

Report to Partnership Meeting 25 November 2016

RESEARCH AND STRATEGY DELIVERY

Value of Transport

Purpose of Report

To set out potential scope for a small commission considering the wider socio-economic value of the transport network and services within the HITRANS area.

Background

At the HITRANS Partnership meeting in Mull (Sept 2016) a number of Members and Advisors requested evidence to help support the case for the value of transport infrastructure and services to the wider economy and local, regional and national policy objectives more generally.

This brief discussion paper sets out some of the existing research in this area and a scope of work which may be undertaken to support this, further develop understanding in this area and in so doing help support the strategic case for retention / increase of transport budgets at a local, regional and national level.

There are often direct and very significant benefits from funding from Transportation budgets for other services. Examples of this include:

- PSO Air Services that have Education (Orkney) or Health (Western Isles) travel as the primary user.
- Community Transport / DRT – Health and Social Care direct benefits which are particularly valuable in island and rural areas where car ownership is low.

Existing Research

There are several recent reports / academic work which consider specific aspects of how transport projects and services contribute towards the wider economy. These include the following;

- Does Reducing Journey Times Improve the Local Economy – And, If Not, What are the Implications for Transport Assessment. (Tom Rye, Napier 2011)
- Review of Economic Assessment in Rural Transport Appraisal (Laird Mackie, 2009)
- Valuing the quality of strategic ferry services to remote communities (Laird, 2011)
- Transport investment and economic performance: Implications for project appraisal (venables, Laird, Overman 2014)
- Wider Economic Benefits of transport schemes in rural areas (Laird, 2014)
- Value of Community Transport Economic Analysis (DHC, 2011)

The majority of these and similar academic papers focus on the evidence of the economic impact that can be attributed to specific transport projects. The case studies for these papers are

invariably major new surface transport schemes such as major road upgrades and bridges rather than an evaluation of the contribution of a local bus network or the wider socio-economic implications of reducing the provision of existing transport services.

Several of these papers have found empirical evidence to support the argument that local and especially rural transport schemes have stronger wider economic impacts than those demonstrated by interventions such as motorways and other inter-urban links. Rye's (2011) paper also argues that the evidence available points to public transport and small scale active travel or urban road safety projects having the most significant job creation benefits. It recommends that all travel time savings (at time 85% of economic benefits in appraisal) be removed from the economic analysis and more focus be given to enhanced accessibility.

Need for further Research

The HITRANS commissioned report "Review of the Delivery of Transport Services in the Highlands and Islands (2010) highlighted the need for transport as a social and economic enabler to be better articulated.

Transport should be more fully understood, articulated and represented as a key enabler of the economic development and social well-being of individuals, communities and businesses and the Highlands and Islands. At present this does not seem to be acknowledged fully (explicitly or implicitly), in all the relevant policy and strategy documents for the area.

The importance of investing in effective transport connections, and the key capital and revenue priorities for this investment, should be clearly set out in future iterations of the relevant national, regional and local policy and delivery frameworks. This includes in particular, Government's Purpose and Strategic Objectives, the HIE Operational Plan, the Regional Transport Strategy and, at the local level, Single Outcome Agreements and Local Transport Strategies for each of the five Local Authorities. All five Local Authorities should aim to have up to date Local Transport Strategies in place. These LTS' should align with the relevant Single Outcome Agreement, identify cross-boundary issues and possible solutions and reflect the priorities set out in the statutory Regional Transport Strategy. The Regional Transport Strategy itself should be reviewed and updated in the light of changed circumstances, taking into account all linked strategy documents and identifying means of implementation, by at least 2011. Evidence should continue to be collated and research carried out, at the regional level, on the economic and social benefits of investment in key transport networks in order to support the case to Government.

Proposed Scope

- Initially a desk based review of any recent relevant research in this area (local / national and international) which considers the wider value of the transport network and services to the economic development and social well-being of individuals, communities and business in the Highlands and Islands or is applicable.
- Reflect on and capture where Transport Budgets act as an enabler of other services.
- Consider how transport networks and services enable the delivery and operation of functions by local, regional and national public bodies and private businesses.
- Identify suitable case studies and where data may be collected that would help develop our understanding of both the direct and indirect role of transport in different contexts.
- Make recommendations for how the Regional Transport Strategy and all other relevant strategy documents (Transport, Local Government, HIE, Health, Education etc) should better reflect this evidence.

- Make recommendations for improving Scottish Transport Appraisal Guidance (STAG) within this area.

Recommendation

Members are invited to

1. Note the report and provide comment on the objectives of the proposed research and the scope outlined the outcomes of which will support the development of policies promoted in the updated Regional Transport Strategy.
2. Support the commissioning of initial desk based research with potential for extending commission in future to include some primary research involving one or more suitable case studies.

RISK REGISTER

RTS Delivery

Impact - Positive

Comment – This research will help provide an evidence base in support of the Regional Transport Strategy policies and objectives.

Policy

Impact - Positive

Comment - HITRANS would by Adopting an Intern be supporting a Scottish Government Initiative aimed at improving the route to graduate employment.

Financial

Impact –

Budget line and value – Initially £5,000 towards desk based research with potential for extending commission in future to include some primary research involving one or more case studies.

Equality

Impact – Positive

Comment – This objective of the research is to improve the understanding of how transport services and infrastructure support other policy objectives within the HITRANS area that including those which seek to tackle various aspects of inequality.

Report by: Neil MacRae
Designation: Partnership Manager, HITRANS
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