Government in 2015 as one of four key priorities in its Economic Strategy, and is defined by them as, 'Growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly'.¹¹

The opacity is partly demonstrated by the lack of clear information showing all the projects that are included in each Deal and what their projected cost is. Headline figures and major projects or initiatives are provided, and documents for some Deals provide a breakdown of individual projects that are underway. However, there is no clear summary listing all the individual projects, what they cost, their level of compatibility with climate change targets, and proposed timescale. In the case of some

local authorities, even with a Freedom of Information request, information on projected spending for projects representing millions of pounds of public money is seemingly missing or otherwise unavailable. To allow scrutiny of what is large amounts of public spending, this research therefore investigates how much is being spent on transport projects in the Deals, including specific consideration of spending on sustainable transport versus high carbon transport.

CITY REGION DEAL BOUNDARIES



WHY TRANSPORT SPENDING IN THE DEALS MATTERS

Transport affects everyone, determining the practical availability of local services, work, and recreation opportunities. Beyond the impact transport infrastructure has on people's day-to-day lives, it also heavily influences the ability to achieve key policy goals.

CLIMATE CHANGE

Scotland's climate targets require a 75% emissions reduction by 2030 and net zero by 2045.^{15, 16} However, despite significant progress in other sectors, there has been nearly no progress in emissions reduction in the transport sector over the past 30 years. The result is that transport is now the largest overall source, accounting for 36% of all Scottish emissions, having overtaken the energy sector in 2015.^{17, 18} There is no chance of reducing emissions fast enough, or in a just way, if current transport trends are allowed to continue. The speed at which we cut our carbon emissions is vital – the next ten years are crucial if we are to meet our commitments under the Paris Climate Agreement and limit global temperature increases.

Transport represents a large proportion of infrastructure spending in the City Region Deals, and it is important to understand what sort of projects these are. The UK Department for Transport recently reaffirmed the well understood phenomenon that increasing road capacity will increase traffic, and therefore emissions.¹⁹ Clearly, understanding the extent of high carbon projects with this kind of impact is important in understanding how climate compatible the Deals are. Road transport alone already accounts for 24% of **all** Scottish emissions, meaning that this one part of the transport sector is a larger emitter than any other full sector of the economy.²⁰

INEQUALITIES AND HEALTH

Building new roads, particularly motorways and dual carriageways, is an inherently regressive policy as it is the wealthier members of society (and men in particular) who are more likely to have the ability to use them. Between 51%–60% of Scottish households in the lowest income levels have no access to a car. Even where income is £15,000–£30,000, up to four in ten households have no access to a car. This contrasts strongly with households that have an income above £40,000, where only 3%–6% have no access to a car.²¹

It is therefore crucial to assess where the balance of spending in City Region Deals lies, and whether or not projects are favouring investment that benefits the wealthy over those living on low incomes. Money spent on expanding roads and saving a few minutes of journey time for car owners comes at the expense of investing in sustainable transport, which the less well off are more likely to rely on and benefit from. Aside from the cost, traffic divides communities and degrades the environment. More roads mean more air pollution deaths and more congestion in the medium- and long-term due to the impacts of induced traffic. Where roads included in the Deals are bypasses, limited access, or high speed junctions, then the benefits accrue to those from outside the area who are passing through, while the communities along the routes must deal with the negative impacts.

THE SCOTTISH GOVERNMENT'S TRANSPORT COMMITMENTS

The Scottish Government is committed to a 20% reduction in car use by 2030.²² Furthermore, the government's current Policy Programme states:



In the face of the climate emergency we need to shift away from spending money on new road projects that encourage more people to drive, and instead focus our money and effort on maintaining roads, improving safety and providing a realistic and affordable alternative through investing in public transport and active travel.²³



It goes on to commit to not building roads to cater for 'unconstrained increases' in traffic. Given that the City Region Deals represent large amounts of transport spending, the projects must align with and support progress on these existing commitments.

METHOD AND SCOPE

As discussed above, there is no accessible and clear information listing all the City Region Deals' transport projects and their costs. Therefore to carry out this research, the Programme Management Offices of each Deal were contacted with a request for the relevant information. In cases where this was not forthcoming, Freedom of Information requests were submitted. The calculations presented below are based on the figures furnished by these sources, supplemented by local authority minutes and papers where necessary. Additionally, the Scottish Government's City Region and Growth Deal Delivery Board supplied a list of transport projects included in each Deal.

The Scottish Government categorises infrastructure spending as high, neutral, or low carbon based on a system developed by the Low Carbon Infrastructure Task Force.²⁴ According to this system, investment in areas such as rail and ferries are low carbon whereas roads and airports are high carbon. Although the Task Force doesn't consider

that there is 'neutral carbon' transport infrastructure, for the purpose of this work any project which is not likely to shift the balance of demand for different transport modes has been classified as neutral (e.g. resurfacing an existing road).²⁵ These are broad categorisations, not project life-cycle analyses, which recognise that the type of infrastructure that gets built will have long term carbon impacts based on how they are used and what options they provide to people. This system was used to categorise all transport projects included in the City Region Deals, so that the amounts and proportions spent on high and low carbon transport projects could be calculated. In a very few cases we had to make educated assumptions about the carbon classification due to lack of data from local authorities.

Only projects that are part of the Deals have been included in this analysis, with one exception. The Cross Tay Link Road is not technically part of the Tay Cities Deal document, but was announced at the same

time and is considered part of the same 'package' of investment.²⁶ It has therefore been included in this analysis.

OTHER ROAD BUILDING PROJECTS

It is worth pointing out that high carbon transport in the City Region Deals is only a fraction of spending on such infrastructure across Scotland. There are a series of Regional Growth Deals covering non-urban areas, and they will also include transport spending which is likely skewed towards high carbon projects. Adding to this, local authorities have other road building projects outwith all of these Deals.

Nationally the Scottish Government has been increasing the amount it spends on building new roads. It is currently committed to spending £3 billion on dualling the A9, and is still considering up to another £3 billion to dual some or all of the A96.

There are several other centrally-funded projects to create bypasses, dual roads, and upgrade junctions.²⁷ This research is focused specifically on the City Region Deals (including the Cross Tay Link Road) and does not include the other numerous road building projects currently planned. Scotland has been addicted to building new high carbon transport infrastructure, and the City Region Deals are an opportunity for an alternative, sustainable, equitable approach.



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TRANSPORT SPENDING IN THE CITY REGION DEALS

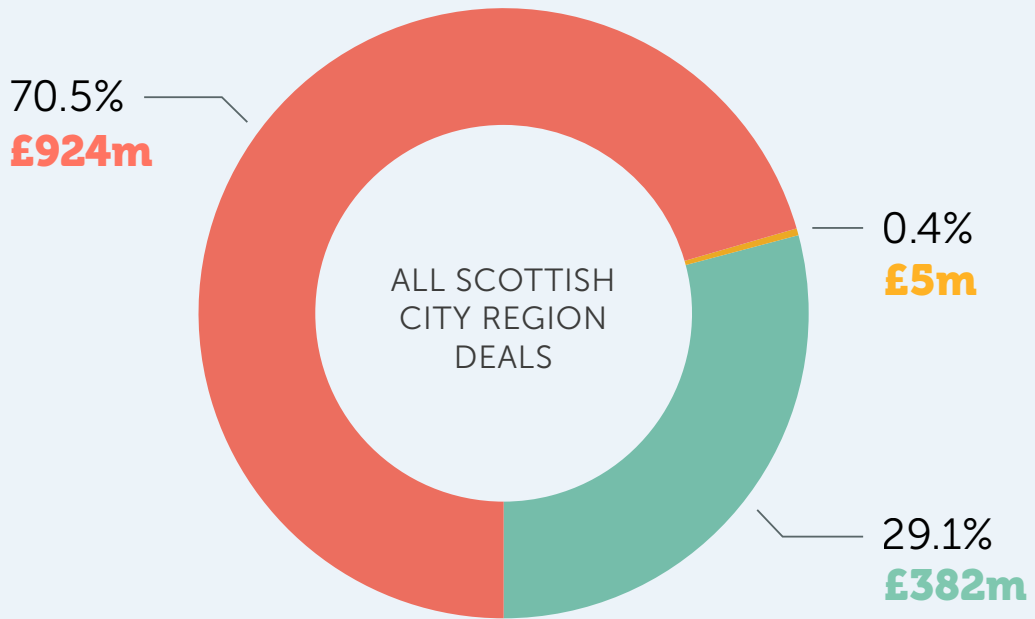
OVERVIEW

Across all the Scottish City Region Deals, **£1.3 billion is being spent on transport with 71% (£0.9 billion) of that going to high carbon projects** that will lock us in to increased carbon emissions for decades. Only £382 million (29% of the total) is being spent on sustainable and low carbon transport.

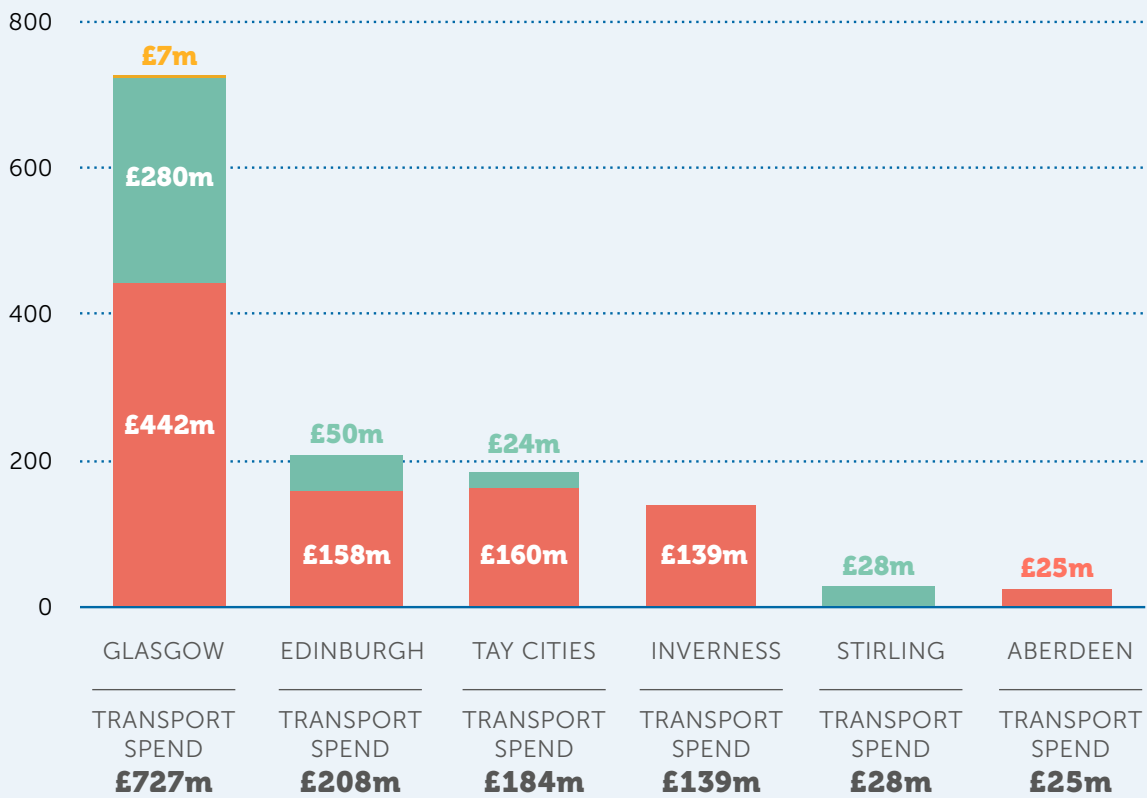
These total figures mask regional variation.

Because the Deals were created by local authorities (and in some cases Transport Scotland) submitting existing and planned projects for inclusion, the focus of each Deal is shaped by the priorities of the constituents. Even within individual City Region Deals, there can be a wide variation between local authorities in the finances put towards high versus low carbon transport. The sections below therefore consider the proportion of high and low carbon transport spending with breakdowns both for each City Region Deal and each participating Local Authority.

CITY REGION DEALS



■ High carbon spend %
 ■ Neutral carbon spend %
 ■ Low carbon spend %



CARBON INTENSITY OF TRANSPORT SPENDING

Inverness and Highland City Region Deal

Aberdeen City Region Deal

Tay Cities Deal

Stirling and Clackmannanshire City Region Deal

Glasgow City Region Deal

Edinburgh and South East Scotland City Region Deal

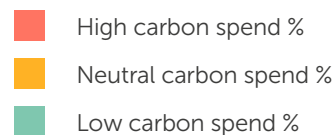
100% high-carbon spend



0% high-carbon spend

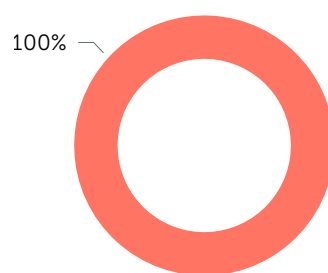
INDIVIDUAL DEALS

The charts above make it clear that almost all of the deals are focused predominantly on high carbon transport. Only two of them manage to commit more than a quarter of their transport spending to low carbon transport, and a further two are focused entirely on high carbon transport.



ABERDEEN CITY REGION

The only transport infrastructure being built as part of the Aberdeen City Region Deal is road access to Aberdeen South Harbour. This involves building a new road and increasing capacity for motorised traffic. Whilst it will also include active travel provision, the council is not able to provide figures for how much of the £25 million will go to this. As active travel infrastructure is generally an order of magnitude less expensive than roads for cars and lorries, it can be assumed that the vast majority of the funding will go to high carbon infrastructure.

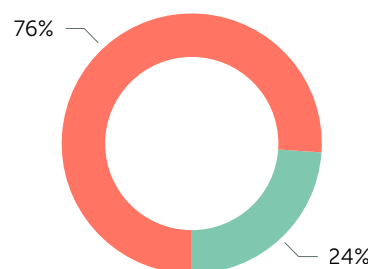


High carbon transport spend:
£25 million

Low carbon transport spend:
£0

EDINBURGH AND SOUTH EAST SCOTLAND

Transport spending in this deal is dominated by building a new roundabout at Sheriffhall (£107 million) and relief/spur roads for the A701 and A702 (£51 million). Together, these projects will significantly increase capacity for motor vehicles on and around the Edinburgh city bypass, at a time when the Scottish Government and local authorities have targets for reducing car use.²⁸ There are also significant and much-needed active travel and public transport projects, including the West Edinburgh Transport Improvement Programme (£36 million), but they are overshadowed by the vast sums being spent to increase road capacity.

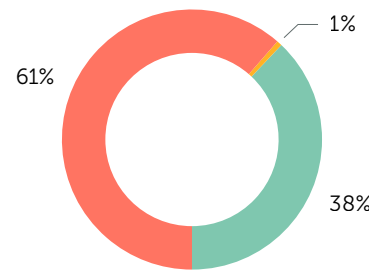


High carbon transport spend:
£158 million

Low carbon transport spend:
£50 million

GLASGOW CITY REGION

The original Scottish City Region Deal is also by far the biggest and most complex. It consists of almost two dozen overarching infrastructure projects, each with several sub-projects. Variation in focus on high versus low carbon transport between local authorities is most pronounced in this Deal (further details on this below). The largest single sub-project in this deal is in fact low carbon: £139 million for Glasgow City Council's 'Avenues' project which will transform the city centre streetscape and public realm to make it centred on people and providing active travel infrastructure. In contrast, the next five largest sub-projects, totalling £360 million, are for road building in several other council areas. This deal is a real mix of excellent low carbon transport projects, and 1960s style 'relief' roads and road widening.



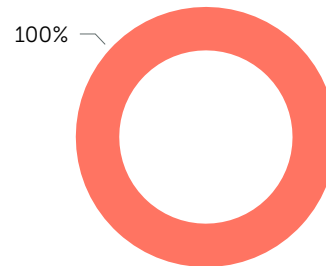
High carbon transport spend:
£442 million

Low carbon transport spend:
£280 million

Neutral carbon transport spend:
£5 million

INVERNESS AND HIGHLANDS

The only transport projects in the Inverness and Highlands deal are large road building projects to increase capacity and allow a higher volume of vehicles to use the A9, A96, and West Link bypass. The transport spending is entirely focused on locking in high carbon infrastructure.

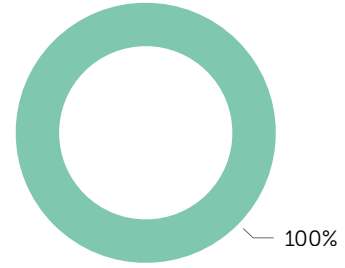


High carbon transport spend:
£139 million

Low carbon transport spend:
£0

STIRLING AND CLACKMANNANSHIRE

Although this is a small deal, all the transport spending has been focused on increasing and enhancing low carbon infrastructure. The projects target gaps in the active travel network and ways to make getting between key destinations in the region more convenient and safer without a car. This deal demonstrates the enlightened approach needed to create a sustainable transport network.

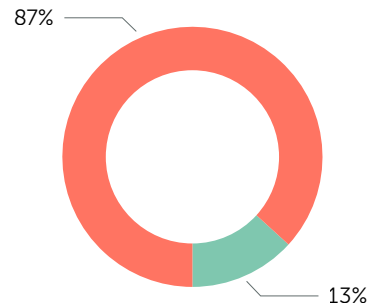


High carbon transport spend:
£0

Low carbon transport spend:
£28 million

TAY CITIES

Transport investment in the Tay Cities region is dominated by the £151 million Cross Tay Link Road which will provide a large increase in road capacity for cars and lorries. The Dundee Airport Investment project also sees £10 million being spent on increasing the most polluting mode of transport. There are also some much needed and well considered public transport and active travel projects included in this deal, so it is regrettable that they are overshadowed, both financially and in terms of long-term impact, by a massive road building programme.

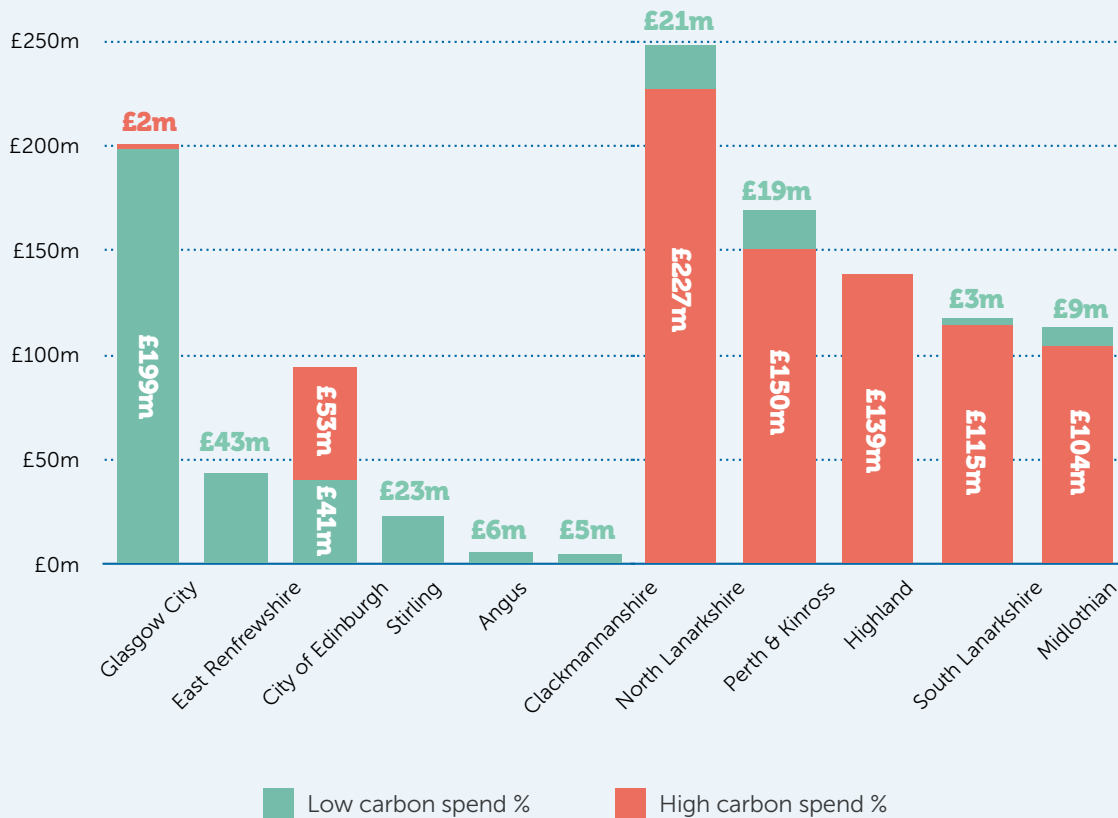


High carbon transport spend:
£160 million

Low carbon transport spend:
£24 million

CONSTITUENT LOCAL AUTHORITIES

COMPARISON OF TOP LOW CARBON AND TOP HIGH CARBON LOCAL AUTHORITIES



As mentioned above, because City Region Deals were built up from projects submitted by local authorities, the approach taken by the partners in each deal can vary widely. Whilst there was clearly some amount of regional coordination when choosing what to propose for each Deal, the inconsistency of the type of transport infrastructure included indicates that there often wasn't always a common approach to building a sustainable, low carbon future. The following

table ranks the local authorities involved in the City Region Deals by their focus on low carbon transport for the projects they are responsible for*. The top councils have committed the entirety of their transport spending within the Deal to low carbon transport. However, this drops off quickly with **only six of the 16 local authorities committing over one-third of their transport spending to low carbon projects** and the bottom five spending nothing.

* In some cases in the Glasgow City Region it was not possible to 'credit' a local authority for all of their low carbon transport projects as they did not have, or were not able to locate, costings for certain projects. However, based on the project descriptions, it is clear that even if figures were available they would not change the calculations much, likely representing less than 1% of the totals.

FOCUS ON LOW CARBON TRANSPORT BY LOCAL AUTHORITY



	Low Carbon %	High Carbon %	Total Transport Spend
East Renfrewshire Council	100%	0%	£43.1 million
Stirling Council	100%	0%	£23.4 million
Angus Council	100%	0%	£5.9 million
Clackmannanshire Council	100%	0%	£4.7 million
Glasgow City Council	99%	1%	£200.5 million
City of Edinburgh Council	43%	57%	£94.2 million
East Dunbartonshire Council	27%	73%	£34.9 million
Perth & Kinross Council	11%	89%	£169.0 million
Renfrewshire Council	9%	91%	£43.1 million
Midlothian Council	8%	92%	£113.2 million
North Lanarkshire Council	8%	92%	£248.0 million
South Lanarkshire Council	3%	93%	£122.7 million
Dundee City Council	0%	100%	£9.5 million
Aberdeen City Council	0%	100%	£25.0 million
West Dunbartonshire Council	0%	100%	£34.1 million
Highland Council	0%	100%	£139.0 million

The next table instead shows each local authority's spending on high and low carbon transport, ranked from the most amount of money being put towards high carbon transport to the least. **The top five** are spending over £100 million each on

high carbon transport (and in some cases significantly more), and together account for **almost 80% of the high carbon transport spending across all the City Region Deals.**

SPENDING ON HIGH CARBON TRANSPORT BY LOCAL AUTHORITY

	High Carbon Spend	Low Carbon Spend	Total Transport Spend
North Lanarkshire Council	£227.2 million	£20.8 million	£248.0 million
Perth & Kinross Council	£150.5 million	£18.5 million	£169.0 million
Highland Council	£139.0 million	£0.0 million	£139.0 million
South Lanarkshire Council	£114.5 million	£3.3 million	£122.7 million
Midlothian Council	£104.4 million	£8.8 million	£113.2 million
City of Edinburgh Council	£53.4 million	£40.8 million	£94.2 million
Renfrewshire Council	£39.2 million	£3.9 million	£43.1 million
West Dunbartonshire Council	£34.1 million	£0.0 million	£34.1 million
East Dunbartonshire Council	£25.4 million	£9.5 million	£34.9 million
Aberdeen City Council	£25.0 million	£0.0 million	£25.0 million
Dundee City Council	£9.5 million	£0.0 million	£9.5 million
Glasgow City Council	£1.7 million	£198.9 million	£200.5 million
East Renfrewshire Council	£0.0 million	£43.1 million	£43.1 million
Stirling Council	£0.0 million	£23.4 million	£23.4 million
Angus Council	£0.0 million	£5.9 million	£5.9 million
Clackmannanshire Council	£0.0 million	£4.7 million	£4.7 million
	£923.8 million	£381.5 million	£1.3 billion



3

ASSESSING THE IMPACT OF TRANSPORT IN THE DEALS

THE CURRENT STATE OF CITY REGION DEALS ASSESSMENTS

As discussed above, each Scottish City Region Deal is composed of a selection of projects primarily put forward by the constituent local authorities. The process and criteria for selection were opaque and little attention was given to linking the transport components of City Region Deals to regional or national strategic positions.^{29, 30} There is therefore no overarching framework for each Deal directing transport investment, instead they contain a collection of individual transport projects. This means that **no environmental impact or climate change assessments have been carried out** for the overall transport investment contained within each City Region Deal.

Even at project level, there are a lack of consistent and meaningful climate assessments. The Fraser of Allander Institute found this to be a widespread issue in Scotland, where **Scottish Government processes are not integrated with climate targets** and even the appraisals of climate impacts that should be done are often missing.³¹ The available data is therefore insufficient to take a view on the total climate and environmental impact of each Deal. Moreover, it is fundamentally ineffective and inadequate to assess climate impacts on an individual project basis. As Transport for Quality of Life found through extensive research into assessments for road building projects, 'it is true of almost any single investment that its impact is small relative to the emissions of the economy as a whole. There should be a strategic assessment which looks at the carbon emissions from the whole programme in the context of a transport carbon budget.'³² **It is unacceptable that the City Region Deals have not been assessed against their climate impact.** They were developed in a world in the midst of climate catastrophe, in a country with legally binding climate change commitments, and in a sector that has failed to make emissions reductions progress over three decades.

The fact that **71% of transport spending in the Deals is increasing and embedding high carbon transport** for years to come is a vast misallocation of nearly one billion pounds of public investment. It is not preparing Scotland for the future it needs, nor reducing the inequalities and lack of opportunity propagated by high carbon transport. A different approach needs to be taken.

The Scottish Government has belatedly recognised the importance of carrying out a 'climate compatibility' assessment for the A96 dualling project and is currently undertaking an evidence-based review which will include such an analysis.³³ To date, an initial appraisal has been published which shortlists a number of options including the full dualling plan. The next stage promises to consider climate impacts of all options, and the assessment is considering all modes of transport as potential solutions throughout.³⁴ It remains to be seen if this process properly accounts for climate change and social issues. But it is already a more enlightened approach than that of **the majority of City Region Deal projects which seems to be rooted in the 1960s approach where more roads are always the answer to a transport issue.** Given that the Deals represent a similar scale of transport spending as the A96 dualling – about half the projected cost of that project – it is vital that they also undergo an evidence-based review to ensure they are climate compatible and will enhance social and equality aims. This is infrastructure that will shape the country for decades to come.

The Deals could provide significant opportunities to invest in sustainable transport. Yet, without a commitment to have proper regard for national objectives for net zero targets, there are no mechanisms to ensure that sustainable infrastructure is prioritised. As will be explored in the next section, significant work has been done in Wales which could be usefully adopted and built on in Scotland.

LEARNING FROM WALES

The Welsh Government has taken a more responsible approach, and in June 2021 paused all road building schemes pending an assessment to determine whether they were aligned with Wales’s net zero policy. They set up a Roads Review Panel looked in detail at all road building schemes, carried out evidence based assessments, and made recommendations both for each specific project and for an overall approach to be taken for future road investment. As they noted, **‘the significant carbon emissions from construction, operation, maintenance and use of new road infrastructure, and from renewal and modification of existing infrastructure, mean that schemes that might have been funded in the past may not be appropriate for investment in future.’**³⁵

They developed a ‘4x4’ grid of purposes and conditions that can be used as a first pass filter to determine whether a transport project should be developed further. This avoids wasted money and resources in detailed appraisal and development of schemes that cannot be built because they are incompatible with climate targets. The purposes and conditions are well suited to aligning Scottish projects with Scotland’s net zero commitments. To progress, a transport project must meet one of the four purposes, and then it must be designed or specified in such a way as to meet all four conditions:

WELSH ROADS REVIEW FILTER



Purposes (scheme meets one of)	Conditions (scheme meets all of)
Shifting trips to sustainable transport to reduce carbon emissions	The scheme should minimise carbon emissions in construction
Reducing casualties where they are high, through small-scale changes	The scheme should not increase road capacity for cars
Adapting roads to the impacts of climate change	The scheme should not lead to higher vehicle speeds that increase emissions
Supporting prosperity by providing access to development sites that will achieve high sustainable transport mode share	The scheme should not adversely affect ecologically valuable sites

As well as this helpful and straightforward first pass filter, the Panel’s analysis of all the Welsh road schemes drew out some common themes on which they made evidence-based recommendations.

Three of these are particularly pertinent to the Scottish City Region Deals: safety, bypasses, and appraisal method.

SAFETY

Safety is often used as a primary or secondary justification for building new or expanded roads. For instance, the Scottish Finance Minister responded to a question about reconciling the Government's road building plans with climate change by saying that, 'some [road building projects]—I am thinking about the A9 dualling—are a lot more to do with safety and security than anything else.'³⁶ However, when all options for improving safety are properly considered there are far less expensive and much quicker ways to do this than building miles and miles of new roads, through small-scale changes.

“ Setting an objective to reduce road casualties does not, on its own, make a scheme consistent with current policy. An assessment is needed as to whether the scheme, in its entirety, is the most effective option to achieve that objective, and whether it may have the unintended effect of making other policy aims, particularly in relation to modal shift and carbon emissions, more difficult to achieve. ”

Welsh Roads Review Panel

Furthermore, the Roads Review Panel found that *reducing* road speeds is an effective way to tackle both safety and climate emissions. But currently this very real safety impact is traded against small increases in journey times which are considered a 'disbenefit' despite a few minutes making little meaningful difference to individual drivers.

BYPASSES

Another theme relevant to the Scottish City Region Deals is that of constructing bypasses to route traffic around towns. Whilst such schemes would go some way to reducing severance and noise issues in town centres, they were found to be entirely incompatible with climate change commitments, biodiversity protection, and other Government policies. There are far less expensive interventions that can be made in the towns themselves which would not only reduce the impact of traffic and not increase car use, but would also enhance the environment and economic life of the town. These include reduced speed limits, public realm enhancements and road space reallocation, and making it easier to get around by active travel and public transport.

“ [We] recommend a shift of emphasis towards strategies to manage through-traffic in towns and villages. [...] We consider that there is potential for a package of these measures to return villages and town centres to their local communities, making it easier and safer for people to walk and cycle, and supporting local shops and local economic well-being, while avoiding increases in carbon emissions and adverse impacts on biodiversity. ”

Welsh Roads Review Panel

Attention also needs to be given to access roads built for areas being opened up for development. If not properly planned, these roads can provide an alternative route between two existing settlement areas, creating additional road capacity on an existing route through an informal 'bypass' through the new development area. It's therefore vital that development sites not only be located where they can be well connected by public transport and active travel, but that any access roads do not allow private cars to travel through the site to onward destinations.

APPRAISAL METHOD

Transform Scotland has previously found that current appraisal system for transport projects is heavily biased towards the value of time saved. The fixation on this metric is often the only way to justify road schemes, and it is out of step with accepted evidence and current standards. Time savings values are based on the assumption that travel time is non-productive, and so decreasing it increases productivity. This model, based on a business executive driving between locations, ignores the fact that people can be 'productive' when travelling in certain ways (for instance, working on the train), and that productivity is not the main concern for many types of travel.³⁷

The Roads Review Panel found the same issue with the projects they reviewed. Journey time savings for drivers were always the main 'monetary' benefit of the road schemes, usually accounting for 90% or more of the benefit. However, reduced journey times work in direct opposition to current Government policies: they will increase traffic, shift people away from sustainable modes, and increase direct emissions through faster speeds. This makes the benefit to cost ratios (BCRs) a meaningless metric for judging value for money in delivering policy priorities as they are not measuring the right 'benefits', nor properly accounting for the costs.

At the same time, there are inconsistent approaches to appraising safety benefits, making it difficult to decide which schemes offer the greatest benefit, let alone provide a meaningful contribution to BCR calculations. Countering this requires standardising and consistently appraising the value of a scheme's safety improvements. And reporting BCRs with both with and without including 'drivers' journey time savings' would make it easier to compare the true value for money of different options.



4

RECOMMENDATIONS

The Scottish City Region Deals represent £1.3 billion of spending on transport infrastructure, and **71% – over £900 million – is being used to embed high carbon infrastructure** that will lock people into unsustainable and antisocial transport for decades to come. Only one of the City Region Deals commits all of its spending to low carbon transport. All of the others spend the vast majority of their transport funds on high carbon transport, with two Deals committing all transport spending to these unsustainable projects. **Just five local authority areas account for almost 80% of this high carbon spending.**

This is a missed opportunity on a large scale. As Transport for Quality of Life notes, 'When rebuilding the economy, it is vital that investment supports behavioural shifts that will also help to achieve reductions in carbon emissions. Cancelling [road building projects] would free up investment for this.'³⁸ This was also the main finding of the Infrastructure Commission for Scotland which recommended that 'the Scottish Government should **prioritise all new infrastructure investment decisions based on their contribution to the delivery of an inclusive net zero carbon economy.**'³⁹

In June 2023 the First Minister added Transport to the brief of the Net Zero and Just Transition Cabinet Secretary and also appointed an experienced MSP as Transport Minister. This suggests that the Scottish Government understands the importance of transport in addressing the climate emergency, and the need to align investment to support emissions reduction. The recommendations in this report would help with this alignment and result in overhauled City Region Deals that make a positive contribution to an inclusive net zero economy, and provide reporting for ongoing scrutiny. Scotland cannot afford to go on pursuing moribund road building policies from the middle of the last century. To ensure communities aren't marooned in a sea of outdated and high carbon infrastructure, change needs to happen now. There is plenty of expert advice and knowledge available – what is required is the commitment to put it into practice with urgency.

1. ALL ROAD BUILDING PROJECTS SHOULD BE HALTED PENDING A CLIMATE CHANGE ASSESSMENT

- Halt all road building projects included in the City Region Deals
- Carry out climate change assessments on all projects in the City Region Deals, building on the work of the A96 Dualling review and the Welsh Roads Review
- Reshape City Region Deals to contribute to an inclusive net zero economy as recommended by the Infrastructure Commission for Scotland
- Calculate and report on the climate change emissions implications of all City Region Deal projects, ensuring not to omit those that are likely to increase emissions

Delivering an inclusive net zero economy must be at the core of the development and decision making on all infrastructure projects.⁴⁰ This was not considered when the City Region Deals were developed. It is important that **the Deals are modified so they contribute to reaching legal climate targets, instead of working against them.**

Building on the Scottish Government's approach to the A96 Dualling, and in line with the best practice shown by the Welsh Government with its entire roads programme, **all City Region Deal road building projects should be paused and climate change assessments carried out on them.** An approach to emissions assessments has already been developed by ClimateXChange on behalf of the Scottish Government.⁴¹ Scotland can take advantage of the work carried out by the Welsh Roads Review Panel to ensure these assessments can be undertaken without delay. The '4x4' purposes and conditions they developed are a useful first pass filter test as discussed above. The Fraser of Allander Institute has also pointed out the necessity of a 'Net Zero Test' to be used as a filtering process for spending with major emissions implications.⁴²

The assessments can be used as part of the Scottish Government's development of a **net zero compatible infrastructure assessment framework** as recommended by the Scottish Infrastructure Commission.⁴³

The Deals' Programme Management Offices should work with the constituent local authorities and other funders to carry out the necessary assessments. Based on the assessments, **the Deals will need to be reshaped to ensure they are compatible with Scotland's net zero goals.** The Welsh Roads Review Panel developed a number of approaches that will be useful when reshaping the Deals so they contribute to an inclusive net zero economy:⁴⁴

- **consider reducing speed limits on motorways** and trunk roads to cut carbon emissions fast and compensate for embodied carbon in roads that have to be built or replaced
- instead of 'upgrading' roads to match the relevant national speed limit, **match the speed limit to the safe speed for the road layout;** take account of impacts on all road users, and also consider effects on noise, air quality, severance and public realm

- to reduce congestion and the perceived need for new road infrastructure, work to **deliver regional 'benefits-and-charges' packages**
- road scheme **appraisal should use a range of traffic modelling scenarios**, including a policy-consistent scenario in which car mileage per person falls nationally by 20% by 2030, in line with the Scottish Government target
- **benefit-to-cost ratios should be reported both with and without benefits from drivers' journey time savings**
- **small increases in journey time should not be treated as a disbenefit** in calculations for schemes that reduce speed to increase safety
- consider a **pilot programme applying global best practice to manage through-traffic in rural towns and villages**; this would benefit many more communities than there is funding to help through construction of bypasses

Finally, as part of this process, **the climate change emission implications of the transport projects should be calculated and included in the Deals' annual reports**. As the Fraser of Allander Institute has found, emissions estimates for major projects are not being consistently calculated or added together to determine whether progress on reduction will be made fast enough. And whilst it is more common for emissions calculations to be done for low carbon projects, it is often not carried out for high carbon projects where it is even more important.⁴⁵



2. UNDERTAKE COMPREHENSIVE SUSTAINABILITY & EQUALITY AUDITS AS RECOMMENDED BY PARLIAMENT

- Implement Committee recommendation from 2018 for comprehensive equality impact assessment and sustainability audits of all City Region Deals
- Hold urgent inquiry by Local Government, Housing and Planning Committee to ensure Parliamentary oversight in making the Deals net zero compatible

In 2018, the Scottish Parliament's Local Government and Communities Committee found that the projects in City Region Deals both lacked clear criteria for selection and were driven by existing local authority plans, instead of through meaningful consultation with local communities. They went on to recommend that, **'all projects should be subject to a comprehensive equality impact assessment and a sustainability audit, both of which should be published.'**⁴⁶ It is clear from the analysis in this report that in many cases local authorities are stuck in an outdated approach and have focused transport plans on road building and other high carbon projects, with at best some low carbon window dressing. The lack of equalities and sustainability assessment is obvious as these high carbon transport projects would be hard to justify had they been carried out.

The previous recommendation seeks to correct the climate-wrecking approaches in the existing City Region Deals. It is important that there is Parliamentary oversight of this process, and also that the previous Committee recommendation is carried forward and monitored. Therefore the current Local Government, Housing and Planning Committee should **urgently hold an inquiry into the equality and sustainability impacts of the transport projects contained in the City Region Deals** to provide accountability and consistency as the Deals are reshaped to support an inclusive net zero approach.



3. ALL FUTURE TRANSPORT PROJECTS MUST BE PRIORITISED BASED ON THEIR CONTRIBUTION TO AN INCLUSIVE NET ZERO ECONOMY

- Implement, in full and with urgency, the recommendations of the Infrastructure Commission for Scotland
- Introduce a moratorium on new high carbon transport projects until they have been properly assessed to be climate change compatible
- Learn from and build on the work of the Welsh Roads Review Panel

The vast spending on high carbon transport in the City Region Deals **demonstrates what happens when projects are approved without being assessed for their climate change impact** or their compatibility with Scotland's legally-binding net zero targets. The Infrastructure Commission for Scotland, commissioned by the Scottish Government, has already carried out significant work and come up with a robust set of recommendations to ensure that future investment contributes positively to tackling climate change.⁴⁷ And the Welsh Roads Review Panel recently produced a comprehensive report with many principles and recommendations that could usefully be used in Scotland.⁴⁸

No future road building or high carbon transport projects should proceed until a robust infrastructure assessment framework is put in place by the Scottish Government, and then only projects which are compatible with an inclusive net zero economy should proceed. Additionally, the Scottish Government should commit to implementing the Infrastructure Commission for Scotland's recommendations in full, and learning from and transferring lessons from the Welsh Roads Review Panel into Scottish policy.

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