



NTS Delivery Plan - Business and Regulatory Impact Assessment (BRIA)

Screening Report

Transport Scotland

April 2022

Prepared for:

Transport Scotland

Prepared by:

AECOM Limited
120 Bothwell Street
Aurora Building
Glasgow, United Kingdom
T +44 (0)141 202 0500
United Kingdom
aecom.com

© 2022 AECOM Limited. All Rights Reserved.

This document has been prepared by AECOM Limited (“AECOM”) for sole use of our client (the “Client”) in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

Table of Contents

| | | |
|-----|--|----|
| 1. | Introduction | 1 |
| 1.1 | Purpose | 1 |
| 1.2 | BRIA process | 1 |
| 1.3 | The NTS Delivery Plan 2020-2022 | 2 |
| 1.4 | Business and Regulatory Impact Assessments (BRIAs) | 5 |
| 2. | Methodology | 6 |
| 2.1 | Review of the NTS Delivery Plan | 6 |
| 2.2 | Assessment | 6 |
| 3. | Review of the NTS Delivery Plan | 9 |
| 3.1 | Objective | 9 |
| 3.2 | Rationale for Intervention | 9 |
| 4. | Assessment of impacts | 10 |
| 4.1 | Reduces Inequalities – Strategic Policies | 10 |
| 4.2 | Takes Climate Action – Strategic Policies | 25 |
| 4.3 | Helps Deliver Inclusive Economic Growth – Strategic Policies | 42 |
| 4.4 | Improves our Health and Wellbeing – Strategic Policies | 61 |

Figures

| | | |
|------------|---|---|
| Figure 1-1 | Timeline for BRIA activities | 2 |
| Figure 1-2 | Vision for Scotland's transport system over the next 20 years | 3 |
| Figure 1-3 | Scotland's National Performance Framework | 4 |

1. Introduction

1.1 Purpose

AECOM was commissioned by Transport Scotland (TS) to undertake a series of impact assessments on the National Transport Strategy (NTS) delivery plans for 2020-2022. These include the following:

- Equality Impact Assessment (EqIA);
- Children's Rights and Wellbeing Impact Assessment (CRWIA);
- Fairer Scotland Duty Assessment (FSDA);
- Island Communities Impact Assessment (ICIA);
- Health Inequality Impact Assessment (HIIA);
- Data Protection Impact Assessment (if required); and
- **Business and Regulatory Impact Assessment (BRIA).**

This report sets out a BRIA assessment of the Strategic Policies within the NTS Delivery Plan 2020–2022 based on existing evidence and internal engagement with TS and Scottish Government (SG) officers.

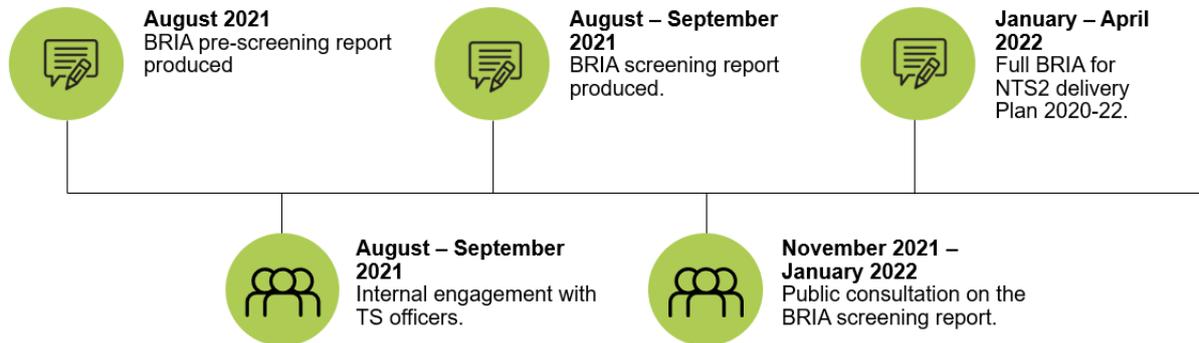
1.2 BRIA process

Figure 1-1 sets out the key activities and timescales for undertaking the BRIA. This shows that internal engagement with Scottish Government (SG) officials took place between August and September 2021 to gather as much information as possible about the NTS strategic policies and the actions related to them, as well as the likely impacts.

A screening report was produced prior to a period of consultation between November 2021 and January 2022 on the BRIA and the other impact assessments. The feedback and findings of the consultation have contributed towards completing this full BRIA on the NTS Delivery Plan 2020-22. A separate Consultation Report has been produced to provide an overview of the consultation process and a summary of responses and feedback.

Further engagement with seven businesses, including one to one discussions, have also been conducted during this time and are reported in full, in a separate consultation report.

Figure 1-1 Timeline for BRIA activities



1.3 The NTS Delivery Plan 2020-2022

The NTS sets out the vision for Scotland’s transport system to 2040: “a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors”. NTS outlines four Priorities for the transport system: [Reduces inequalities](#), [Takes climate action](#), [Helps deliver inclusive economic growth](#) and [Improves our health and wellbeing](#). The Vision and Priorities for NTS are set out in more detail in Figure 1-2.

The first [NTS Delivery Plan](#) sets out 199 broad actions the Scottish Government (SG) is taking to deliver on its vision and priorities to the end of March 2022, taking account of the impact of COVID-19. The second Delivery Plan (for 2022-23) will be published in 8th June 2022 and will outline SG’s actions for delivering the four priorities. Delivery Plans will be published on an annual basis.

Figure 1-2 Vision for Scotland's transport system over the next 20 years



The actions within the NTS Delivery Plans will also contribute to achieving the SG's National Outcomes contained within the [National Performance Framework](#) as shown in Figure 1-3.

Figure 1-3 Scotland's National Performance Framework



The NTS Delivery Plan was developed through collaboration and consultation with stakeholders across Scotland. In 2021, Transport Scotland established the NTS Forum, which provides an engagement platform composed of the following groups:

- People's Panel: representing individuals across Scotland;
- Business Group: including transport businesses and representative organisations; and

- Cross-Government Steering Group: formed of relevant policy leads and analysts across Scottish Government.

Stakeholder engagement will focus on the future transport system in Scotland with regard to the four NTS priorities. The results of these discussions will be published by Transport Scotland for public access.

1.4 Business and Regulatory Impact Assessments (BRIAs)

A BRIA helps to assess the likely costs, benefits and risks of any proposed primary or secondary legislation, voluntary regulation, codes of practice, guidance, or policy changes that may have an impact on the public, private or third sector.

BRIA is not a legal requirement. The SG recommends and encourages the completion of a BRIA as best practice to assess the impact of new legislation, as well as other changes such as voluntary guidance or policy changes, even where they do not necessarily present additional obvious burdens. In such cases it can either help confirm understanding that the impact will not change or identify and address unintended impacts which have not been identified. The content of a BRIA should be proportionate to the problem involved and the size of the proposal.

A BRIA toolkit and template have been developed to provide guidance and information. These can be found online:

- BRIA toolkit - [Business and Regulatory Impact Assessments \(BRIA\) toolkit](#)
- BRIA template - [Business and Regulatory Impact Assessments \(BRIA\): template](#)

The BRIA will assess the likely impacts, costs, benefits and risks of the NTS Delivery Plans on public, private or third sector organisations. The information gathered through the consultation process has been used to revise the estimates of any costs and benefits of the actions prepared at the screening stage.

2. Methodology

The approach for undertaking this BRIA and compiling this report follows a two-stage process:

- Review of the overall purpose, objectives and rationale for the NTS Delivery Plan 2020-2022 – in line with the BRIA toolkit; and
- Assessment of NTS Delivery Plan Strategic Policies.

2.1 Review of the NTS Delivery Plan

A BRIA is recommended wherever it is considered that new policies, legislation, codes of practice, voluntary regulation or guidance may result in changes to the regulatory context. The NTS Delivery Plan 2020-2022 draws together a suite of actions which are collectively aimed at achieving the Strategic Policies of the NTS. For this stage of the assessment, the BRIA toolkit recommends the background, objectives and rationale for government intervention.

The NTS Delivery Plan 2020-2022 itself does not constitute policy, regulation or legislation but details the actions which may, when completed, lead to such changes in the regulatory environment. It is therefore recommended that a high-level BRIA is undertaken at this stage, in order to inform the development of future Delivery Plan actions. The approach to conducting a BRIA for the NTS Delivery Plan 2020-2022 is therefore proportionate to the likely effects of its implementation.

The following stage of the BRIA process, as described within the BRIA toolkit, is consultation. A screening report was produced in order to facilitate consultation with both the general public and a target of 6-12 specific businesses, with whom one to one discussions were held. The assessment has been updated in response to the consultation on the screening report and the results are presented here. A separate consultation report has recorded how the feedback has been incorporated into the final assessment.

2.2 Assessment

An assessment review has been undertaken of the Strategic Policies outlined in the NTS Delivery Plan. Due to the large number of individual actions (199) and Strategic Policies (37), a reference number has been assigned to each to help with assessment work going forward and to monitor and record responses for internal engagement and external consultation activities.

A NTS Delivery Plan Strategic Policies and Actions Referencing and Scoring Report containing a full list of NTS Delivery Plan actions with reference numbers and assessment scores has been produced alongside this report.

This BRIA assessment presents the review of each of the Strategic Policies within the NTS Delivery Plan 2020-2022 and provides an high level assessment as to whether the action has potential to impact relevant groups, including businesses,

consumers and regulatory bodies. Due to the wide and varying nature of potential impacts associated with a BRIA the Strategic Policies have been assessed qualitatively and have not therefore been ascribed a score.

A form was set up for each policy to record the findings and considerations with regards to the BRIA; all are set out in Section 4.

Assessment guide

The guide questions used to undertake the assessment are shown below.

Potential impacts and risks

Businesses

- Will the action/policy have an impact on the competitiveness of Scottish companies within the UK/Europe/globally?
- What are the relevant businesses, sectors, markets, products or services that might be affected by the action?
- Will the action restrict or increase competition in these markets?
- Will it make it harder for new firms to enter a market?
- Will it impact suppliers (number/range/competitiveness)?
- Could impacts be different for different parts of an industry or different parts of a supply chain?
- Will micro and small businesses be impacted differently? (Consider regulatory burden, compliance flexibility options, distribution of benefits, cost penalties of non-compliance)

Local authorities

- What is the impact on local authorities?

Consumers – includes users of public services

- Will the quality, availability or price of goods or services in a market be affected?
- Does the action affect the essential services market, such as energy or water?
- Does the action involve storage or increased use of consumer data?
- Could there be increased opportunities for third parties to take advantage of government initiatives to target consumers whose circumstances make them more vulnerable?
- Could the action add complexity in a market, which could lead to information asymmetries or make it more difficult for consumers to understand their rights
- Could the action affect routes for consumers to seek advice or raise complaints on consumer issues?

- Will it limit the choices and information available to consumers?

Regulators

- What is the impact on regulators?

Organisations in the third sector

- What is the impact on organisations in the third sector?
- Environment
- Will there be disproportionate impacts on the environment, including disproportionate cost of compliance and monitoring?

General

- Have any new forms been introduced as a result of the action?

Moving to digital / online

- Does the action take account of changing digital technologies and markets?
- Will the action be applicable in a digital/online context?
- Will the action potentially have an adverse impact on traditional or offline businesses?
- If the action can be applied in an offline and online environment, will this in itself have any adverse impacts on incumbent operators?

Costs and Benefits

- What will the costs and benefits of the action be, relative to the status quo were the action not introduced (i.e. will they be additional and monetised)?

3. Review of the NTS Delivery Plan

3.1 Objective

NTS sets out a 20 year vision for Scotland's transport system and details the key themes and policies that will enable it to deliver against the wider social, economic and environmental objectives of the SG. NTS interventions support the delivery of key national objectives including those contained within the National Performance Framework and Scotland's Economic Strategy.

The overall rationale for intervention within NTS is to provide adequate support and regulation to produce the optimum transport outcome. A 'do nothing' approach would not enable the SG to shape the transport system in a manner necessary to address key issues such as climate change, transport poverty or economic competitiveness. The current and emerging challenges described in Chapter 3 of NTS provide a reasoned basis for the policies set out within, stating clearly that:

"If this Strategy is to be a catalyst for change and deliver our Vision, Priorities and Outcomes, it must successfully tackle the challenges"

3.2 Rationale for Intervention

The NTS Delivery Plan 2020-2022 is the delivery mechanism of NTS and therefore the rationale for it is aligned with that of the NTS. Each individual action should flow from each strategic policy and provide the right level of support or regulation required to meet the policy objective.

In order to ensure that actions contained under each strategic policy are proportionate to meeting the need and do not impose undue levels of regulation or unfair levels of support, a BRIA assessment is required.

Section 4 of this report provides an initial assessment of these actions against the criteria contained within the [BRIA toolkit](#).

4. Assessment of impacts

4.1 Reduces Inequalities – Strategic Policies

RI-1: Ensure active, public and sustainable travel access to employment, education and training locations.

Potential impacts and risks

Businesses

This policy could impact on public transport operators and active travel infrastructure companies. Some businesses, sectors, markets, products or services may be affected by the infrastructure provision for active travel if, for example, it removes space for other travel modes (adverse effect) or improves access for a wider range of employees and consumers (positive effect). Micro and small businesses may be more vulnerable to any potential adverse effects.

Local Authorities

Likely to benefit from funding to facilitate active travel choices, concessionary travel and potential economic growth through increased access to education, employment and training.

In order to manage the potential for different modes of transport to compete for road space, Local Authorities must be supported to produce, fund and implement Local Transport Strategies which enable a coordinated approach to planning public and active travel infrastructure investment.

The Delivery Plan signposts the work of the Transport Governance and Collaboration Review Group in continuing the work of the NTS Roles and Responsibilities review in directing transport governance and delivery across the country.

However, the Delivery Plan itself does not propose any new structures through which funding can be delivered. The absence of clear governance and funding structures could potentially negatively impact on businesses, consumers and local authorities unless a clear and coordinated approach is communicated.

Consumers – includes users of public services

Potential benefit to consumers is an increased range of travel options. Potential issues associated with access to cycle hire schemes and concessionary travel (potential for data storage of those eligible for concessionary fares). (**RI-1A**).

Furthermore, the Young People and Employment Partnership (Action **RI-1F**) will be in accordance with the Scottish Government's Just Transition National Outcomes and will address existing economic and social inequalities while ensuring that the costs are distributed fairly.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

Where organisations in the third sector are required to implement actions within this policy, on behalf of the Scottish Government, they must adhere to public sector standards on equality and be able to demonstrate how funding delivered contributes to Scotland's National Performance Framework. Delivery of significant portions of Scottish Government funding through third sector organisations could potentially become over burdensome and create a bottleneck to delivery.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment. Furthermore, all outcomes developed through the Partnership will be in keeping with the Just Transition principles, ensuring transport supports a fair and just transition to a net-zero economy.

Actions within this policy are likely to lead to improvements in air quality through a reduction in motorised vehicle use. However, precise impacts are uncertain as this will depend on infrastructure installed and the sensitivity of local environments.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this policy.

Moving to digital/online

Potential for online/digital transactions with regards to bus fares and bike hire/loan schemes.

Costs and Benefits

Costs (to the **Scottish Government** and the industry) include construction of ferries and related infrastructure, ticketing, fares and information. Benefits are to the **consumer** in terms of accessibility.

RI-2: Consider additional support required for public transport and keep this under review in light of the uncertainty and other challenges presented by COVID-19.

Potential impacts and risks

Businesses

From a business perspective, recovery from the pandemic is of the highest priority at present, with many high-street and town centre businesses vacating due to lack of business. Public transport is still running on reduced capacity and reduced timetables and it is not clear how this sector will recover and regain patronage, not

only to pre-pandemic levels, but to the level required to replace private car journeys, in-line with the stated ambition of the NTS.

At present, TS recognises the ongoing pressures on the sector and funding is being provided through the Network Support Grant in 22-23. Ongoing support will be dependent on the rate of patronage recovery and on budget availability. This policy will have an impact on public transport operators including ferries, bus, rail and light rail as well as airlines providing island aviation routes.

The policy will enable transport operators in Scotland to continue services at levels that could not be sustained without additional support. In some instances, would expect operators to cease trading if not supported.

Action **RI-2A** is focused on supporting bus services and currently limits competition by setting service levels relative to pre COVID-19 and funding on a no net profit basis. One new operator has also been supported. Impacts on transport operators are likely to vary depending on local markets, scale of COVID-19 impact and operating costs.

Action **RI-2B** considers further support needs for island aviation routes, including the Glasgow - Benbecula route This policy could also have an impact on the oil and gas industry as it could enable companies to continue to get staff to where they need to get to in order to maintain operations.

Local Authorities

If COVID-19 support is withdrawn from the bus sector before the sector is capable of operating once more without it then there will be an immediate impact for local authorities. Services could be withdrawn unless local authorities step in to support those services. Continuing support centrally would reduce the need for local authority interventions to commission additional socially necessary services.

Local Authorities will be able to continue to carry out their function where this requires travel from the islands to the Scottish Mainland due to action **RI-2B**.

Consumers – includes users of public services

Removal of support before patronage is back to, or close to, pre-COVID-19 levels will require operators to consider both service levels and fares. The policy ensures that service provision is much higher than it would be otherwise and measures such as the terms set out under COVID-19 Support Grant Restart (**RI-2A**) prevents bus fare rises and is currently expected to remain in place until the end of March 2022.

Regulators

The actions within this policy do not place any additional responsibilities on regulators.

Organisations in the third sector

Third sector transport organisations offering bus services could be affected in the same way as commercial bus operators.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment. Likely to lead to improvements in air quality through a reduction in motorised vehicle use. However, precise impacts are uncertain as this will depend on infrastructure installed and the sensitivity of local environments.

General

Operators receiving grants are required to submit regular reports on patronage, farebox kilometres operated and other factors.

Moving to digital/online

The Transport Scotland Fareshare system has been used to pay bus operators (**RI-2A**) but besides this there are no other impacts with regards to digital or online delivery.

Costs and Benefits

Costs include those relating to the various grants and subsidies, these would be borne by the **Scottish Government**. Benefits for **consumers** and the economy resulting from continued access to transport services.

The following relates directly to action **RI-2A**:

- Supporting bus service provision during COVID-19 and ensuring the longer term viability of bus networks is key to Transport Scotland's strategy. Bus services make a wide ranging contribution to the National Outcomes, both directly and indirectly:
- **Communities:** Buses provide affordable, reliable and accessible travel for all. Bus is the most widely used form of public transport, accounting for 73% of Scotland's public transport journeys in 2019/20 – a total of 366 million journeys. Buses have allowed people to continue accessing essential services during the COVID-19 pandemic including for vaccinations.
- **Economy:** Bus provides vital links to the labour market and is the most commonly used form of public transport for getting to work, accounting for 10% of commuter journeys in 2019 (rail: 5%). Individuals in lower-income households and more deprived areas rely more on bus services. For example, individuals living in the 20% most deprived areas are more than twice as likely to use the bus every day than those living in the 4th deprivation quintile (13% vs 5%).
- **Education:** Bus services allow individuals to access a wider variety of schools, colleges and universities, opening up opportunities for education. In 2020, over 30% of secondary school pupils travelled to school by bus. Almost one fifth of adults in further/higher education use the bus every day or most days.
- **Environment:** Buses provide a sustainable transport choice compared to private cars and increasing public transport usage is a key component in

measures to cut transport emissions. The Climate Change Plan update sets out ambitions to move away from predominance of car use, embodied in a policy outcome to reduce car kms by 20% by 2030.

- **Fair work:** The National Performance Framework vision for fair work is centred on providing good quality, rewarding work and a culture of research and innovation. The bus sector contributes directly as an employer with around 14,400 people employed by local bus operators in Scotland in 2019/20, including drivers, conductors, engineers and administration staff.
- **Poverty:** Bus services are a necessity for individuals with lower incomes. Amongst employed adults, bus use is more frequent amongst younger people, those on lower incomes and ethnic groups other than White Scottish and White British. 24% of adults earning less than £15,000 per year travelled to work by bus compared to 8% of those earning between £30-40,000 per year. Supporting bus service provision during COVID-19 and ensuring the longer term viability of bus networks is key to Transport Scotland's strategy. Bus services make a wide ranging contribution to the National Outcomes, both directly and indirectly.

RI-3: Ensure transport in Scotland is accessible for all.

Potential impacts and risks

Businesses

This policy is not likely to have any significant impact on businesses including their competitiveness.

ScotRail will be involved in reducing passenger assistance booking times as part of action **RI-3D**.

Local authorities

There is not likely to be any impact as a result of local authorities due to this policy.

Consumers – includes users of public services

This policy may increase the availability of public transport for consumers by making services more accessible and user friendly. This includes the use of the Thistle Card and the turn up and go passenger assistance on ScotRail services.

Regulators

None

Organisations in the third sector

Potential impacts on groups representing disabled people.

Environment

The actions under this policy are not anticipated to have a direct impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this policy.

Moving to digital/online:

Potential for digital delivery of passenger assistance booking system (**RI-3D**)

The Thistle Assistance Card (**RI-3B**) is available in an app format. However, non-digital versions of the card are also available.

Costs and Benefits:

Costs of the actions listed under this strategic policy will be borne by the **Scottish Government** and are mostly related to the integration of the Thistle Assistance card and passenger assistance measures implemented across the ScotRail network. The benefits of these actions to **consumers** (disabled passengers) will be proportionate to their benefits and will facilitate greater use of the transport network by disabled people.

RI-4: Remove barriers to public transport connectivity and accessibility within Scotland.

Potential impacts and risks

Businesses

(**RI-4A**) Depending on the option that the Local Transport Authority (LTA) chooses to implement, competitiveness can be affected in several different ways:

- A Local Authority run service can increase competition by enabling new market entry
- Bus Service Improvement Partnerships – within this model, it should be noted that a different set of competition considerations will apply; for the purposes of this model's delivery, a new set of competition law rules apply which allows operators to coordinate on service standards such as service frequencies
- Local services franchising – this means that an LTA tenders for the running of a service thus changing the model of operation. It may increase competition where new market entry happens (for example, a LTA run service) and decrease in other circumstances (for example, franchising).

(**RI-4A**) There may be a difference in the readiness of bigger, more well-resourced operators and smaller ones. If a local authority pursues a franchise or municipal operation as a means to deliver an element of NTS then the competition between operators substantively changes. Within a franchise it becomes competition for the market rather than competition in the market. There would be initial competition to

secure the franchise and then potentially a period of 4 to 5 years where competition is absent due to the franchise agreement.

Given the nature of public transport operation, failure to secure a franchise could have a strongly negative impact on a small operator. This would have the effect of curtailing competition when the franchise contract ends. **(RI-4A)** provides opportunity for stakeholders, including local authorities and operators, to participate in the decision-making process and voting which should help identify any issues early on and shape implementation.

Businesses could potentially be impacted by the action under the Gender Pay Gap Action Plan to consider how transport infrastructure investment impacts on the gender pay gap in transport appraisal. However, there are currently no known impacts on competitiveness at a UK, EU or international level. **(RI-4C)**.

All employers have an interest in widening the workforce by making employment more accessible to women. By not addressing the challenges women face when using the transport system, parts of the economy/country that are accessible to women within their current means may have a competitive advantage **(RI-4C)**.

(RI-4D&E) Commercial transport providers and station owners with regards to potential infrastructure changes needed for accessibility improvements. Construction industry will be impacted with regards to installation of accessible infrastructure at stations.

Local authorities

Impact on local authorities receiving support on to develop regulations and guidance to support implementation. If local authorities undertake franchising, under Part 3 of the Transport (Scotland) Act 2019, there an impact in terms of skilled resourcing to undertake this task.

Additionally, the costs of operation will fall to the local authority and place an additional financial burden, given the suppressed levels of patronage. Support for and adequate resourcing of local authorities considering franchising should be acknowledged and further steps taken in the next Delivery Plan.

It should also be recognised that regulatory measures such as those outlined under this policy, are only one means by which barriers to public transport connectivity and accessibility may be removed. Fares and service levels are linked to factors such as congestion and the viability of a route (patronage levels, for example) – issues that are not addressed directly by these actions.

Local authorities will therefore need to be supported and enabled to produce a strategic and coordinated approach to planning public transport infrastructure through funding and implementation of Local Transport Strategies or other planning mechanisms. Note that this may be addressed in part by the Transport Governance and Collaboration Review Group.

(RI-4A) Local authorities will need to consider which options/models are most appropriate to implement and which might require associated resources (for example, developing a business case).

Local authorities could also be impacted by the action under the Gender Pay Gap Action Plan to consider how transport infrastructure investment impacts on the gender pay gap in transport appraisal **(RI-4C)**.

Potential impact on change of local authority Blue Badge Code of Practice **(RI-4F)**.

Consumers – includes users of public services

(RI-4A) These tools are designed to improve the availability and quality of local bus services.

Action **RI-4D** will improve access to rail services which may enable wider access to retail or services. Disabled people are likely to be impacted by actions to improve accessibility across different public transport modes and at stations, interchanges and termini as well as Blue Badge Code of Practice.

Action **RI-4C** is currently focusing on building understanding of the challenges around gender and transport, however partnership opportunities will be identified and facilitated for any policy actions that are developed as a result.

Regulators

(RI-4A) The main regulator for these provisions is the Office of the Traffic Commissioner as the Transport (Scotland) Act 2019 provides them with extended powers. Actions could impact on the existing regulatory role of local authorities with regards to local bus services due to increased support with implementing Part 3 of the Transport (Scotland) Act 2019.

Organisations in the third sector

Potential impacts on groups representing disabled people.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment as a result of modal shift from less sustainable modes of transport.

General

(RI-4A) There is potential for forms associated with information provided to LTAs by operators where deregistering a service; these are yet to be developed. In terms of the availability of legal aid, there would be positive impacts for people who had access to affordable bus services to travel to legal offices to access legal aid. However, this would not be a universal benefit for all as in deep rural areas, the nearest office offering legal aid may be located too far away.'

Moving to digital/online:

(RI-4A) This could have a positive impact where this related to ticketing – definitions are not technology restricted. However, cost on implementing and maintaining digital

solutions can be a financial burden for many smaller bus operators and the benefits for their area of operation may not outweigh the costs.

Costs and Benefits:

(RI-4A) Broadly positive environmental effects due to a potential modal shift from private car use to bus due to an improvement in the bus network. Potential consumer benefits through increased accessibility and availability of bus provision. Benefits associated with each of the toolkit's options are discussed further below.

- **Local Authority Run Services:** The ability to run their own services will give Local Transport Authorities (LTAs) a higher level of control over parts of their local network. To run their own services, the LTA must be satisfied that the provision of such services will contribute to the implementation of their relevant general policies which could include tackling congestion, improving connectivity and decreasing air pollution with associated social and environmental benefits.
- **Bus Service Improvement Partnerships (BSIPs):** In addition to the broad positive and environmental effects outlined above, benefits will depend on the implementation of the BSIP model. Partnerships have the opportunity to implement a wide range of service standards, including on the frequency of services, as well as ticketing, which could improve connectivity of the network, providing access to work, education and leisure opportunities, as well as improve the bus user (consumer) experience. It is expected that the BSIP model will contribute to a better coordination of the bus network, including the implementation of facilities and measures on bus priority which can improve journey times and punctuality of services.
- **Franchising:** The updated franchising model in the Act increases the level of control which an LTA has over their local network. It allows them to design franchising arrangements to take account of local issues such as integration across transport modes and alignment with wider socioeconomic objectives as well as giving them a greater say over the services provided to passengers. An appropriately designed franchise should also increase the stability of the network, giving LTAs certainty to invest as, following competition for the market during the tender process, there will be limited change to the network during the lifetime of the franchise. This certainty will also benefit bus operators (businesses) taking on a franchise as operating risks are transferred from the operator to the LTA. At present, regulations require operators to notify the LTA before they submit an application to the Office of the Traffic Commissioner to amend, vary or cancel a service and a voluntary arrangement is in place whereby operators provide service information to the relevant local transport authority. The 2019 Act makes provision to formalise this process in terms of both the timescale for providing the information and the form and content of the information. This will improve consistency and better inform decision-making.

RI-5: Minimise the connectivity and cost disadvantages faced by island communities and those in remote rural and rural areas, including safeguarding of lifeline services.

Potential impacts and risks:

Businesses

(RI-5A) This will not directly impact the detail relating to operational delivery. Therefore, it is not expected this activity would have any direct negative impact on Scottish companies within the UK/Europe/globally. The aim of the review is to ensure effective and efficient delivery of ferry services and achieving that goal should provide a positive impact. However, this issue may be addressed by some of the other actions within the delivery plan.

Scotland's economy faces the challenge of geographical peripherality, and it is therefore vital that its freight transport and logistics links are organised and structured to prevent this geographical peripherality becoming an economic challenge. Improved connectivity to and from islands, via the Islands Connectivity Plan (ICP) will positively impact island businesses and established mainland businesses, enabling better access to island markets **(RI-5D)**.

(RI-5H) This policy will have potential impacts on ferry construction companies, ferry operators and associated businesses including those based at ports. There will also be potential impacts on suppliers' ticketing software (for example, Ar Turas).

Digital education and learning providers will be impacted through the sustained expansion of the eSgoil project in the Western Isles **(RI-5J)**.

Local authorities

(RI-5A) Transport Scotland are reviewing the current structure and governance arrangements around the provision of ferries services. This will not directly impact the detail relating to operational delivery. Therefore, it is not expected that this activity would have any direct negative impact on local authorities. The aim of the review is to ensure effective and efficient delivery of ferry services and achieving that goal should provide a positive impact. However, this issue may be addressed by some of the other actions currently assigned to the wider Scottish Government.

Sustaining the expansion of the eSgoil project in the Western Isles through the National eLearning Offer will have an impact on local education authorities **(RI-5J)**.

Consumers – includes users of public services

(RI-5A) The review of the current structure and governance around ferry services is not anticipated to have any direct negative impact on consumers or users of public services. The aim of the review is to ensure effective and efficient delivery of ferry services and achieving that goal should provide a positive impact.

This policy could affect the way that consumers access ferry services including ticketing and information, including impacts resulting from the final evaluation of Road Equivalent Tariff (RET) fares and fares policy review as part of the Island

Connectivity Plan (**RI-5E**). Changes in transport services to/from islands could impact the cost of goods and services (**RI-5D**).

Regulators

(**RI-5A**) We do not foresee the review of the current structure and governance around ferry services as having any direct impact on regulators. The aim of our review is to ensure effective and efficient delivery of ferry services and achieving that goal should provide a positive impact.

The fulfilment of the actions within this strategic policy may require engagement with the Maritime and Coastguard Agency. It is not anticipated that this will place disproportionate burdens on the regulator.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

There will be potential impacts on the environment particularly through the long-term vessel and port investment plan (**RI-5C**) and further actions to decarbonise ferries.

However, it is anticipated that the production of a long-term plan and investment programme for new ferries and development at ports will help to reduce emissions in the future.

General

It is not anticipated that any of the actions under this policy will require an excess of additional forms or unnecessary bureaucracy.

Moving to digital/online:

This policy includes an action to sustain the recent expansion to the eSgoil project in the Western Isles through the National eLearning Offer. eSgoil enables teachers to broadcast lessons using Glow and other online services, provision was expanded during the COVID-19 pandemic and it is intended that this expansion is continued (**RI-5J**).

Funded by Transport Scotland, CalMac Ferries Ltd is running the Ar Turas (Our Journey) programme to deliver a modern ferry booking, ticketing and travel experience (**RI-5H**).

Costs and Benefits:

Costs (to the **Scottish Government** and the industry) include construction of ferries and related infrastructure, ticketing, fares and information. Benefits are to the **consumer** in terms of access to lifeline services.

RI-6: Ensure that equality and a human rights approach is at the heart of all policy-making processes.

Potential impacts and risks:

Businesses

This policy will have no impacts on businesses.

Local authorities

Potential to impact on the way that local authorities use the Public Sector Equality Duty (PSED) to contribute to policy making.

Consumers – includes users of public services

This policy will have no direct impacts on consumers.

Regulators

The policy could indirectly affect the work of the Equality and Human Rights Commission.

Organisations in the third sector

Potential impacts on third sector organisations representing groups with protected characteristics or human rights.

Environment

The actions under this policy are not anticipated to have a direct impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

It is not anticipated that the actions within this strategic policy will impact any moves towards digital/online.

Costs and Benefits:

The direct costs and benefits for this policy are likely to be minimal.

RI-7: Enhance the impact and accessibility of the Scottish Transport Statistics, and Transport Scotland's Social and Economic Research publication.

Potential impacts and risks:

Businesses

Potential to impact on market research/social research companies and other businesses commissioned to undertake research for Transport Scotland and the Scottish Government.

Local authorities

Potentially will require the use of local authority data.

Consumers – includes users of public services

This policy potentially requires the increased use of consumer data for transport related statistics.

Regulators

Potential data protection regulation impacts if data is collected and stored at the individual level (TBC).

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

The actions under this policy are not anticipated to have a direct impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

This policy is mainly applicable in an online and digital context and involves the refresh and design of the Scottish Transport Statistics website and social media to make key publications more accessible. This includes research into the needs of users.

Costs and Benefits:

Scottish Transport Statistics provide a strong evidence base on which to plan and manage future transport needs. The costs of this action will be borne by the Scottish Government and are unlikely to be disproportionate to the benefits of maintaining a strong evidence based for current and future transport interventions.

RI-8: Improve sustainable access to healthcare facilities for staff, patients and visitors.

Potential impacts and risks:

Businesses

This policy is likely to impact private patient transport operators and suppliers of technology enabled care systems.

There will also be impacts on smaller businesses, such as community transport companies, who are unable to afford the required technology to move towards digital/online.

Local authorities

This policy is likely to impact on public healthcare providers, NHS health boards and Regional Transport Partnerships with regards to developing a joined approach to planning patient transport.

Consumers – includes users of public services

Disabled people are more reliant on taxis and private hire cars to access healthcare and as a result are subject to spending more on transport. People who live in the islands or in other remote areas are also likely to spend more when accessing healthcare in central town or city locations. Appointments before 9am prevent people the privilege of using their concessionary card.

Potential impacts for patients in receipt of qualifying benefits for the Scotland-Wide Patient Travelling Expenses Scheme.

Availability of healthcare services will be increased as a result of technology enabled care systems and improved patient transport services. New procedures put in place during the pandemic will be locked in as permanent changes going forward.

Moving to digital/online when accessing healthcare services could prohibit people on low incomes and the elderly.

Regulators

Audit Scotland has an oversight role in regard to public spending within a number of public sector bodies involved in the delivery of actions under this strategic policy. It is not anticipated that the actions within the NTS Delivery Plan will significantly impact on the role of Audit Scotland.

Organisations in the third sector

Third sector and voluntary health care providers including community transport operators and patient transport operators could be impacted by this policy with regards to developing a joint approach to patient transport planning.

The Mobility and Access Committee for Scotland (MACS) will require to be consulted with in regards to matters about the needs of disabled persons in connection with patient transport.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

This policy includes actions to support the use of technology enabled care systems such as the Near Me video consulting services and healthy pathways programmes to deliver digital healthcare appointments online.

Costs and Benefits:

Costs of technology enabled care systems to businesses. Health and wellbeing benefits for patients (consumers), particularly in remote areas and on islands.

4.2 Takes Climate Action – Strategic Policies

CA-1: Reduce emissions generated by the transport system to mitigate climate change and improve air quality.

Potential impacts and risks:

Businesses

Actions under this strategic policy affect the transport sector as a whole but does not place specific restrictions or incentives on any specific markets within the sector. It is not anticipated that these actions will place any barriers to market entry or to overall competitiveness of any firm. Increasing number of people that can deliver roadworks will also lend itself to delivering wider benefits.

(CA-1B) The national speed limit review will positively impact all businesses using the roads to deliver goods and services (hauliers, sales people using their vehicles on company business, gig economy drivers and riders) by creating safer road travel through better speed management which is the main objective of the action.

Local authorities

(CA-1A) Local authorities will be required to update their plans and policies in-line with the other actions aimed at mitigating climate change and improving air quality. However, the actions do not set out requirements beyond what local authorities may reasonably expect or have already anticipated during the course of developing their existing climate change policies.

(CA-1B) Local authorities will need to implement the recommendations of the review, should local road speed limits be affected or a framework for good speed management at local level be produced.

(CA-1C) Local authorities will be required to comply with the Safety of Street Works and Road Works ('Red Book'). However, this code of practice has, to date, been recommended for use by local authorities in Scotland and so its enforcement should not require unreasonable adjustments in order to accommodate.

Consumers - includes users of public services

It is not anticipated that this broad group of actions will have any direct impact on consumers.

Regulators

Consideration needs to be applied to the role and function of the various regulators and the potential mechanisms for enforcement to ensure that they support delivery of the policy

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

Improving efficiency and delivery of road schemes will provide indirect benefits for environmental receptors such as Air Quality and Noise as a result of minimising/reducing frequency of activities.

General

Though the action brings into force compliance with the Safety of Street Works and Road Works ('Red Book'), it is anticipated that this will not require additional administrative burdens.

Moving to digital/online:

It is not anticipated that the actions within this strategic policy will impact any moves towards digital/online.

Costs and Benefits:

Overall costs of implementing the actions within this strategic policy will be minor, while there will be positive impacts for the environment and the transport sector as a whole. There will be cost to implementing the recommendation of action **CA-1B** but these will be borne by the Scottish Government and will be proportionate to the benefits.

CA-2: Support management of demand to encourage more sustainable transport choices.

Potential impacts and risks:

Businesses

The pandemic has accelerated certain emerging trends such as online shopping and working from home, fundamentally shifting consumer behaviour away from town and city centres. Actions under Strategic policy **CA-2** may further embed this position by promoting shorter journeys and online shopping/working in place of physical shops and workplaces. The 20-minute neighbourhood concept is likely to favour those in urban areas with access to shops and services but be less relevant for those operating in rural communities.

There is limited direct impact arising from workplace parking levy actions, as they are implemented by local authorities. However, there could be cost implications for businesses associated with the way in which local authorities implement any workplace parking levy.

Local authorities

Though action **CA-2C** seeks to bring forward supporting regulations in respect to workplace parking levies, their implementation remains voluntary and so the action does not place any additional burden on local authorities.

The development of a place-based approach to planning and 20 minute neighbourhoods will require support from local planning policy. However, the actions do not set out requirements beyond what local authorities may reasonably expect or have already anticipated during the course of developing their existing development planning policies.

Consumers - includes users of public services

The loss of business from high-street town and city centres and the move to online and local shopping as a result of the pandemic and longer-term trends in shopping behaviour, could reduce the amount of consumer choice available on traditional high streets.

This policy could further embed this position and further decentralise the retail sector away from traditional town centres. The NTS Delivery Plan should therefore recognise this risk and apply appropriate measures to ensure that the reduction in demand does not result in a consequential reduction in town centre retail choice.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy positively support the move to digital/online by committing to provide access to superfast broadband and by supporting creation of local work hubs.

Costs and Benefits:

Over the long-term, the costs of re-orientating our planning approach towards centres and away from forms of development that require car transport, could be significant to all sectors (consumers and businesses). Costs will be borne by local and national government and, to some extent, by consumers and businesses. However, the benefits of such a change, if successful, could be proportionately greater if sustained over a long-term period.

CA-3: Facilitate a shift to more sustainable and space-efficient modes of transport for people and goods.

Potential impacts and risks:

Businesses

The actions within this strategic policy are aimed at improving bus journey times and reliability in urban areas by increasing the implementation of bus priority measures. As such, they may positively impact on bus operators, where bus priority infrastructure is implemented. It is not anticipated that this will impose any restrictions on market entry.

Smaller public transport operators commonly provide vital rural services. These services will generally not reach similar levels of patronage to urban services and the business case for operation is marginal. As such, many of these services may be supported by the local authority. Driving a growth in bus use will have a positive impact, as it will for all bus services.

However, doing so in a rural setting has proven to be more difficult given lower initial demand, and typical journey lengths and times, among other factors. The impact of COVID-19 will make rural bus operation even more challenging. Support for operators in rural and remote areas will therefore need to be approached in a different way.

Local authorities

The bus priority actions listed will enable local authorities to work in partnership with bus operators to implement bus priority measures. However, the actions do not place any compulsory requirements on local authorities.

Consumers - includes users of public services

Overall, it is anticipated that the actions within this strategic policy will have a positive impact on consumers, improving journey times and reliability of bus services. It is not anticipated to have any direct impact on price, although if demand increases as a result of bus priority implementation, there is the potential for an increase in price over the longer term.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging greater uptake of travel by sustainable modes.

General

In terms of the availability of legal aid, there would be positive impacts for people who had access to affordable bus services to travel to legal offices to access legal aid. However, this would not be a universal benefit for all as in deep rural areas, the nearest office offering legal aid may be located too far away.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

More evidence is needed to quantify the costs and benefits of bus priority measures delivered via the Bus Partnership Fund. However, it is anticipated that overall, there will be a positive ratio of benefits to costs.

CA-4: Work with the Bus Decarbonisation Taskforce to co-design a pathway to a fully decarbonised bus fleet, and put in place solutions to any remaining hurdles.

Potential impacts and risks:

Businesses

This policy is aimed at engaging with the bus sector to accelerate decarbonisation of the fleet, through financial and other support mechanisms. Overall, the impact on business in the sector should be positive. However, it is important that all the mechanisms of financial support and subsidy used are transparent and accessible to all players in the market in order to ensure fair competition. Grant funding may be good for market entrants but may negatively impact an incumbent, who may have invested heavily to achieve their position in the market.

(CA-4A) A potential negative impact would be to hold micro and small operators to the same timescales and demands for accelerated investments as will likely be placed on larger urban operators. There are a number of specific challenges for such operators in terms of location, vehicle range, charging infrastructure and affordability that have to be addressed before these operators are able to consider investment in zero emission vehicles.

Forcing compliance could lead to businesses either striving to afford new vehicles by increasing fares and reducing services or potentially lead to business closures. Consideration of the differing needs of small and large operators and rural and urban locations should be a key part of formulating any finance models for investment in zero carbon fleets.

(CA-4B) Move to zero-emission requires usage of batteries that have a seven-year lifecycle and require replacement. This has a high associated cost which is an identified challenge for operators to meet. There is potential impact on fares to

accommodate increased overheads which requires consideration at an individual level (as capping fares may generate additional issues associated with competition).

(CA-4D) Decarbonising half the bus fleet by 2023 means that approximately 2,000 buses have to be replaced within the next two years. Given the impact of COVID-19 on businesses, the likelihood of the sector being able to accelerate fleet investment and fit charging infrastructure to meet this goal is minimal without more substantial support schemes than are proposed within the delivery plan.

Additionally, smaller sized companies may be put off bidding as funding opportunity does require an element of match funding and may overall disadvantage companies with smaller fleets of vehicles.

Local authorities

The actions within this strategic policy do not directly involve local authorities, although their cooperation and support will be required in order to facilitate the installation of charging infrastructure.

Consumers - includes users of public services

Although not directly focused on consumers, the proposed actions may help to reduce or stabilise the costs of transitioning to a zero carbon bus fleet, thereby providing more cost certainty and avoiding any sudden price increases or impacts on service.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging more rapid adoption of zero carbon buses.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

The actions should help to balance the costs of moving to zero carbon against the benefits to the industry (businesses) in terms of a cleaner and more reliable bus fleet. In absence of these actions, the market may not provide an optimum solution for the consumer.

CA-5: Decarbonise Scotland's passenger rail services by 2035, ahead of the UK's target of 2040.

Potential impacts and risks:

Businesses

The actions within this strategic policy are focused on the upgrade of Scotland's rail infrastructure, rather than on any train operators, and so the impact on businesses will be indirect. However, the ongoing investment supported by these actions may be expected to have a positive impact on businesses within the rail construction industry and those in the supply chain.

(CA-5B) Decarbonisation will generate significant benefits for Scottish business as a result of work being commissioned. Works will strengthen many small and medium sized business with Scotland. Programme will in turn increase skills attainment, strengthening manufacturing and construction sector and deliver wider economic benefits.

Local authorities

The actions within this strategic policy do not directly involve local authorities, although their cooperation and support will be required.

Consumers - includes users of public services

Although not directly focused on consumers, the proposed actions may help to reduce or stabilise the costs of transitioning to a zero carbon rail transport system, thereby providing more cost certainty and avoiding any sudden price increases or impacts on service.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging continual transition of the rail system to sustainable energy.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

Evidence suggests that electrification of the network is an efficient way of decarbonising rail services and contributing to the achievement of net zero (Rail Industry Decarbonisation Taskforce, 2019). Cost will be borne by the Scottish Government.

CA-6: Promote efficient and sustainable freight transport, particularly the shift from road to rail.

Potential impacts and risks:

Businesses

Actions focused on shifting freight from road to rail could adversely impact the road transport industry. Road transport is a lightly regulated, highly competitive industry, with few barriers to entry, while rail freight is a highly regulated industry with potentially significant entry barriers.

Rail freight is the only part of the rail sector is ran privately and not directly supported by UK Government. Major works programme will likely require closure of certain links/nodes of the railway network which could cause significant disruption. Further consideration should be applied to where closure generates notable diversion routes (for example, more rural areas with limited viable alternatives).

Rail freight has the potential for strong growth but is constrained by network capacity. The success of this policy will depend on continued investment in the Strategic Freight Network. It is likely network capacity will be examined as part of the Strategic Transport Projects Review.

The move to online retail has increased deliveries and these delivery miles are replacing the individual journeys to the high-street. In cases where returns are made this results in even more mileage for consumer goods.

The Delivery Plan does not address last mile and small-scale logistics in any detail. It is recommended that for the next iteration of the plan, the concept of 'reverse logistics' should be explored along with the altered role of city centre retail spaces as showrooms, offering a consumer experience and encouraging use of town and city centres while also offering deliveries which can be consolidated into fewer trips overall. The shift from road to rail is a positive aspiration but will not solve such issues.

Local authorities

The actions within this strategic policy do not directly involve local authorities, although their cooperation and support will be required.

Consumers - includes users of public services

Although not directly focused on consumers, the proposed actions may help to improve the reliability of freight transport, thereby helping to maintain stable prices on goods.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging more efficient transportation of freight.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

More evidence is needed to quantify the costs and benefits of the actions within this strategic policy.

CA-7: Decarbonise scheduled flights within Scotland by 2040.

Potential impacts and risks:

Businesses

Positive - Encouraging innovation in the aerospace industry based around the Highlands and Islands Airports Ltd (HIAL) region will help to encourage business start-up and development in a new sector.

(CA-7A) Press coverage for the trials in Scotland could help to raise the profile of the companies testing their aircraft, helping them to attract investment. Testing at the Sustainable Aviation Environment at Kirkwall airport could also help developers sell their aircraft by ensuring that they meet the required specifications of operators. As we are still at the early stages of delivering this action it is hard to quantify the impact, as this will depend on which, if any, of the trials result in subsequent economic activity in Scotland.

(CA-7A) Could impact on aircraft maintenance, repair and overhaul as requirements for these new types of aircraft are different and will also impact airport maintenance, repair and overhaul.

(CA-7A) Achieving this action will create a market for low/zero emission aircraft and decarbonising airport operations and infrastructure could create work for local/Scottish businesses (depending on the decarbonisation action and the suppliers used).

(CA-7C) Engagement with international organisations (International Civil Aviation Organisation and International Maritime Organisation) over technical emissions standards will help ensure that Scottish firms compete on a level playing field. The UK Emission trading scheme already includes flights within Scotland (which action **CA-7**) relates to. The recent analysis of the impact of this scheme shows no evidence of market distortion (all airlines are treated equally).

Local authorities

The actions within this strategic policy do not directly involve local authorities, although their cooperation and support will be required.

Consumers - includes users of public services

Although not directly focused on consumers, the proposed actions will eventually help to improve consumer choice within the aerospace sector.

Regulators

New safety regulations will need to be developed in order for electric, hydrogen and hybrid aircraft to be used for passenger flights. It is not anticipated that this will place disproportionate burdens on the regulator.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

(CA-7A) Will have a positive impact on the environment through reducing the environmental impact of flights and airport operations within Scotland.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

(CA-7A) At this stage hard to accurately forecast costs as low emission passenger aircraft in the 19 seat range are still in the development stage (this action has a completion date of 2040). Costs borne by the Scottish Government and, in the long term, businesses. Benefits to consumers and wider society include a reduction in emissions from intra-Scotland flights, with emission reduction expected to be around 70-100% for inflight emissions.

CA-8: Work towards the decarbonisation of ferry services.

Potential impacts and risks:

Businesses

The actions within this strategic policy are not anticipated to impact on ferry construction and operating companies as well as associated businesses at ports.

Local authorities

The actions within this strategic policy do not directly involve local authorities, although their cooperation and support will be required.

Consumers - includes users of public services

The actions within this strategic policy are not anticipated to have any direct impacts on consumers.

Regulators

The fulfilment of the actions within this strategic policy may require engagement with the UK Maritime and Coastguard Agency in order to ensure safety regulations are strictly adhered to. It is not anticipated that this will place disproportionate burdens on the regulator.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

More evidence is needed to quantify the costs and benefits of the actions within this strategic policy.

CA-9: Support households and businesses to make the switch to zero emission vehicles.

Potential impacts and risks:

Businesses

The actions within this strategic policy include incentivising the uptake of electric vehicles through financial loan support. It is important that all the mechanisms of financial support are transparent and accessible to all players in the market in order to ensure fair competition.

Local authorities

Local authorities are key partners in delivering the Switched on Towns and Cities programme. This is a capital fund and will require local authority resource to deliver. Local authority resource requirements are not detailed within the action and this could be a limiting factor in the success of the programme.

Local authorities will also be required to take cognisance of any changes to planning requirements brought forward in regard to installation of charging points in new buildings and renovations.

Consumers - includes users of public services

Consumers should directly benefit from the ability to access loans for electric vehicles.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging more rapid adoption of zero carbon vehicles.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy. However, there will be some additional administrative burden placed on those accessing low carbon vehicle funding.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

The actions should help to balance the costs of moving to zero carbon (to the Scottish Government) against the benefits of accelerating the uptake of electric vehicles (to the consumer and wider society). In absence of these actions, the market may not provide an optimum solution for the consumer.

CA-10: Support strategically coordinated investment in the charging network that enable wider energy and transport system benefits and efficiencies.

Potential impacts and risks:

Businesses

The actions within this strategic policy are aimed at financing and delivering charging infrastructure. As such, they will enable charge point providers to access finance. It is important that all the mechanisms of financial support are transparent and accessible to all players in the market in order to ensure fair competition.

Targeted interventions will be required to kick-start more investment and unlock competition, particularly in remote areas, where the commercial case for investment is weak and on-street charging where roll-out is slow and local monopolies could arise if the market is left unchecked. It is therefore recommended that more detail around the targeted distribution of charging infrastructure be included in the next iteration of the delivery plan.

Development and deployment of appropriate technologies for zero emissions heavy duty vehicles (HDVs) and associated infrastructure over the next decade, followed by rapid replacement of the HDV fleet poses a significant challenge. At present, several potential alternative fuelling pathways exist which are centred around a mix of battery electric vehicles and Fuel Cell Electric Vehicles, requiring hydrogen.

The current Delivery Plan does not address this directly but **(CA-10E)** does address the need to accommodate hydrogen infrastructure and **(CA-10F)** will set out a framework for delivering the required infrastructure. The need to accommodate freight must be a central consideration of this framework.

Local authorities

Local authorities are key partners in expanding the Charge Place Scotland Network and Switched on Towns and Cities programme. This will require local authority resource to deliver though these are not detailed within the action and this could be a limiting factor in the success of the programme. Without additional resources, it remains uncertain whether Local Authorities and their Regional partners will have the ability to adequately resource the delivery of NTS.

Consumers - includes users of public services

Consumers should directly benefit from the ability to access a greater number of charge points across the country.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging more rapid adoption of zero carbon vehicles.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

The actions should help to balance the costs of moving to zero carbon (to the Scottish Government) against the benefits of accelerating the uptake of electric vehicles (to the consumer and wider society). In absence of these actions, the market may not provide an optimum solution for the consumer.

CA-11: Ensure the transport system adapts to the projected climate change impacts.

Potential impacts and risks:

Businesses

The actions within this strategic policy are not directly focused on businesses.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required in order to deliver climate change adaptations.

Consumers - includes users of public services

The actions within this strategic policy are not directly focused on consumers.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging climate change adaptation.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy are not anticipated to directly impact the move to digital/online.

Costs and Benefits:

The actions should help to balance the costs of climate change adaptation (to the Scottish Government, business, consumers and wider society) against the risk of adverse and detrimental climate impacts (to the Scottish Government, business, consumers and wider society).

CA-12: Improve the quality and availability of information to enable all to make more sustainable transport choices.

Potential impacts and risks:

Businesses

The action **CA-12C** will directly benefit bus operators accessing the Smart Pay Grant Fund and overall, this impact should be positive. However, it is important that all the mechanisms of financial support and subsidy used are transparent and accessible to all players in the market in order to ensure fair competition.

Action **CA-12D** will not deliver any benefit to businesses or sectors as a standalone activity, however, may remove a barrier to Mobile Network Operators where they will have less cost to provide enhanced digital connectivity which could result in benefits to all sectors.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required.

Subject to the appetite of Mobile Network Operators there may be significant benefits to be derived by local authorities and their residents through enhanced digital connectivity (**CA-12D**).

Consumers - includes users of public services

Greater availability of information, access to smart ticketing and mobility as a service will all positively impact on consumers, improving choice and service.

Subject to appetite from mobile network operators the quality of digital connectivity could be significantly enhanced. In terms of public service users, the connectivity on public transport (including trains, buses and ferries) is likely to increase significantly (**CA-12D**).

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging greater use of public transport and making journeys more efficient.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will support a move to digital by making information in digital form more widely available. However, many people still depend on printed timetables leaflets and printed roadside information boards. If over-applied, this policy could lead to a negative impact on those who do not have access to digital sources of information.

Action **CA-12D** to deliver enabling infrastructure is very much geared towards taking advantage of changing digital technologies and markets. It will also future proof the railway as and when more systems and processes are operated in a digital manner.

Costs and Benefits:

The actions could have a highly positive impact on sustainable mobility (consumers and businesses), though the full costs of this are not adequately quantified at this point.

4.3 Helps Deliver Inclusive Economic Growth – Strategic Policies

EG-1: Review train services to better align capacity with demand following the disruption caused by the COVID-19 outbreak.

Potential impacts and risks:

Businesses

The policy will directly impact businesses within the rail industry, or which provide services to the rail industry. The actions are focused on managing the recovery in demand for rail services following the pandemic and transitioning away from financial support and back to revenue generation. Businesses within the sector should, therefore, benefit from the actions.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required.

Consumers - includes users of public services

Changes to provision of services in line with reduced demand could potentially impact on consumers. However, the action explicitly states that changes to services will only be made where there is little or no impact on consumers.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by encouraging a return to public transport following the pandemic.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

More evidence is needed to quantify the costs and benefits of the actions within this strategic policy, though the overall impact should be positive

EG-2: Undertake measures to improve the resilience of the rail network.

Potential impacts and risks:

Businesses

Strategic enhancements and renewals to the rail network will indirectly have a positive impact on business by providing a safe and reliable rail system. The investment outlined within these actions will provide positive opportunities for the rail sector and those within the supply chain.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required.

Consumers - includes users of public services

Continual improvement of the rail network represents a positive outcome for consumers, providing a modern, safe and efficient rail system.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by enhancing the rail network and providing a viable transport alternative to less sustainable modes.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

Overall, investment in rail should return positive benefits in terms of journey times and reliability (for consumers and businesses) and also in terms of the environment. In addition, all rail enhancements will be expected to undergo the GRIP process (Governance for Railway Investment Projects), ensuring their benefits are fully quantified against costs (to the Scottish Government).

EG-3: Undertake measures to improve the resilience of the road network.

Potential impacts and risks:

Businesses

Planned maintenance and upgrading of the strategic road network will help provide more reliable journey times for businesses utilising the transport network. All major project development considers local business in its impact assessment of options and chosen Schemes. This includes specific local businesses.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required. Measures that improve the resilience on the major road network will benefit local roads, which impacts local authority.

Consumers - includes users of public services

Though not impacting consumers directly, maintenance and upgrading of the strategic road network will help ensure a reliable supply of goods across the country.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

Each individual road upgrade or maintenance scheme will be required to demonstrate its environmental impact and that this has been adequately mitigated. The strategic environmental assessment of the NTS quantifies the environmental impacts of these actions. However, overall road construction and maintenance can have a negative environmental impact, when weighed against other transport or development options.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

Overall, investment in the strategic road network should return positive benefits in terms of journey times and reliability (for consumers and businesses). In addition, all road enhancements will be expected to undergo assessments as set out in Scottish Transport Appraisal Guidance (STAG) and the Design Manual for Road and Bridges (DMRB) to ensure costs and benefits are fully quantified (to the Scottish Government).

EG-4: Hold Abellio ScotRail and Caledonian Sleeper franchise holders as well as Network Rail to account in meeting our challenging, but achievable performance targets.

Potential impacts and risks:

Businesses

This action will directly affect those businesses within the Caledonian sleeper and Abellio ScotRail franchises, requiring them to work under stricter conditions in order to manage the response of rail services through the COVID-19 pandemic.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required.

Consumers - includes users of public services

Government intervention during this time has been essential in maintaining rail services. It is therefore positive for consumers.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators, though the performance of the operators will be more closely managed by Scottish ministers.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions within this strategic policy will have an overall positive impact on the environment by ensuring the long-term viability of the rail service.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

Overall, protecting rail services from the financial difficulties brought about by the COVID-19 pandemic should return positive long-term benefits to both consumers and business).

EG-5: Assist Scottish Canals to ensure resilience in their transition from a public corporation to a non-departmental public body.

Potential impacts and risks:

Businesses

It is not anticipated that any businesses will be directly impacted by this action.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required.

Consumers - includes users of public services

It is not anticipated that consumers will be directly impacted by the actions within this strategic policy.

Regulators

The actions within this strategic policy do not place any additional responsibilities on regulators.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

The actions within this strategic policy are not anticipated to have a direct impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

The benefits of the transition in legal status for Scottish Canals are broadly balanced against any potential costs.

EG-6: Increase the use of asset management across the transport system.

Potential impacts and risks:

Businesses

The actions within this strategic policy are anticipated to support business overall by providing transport infrastructure that is reliable and well maintained. This can support the competitiveness of businesses by enabling roads to be kept open, safe and resilient, also ensuring deliveries to supermarkets and other businesses can continue.

Local authorities

The actions within this strategic policy are focused on the strategic road network, local road networks and ferry links and so will cooperation and support.

Consumers - includes users of public services

Consumers are not directly impacted by the actions within this strategic policy, though consumers will indirectly benefit from improved reliability on the transport network. The availability of goods for consumers could be affected if the action was not taken, for example if deliveries to businesses were disrupted.

Regulators

It is not anticipated that the actions within this strategic policy will place any further requirements on regulators.

Organisations in the third sector

It is not anticipated that this group of actions will have any direct impact on organisations in the third sector.

Environment

Because the actions are focused mainly on utilising opportunities provided by existing infrastructure, the impact of these actions is anticipated to be largely neutral with respect to the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy. The environmental impact of

schemes is taken into account and mitigation provided, if required. Costs to mitigate will be the same as for other similar schemes.

Moving to digital/online:

The actions within this strategic policy will support the move to digital/online, through the use of digital tools for communications and consultation as well as traditional methods.

Costs and Benefits:

The overall costs of the actions within this strategic policy (to the Scottish Government) are proportionate to the benefits (to the Scottish Government, consumers, businesses and wider society) of making the best use of existing assets. If the action was not taken, then roads could be closed. The monetary value of this has not been calculated but would be expected to be very large and significant compared to cost of works.

EG-7: Provide a transport system which enables businesses to be competitive domestically, within the UK and internationally.

Potential impacts and risks:

Businesses

The actions within this strategic policy are anticipated to maximise the opportunities for businesses to utilise the existing transport network.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required.

Consumers - includes users of public services

Consumer choice will be supported by the ability of the transport sector to support business.

Regulators

It is not anticipated that the actions within this strategic policy will place any further requirements on regulators.

Organisations in the third sector

It is not anticipated that this group of actions will have any direct impact on organisations in the third sector.

Environment

Because the actions are focused mainly on utilising opportunities provided by existing infrastructure, the impact of the actions within this strategic policy is anticipated to be largely neutral with respect to the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

The overall costs (to the Scottish Government) of the actions within this strategic policy are proportionate to the benefits (to the Scottish Government, consumers, businesses and wider society) of making the best use of the existing transport system.

EG-8: Identify opportunities to ensure gateways to and from international markets are resilient and integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland to help our economic recovery.

Potential impacts and risks:

Businesses

The actions within this strategic policy will benefit the competitiveness of Scottish companies within the UK, Europe and the world through increased connections to international markets. In 2019 Scotland was better connected with the rest of the world than previous years. Scotland's businesses, exporters, tourism sector and the economy as a whole benefitted from direct connectivity with key markets in Europe, North America and the Middle East. Hub connectivity is important to reach those destinations that are not served directly.

Most international freight arrives or leaves the UK by sea and the Scottish share of UK port traffic was just over 14% at 71.4 million tonnes (in 2014). The three major ports (Clydeport, Forth Ports and Aberdeen) carry the bulk of all Scottish throughput.

A large proportion of the goods leaving Scotland for non-UK destinations are moved by ships and planes which leave from elsewhere in the UK - the most significant airport for the Scottish supply chain is Heathrow, and the most significant ports are the English southern ports (Felixstowe, London Gateway, Southampton and Dover). The NTS Delivery Plan recognises the importance of restoring and maintaining these connections. The impact of this policy will therefore be positive for Scottish businesses.

With Scotland too far north to be a main port of call, it is therefore reliant on quality road and rail links to these hubs. The relevant businesses affected will be Scotland's airports, airlines, and ancillary aviation services providers. Sectors affected will be the tourism sector, and business which rely on this, as well as businesses which

utilise international connectivity for undertaking their work, and educational institutions.

The actions listed under this strategic policy will increase competitiveness in these markets, with businesses able to import and export to more international markets, or catering for more people travelling to and from Scotland for tourism purposes.

However, the aim of the action is not to introduce direct competition. Restoring and developing Scotland's connectivity will, however, give passengers greater choice. The action would help encourage airlines to restore previous routes and secure new routes that are essential for inbound tourism, business connectivity and the economy as a whole.

The actions within this strategic policy are not anticipated to make it harder for new firms to enter a market but would make it easier for firms to enter international markets through the improved international connections.

The actions within this strategic policy would benefit suppliers importing (or exporting) goods from abroad, with a greater connection to other markets potentially leading to more suppliers from international markets. Scotland's airports and the wider supply chain would also benefit through the increased number of passengers flying to and from Scotland.

The impact on businesses would depend on their reliance on international markets. Some businesses may operate wholly at a UK level, and therefore may not experience as many benefits from the action.

Micro and small businesses may be impacted differently if they are not reliant on international markets, and therefore may not experience the same level of benefits as larger companies that do.

Local authorities

Local authorities would not be directly impacted by the actions within this strategic policy, but their support and cooperation would be required.

Consumers - includes users of public services

Consumer choice will be supported by the ability of the transport sector to facilitate the import and export of goods from across the globe. This could improve the quality and availability of goods and services, and possibly have an impact on price too.

The actions detailed under this strategic policy is not anticipated to affect an essential services market, such as energy or water, nor involve storage or increased use of consumer data. Though improved connectivity would make it easier for workers in those sectors to be able to travel to Scotland (such as those in the oil and gas sectors).

There are not anticipated to be any increased opportunities for third parties to take advantage of government initiatives to target consumers whose circumstances make them more vulnerable.

The actions within this strategic policy are not anticipated to add complexity in a market, so would not lead to information asymmetries or make it more difficult for consumers to understand their rights.

The actions within this strategic policy are unlikely to affect routes for consumers to seek advice or raise complaints on consumer issues.

The actions within this strategic policy are unlikely to limit the choices and information available to consumers, and if anything could increase availability of goods and services to consumers.

Regulators

The actions within this strategic policy are not anticipated to place any further requirements on regulators.

Organisations in the third sector

The actions within this strategic policy are not anticipated to place any further requirements on organisation in the third sector. Good international connectivity benefits the country's educational institutions by making Scotland a more attractive place to live and study.

Environment

As the actions within this strategic policy are focused on maintaining existing infrastructure, it is anticipated that the costs to the environment will be minimal and of lesser impact than replacement infrastructure. While there is an environmental impact of air services, the action has overall objective is to help restore connectivity to previous levels, but not restore aviation emissions to previous levels.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online. Though the recent increase of more online and remote working could impact demand for business travel and therefore the sustainability of routes that rely on business connectivity for the majority of their passengers. However, recovering and developing business connectivity could make it easier for businesses to undertake their work offline.

Costs and Benefits:

Scotland's international connectivity is viewed as being vital to the country's economy and individual routes can generate significant economic benefits (to consumers and businesses). Airlines can also be supported through co-operative marketing packages that benefit the economy through increased visitors to Scotland. Maintaining infrastructure can often be more cost effective in the long-term than

replacement. However, in some cases new infrastructure would reduce maintenance burdens.

EG-9: Prepare for the transport implications of the UK's withdrawal from the EU and any future constitutional changes.

Potential impacts and risks:

Businesses

The actions under this strategic policy were focused on supporting the transport-sector businesses (such as trucks and ferries) and aimed to mitigate against the loss of competitiveness, mainly in the logistics and freight sectors, resulting from exiting the EU.

Overall, businesses would have benefitted positively from the support provided by these proposed actions, in terms of making adjustments to the economic and regulatory context. Without the actions businesses could have been further disrupted or impacted from the UK's withdrawal from the EU.

The actions under this strategic policy helped maintain the competitiveness of Scottish companies within the UK/Europe/world, by supporting them through the potentially disruptive process of the UK leaving the EU.

Smaller businesses could have been impacted differently from the UK leaving the EU, and these were therefore taken into account in the action and mitigation.

Local authorities

Transport Scotland engaged with the Convention of Scottish Local Authorities (COSLA), but the policy (and action) did not directly impact on local authorities.

Consumers – includes users of public services

The actions within this strategic policy did not have had a direct impact on consumers but could have indirectly benefitted them by keeping the supply chain operating, and supporting goods going to and from consumers.

Regulators

The actions within this strategic policy are not anticipated to have had any direct impact on regulators. However, in time the long-term transition away from the EU regulatory structures will have implications for Scottish and UK regulators. The actions within this strategic policy may help to support a smooth transition for regulators and businesses alike.

Organisations in the third sector

The actions under this strategic policy were not anticipated to have had any direct impact on the third sector.

Environment

The action to create a lorry park at Cairnryan port, will help to mitigate the environmental impacts (including air quality) of potentially increased transport congestion.

General

No new forms have resulted from the action from the Scottish Government.

Moving to digital/online:

The actions within this strategic policy did not specifically take into account changing digital technologies and markets. The action is not applicable in a digital/online context due to the action now being completed (with the UK having now left the EU).

Costs and Benefits:

The benefit of the actions within this strategic policy was to provide support for transport firms when the UK was leaving the EU to reduce any disruption they could experience. The status quo could have resulted in a large impact (for businesses) if there had been large-scale disruption as a result of the UK leaving the EU.

EG-10: Support Scotland to become a market leader in the development and early adoption of beneficial transport innovation.

Potential impacts and risks:

Businesses

Businesses in the transport industry will benefit directly from investment in innovation within the transport industry, supported by academic and commercial partners. This will help increase the competitiveness of companies in the transport industry in a UK, Europe and World context if they can operate more efficiently through innovation. Companies that specialise in the areas of transport innovation proposed (including hydrogen and electrical vehicles) are also likely to be strengthened.

Action **EG-10C** considers the development of deployment of new zero emission vehicles and Scottish supply chain opportunities. This creates both opportunities for companies, but also increase competition for development and supply of such vehicles.

The transport sector will be the industry most affected by this, as they can benefit from Transport Scotland's aim to become a leader in emerging transport technology. Then other businesses could indirectly benefit when they can benefit from the integration of improved transport technology in how they operate (i.e. transporting goods).

Smaller businesses be impacted differently if they are unable to fund the initial uptake of emerging technology. This could disadvantage them compared to larger competitors who may be able to afford the initial costs.

Local authorities

The actions within this strategic policy require the support and collaboration of local authorities, in order to implement. Local authorities will also be required to accelerate their moves towards low-carbon transport technologies within their towns and cities and provide adequate planning provision for this change. There could be scope to work with local authorities where there are specific local economic development opportunities.

Consumers – includes users of public services

Though not benefiting directly from the actions within this strategic policy, consumers will benefit in the long-term from innovation and excellence in the transport industry.

The quality, availability or price of goods or services could be improved in the long-term as a result of the innovation in the transport sector (such as being able to transport more/different goods) but this would not be a benefit seen in the short-term.

The action does not affect the essential services market, such as energy or water.

The action does not involve storage or increased use of consumer data.

There are not anticipated to be any increase in opportunities for third parties to take advantage of government initiatives to target consumers whose circumstances make them more vulnerable.

The action is not anticipated to add complexity in a market, so there would not be information asymmetries or make it more difficult for consumers to understand their rights.

The action would not affect routes for consumers to seek advice or raise complaints on consumer issues.

The action would not limit the choices and information available to consumers.

Regulators

There will be a role for the Office of Rail and Road (ORR) in some cases, in terms of licencing novel technologies. However, this is not anticipated to be disproportionately onerous.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

The actions within this strategic policy are anticipated to have positive impacts on the environment in the long term, where they give rise to green technologies and innovations. This could lead to less-polluting technology being used more widely.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The action takes account of changing digital technologies and markets, by trying to put the transport sector at the forefront of such developments in the sectors.

The action will provide a positive impact on digital connectivity and moving to online by helping to stimulate innovation, creating a skilled and forward-looking workforce.

The action is not anticipated to have an adverse impact on traditional or offline businesses, instead it could benefit them in the long-term with transport improvements as a result of the innovation.

The action is anticipated to be fully realised in the long-term, when transport innovation could benefit many firms. There are not anticipated to be unless they do not choose to utilise the new technology, or unable to do so.

Costs and Benefits:

The long-term benefits of investment in innovation are difficult to accurately predict. However, technology and innovation are a key part of Scotland's Economic Action Plan, and so it would be anticipated that there could be significant benefits (to consumers and businesses) in the long-term from innovation. The cost (to the Scottish Government) is the early funding required for research and application of new technology. However the status quo of not making such an investment would mean that Scotland could lag behind in the application of innovative transport technology.

Other benefits include supporting Scottish supply chain through the development of innovative technology, and also supporting Scottish universities, colleges and research centres through the research and development, and training, stages.

EG-11: Meet the changing employment and skills demands of the transport industry and upskill workers.

Potential impacts and risks:

Businesses

Businesses in the transport industry will benefit directly from access to a skilled workforce, supported by higher and further education institutions. This includes benefitting from skill development in new areas such as zero emission transport, electric vehicles, hydrogen powered vehicles. However, the economic shock of the COVID-19 pandemic coupled with the impact of exit from the European Union on the availability of EU drivers have significantly altered the logistics workforce across the UK.

The number of drivers in employment fell 72,000 to 236,000 from 2019 to 2021, making the workforce 23.4% smaller than it was at the outset of the pandemic. Over the same period demand for logistics has significantly increased. Some 28% of all retail sales now take place online, up from 20% in February 2020, according to the ONS.

Beyond the need for heavy duty vehicle drivers, there is a particular need for staff to fill qualified roles such as fitters, mechanics and technicians to forklift drivers and warehouse staff. These UK-wide figures underline the importance of this policy to Scottish businesses far beyond the logistics sector.

The overall impact of the policy will therefore be positive in enabling skilled workers to enter the market, though it must be recognised that the provisions of the policy (**EG-11D**) could fall short of the level of investment needed to meet the scale of the issue. Supporting people into work through apprenticeships and supporting upskilling through grants for training must be accelerated if it is to have the greatest benefit.

Compared to the Scottish average, the transport sector has an older and higher male representation in terms of its workforce. Action **EG-11's** focus on improving the diversity of the transport workforce will therefore improve the resilience and competitiveness of Scottish companies. Again, however, this could fall short of the absolute numbers required to meet the rise in demand and the fall in supply of skilled workers.

Immigration is a reserved matter and policy cannot be set by the Scottish Government, however, it is recommended that the Scottish Government work with UK departments in order to progress routes to employment for those with skills in this sector.

The transport element of supply chains will benefit, where emerging technology could be implemented, and there also being a trained workforce to operate such equipment. This could go on to benefit any firm that relies on transport in their supply chain.

Smaller businesses may have difficulty releasing employees for courses during the day, and therefore some courses may need to be offered through evening courses if this makes it easier to upskill workers.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required. They could benefit from the training due to this contributing to the path to net zero.

Consumers – includes users of public services

Though not benefiting directly from the actions within this strategic policy, consumers will benefit in the long-term from a highly skilled workforce, driving innovation and excellence in the transport industry.

The action could lead to longer-term benefits in the availability or price of goods or services available to consumer through more efficient transport methods.

The action could have an impact on the energy market, as some of the emerging forms of transport place a lot of focus on electricity usage. This could place pressure on Scotland's, and the UK's, electricity network.

The action is not anticipated to result in the storage or increased use of consumer data.

There are not anticipated to be increased opportunities for third parties to take advantage of government initiatives to target consumers whose circumstances make them more vulnerable.

The action is not anticipated to add complexity in a market. The main beneficiary is the transport sector which is already a highly technical sector. Though one way complexity could increase is the use of a variety of electric vehicle charging methods (for example companies installing their own charging points) leading to a complexity in available location to charge vehicles.

The action is not anticipated to affect routes for consumers to seek advice or raise complaints on consumer issues.

The action is not anticipated to affect the choices and information available to consumers.

Regulators

There will be a role for the Scottish Qualifications Authority (SQA), or its successor, to ensure quality across all training and accreditation in Scotland.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

The actions under this policy will have environmental benefits from decarbonisation of the transport sector and introduction of more efficient (and less-polluting) forms of transport.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions will provide a positive impact on digital connectivity and moving to online by helping to create a skilled and forward-looking workforce. Many of the courses will be provided online, making them accessible, though this could be a barrier to individuals with limited digital connectivity.

The action takes into account of changing digital technologies and markets by embracing new transport technology and upskilling workers in this context.

There is some risk of adverse impact on traditional or offline businesses, such as businesses that are unable to transition as the sector as a whole move towards net-zero. For example, if garages do not have capacity to work with electric and hydrogen vehicles, they will be impacted adversely.

Costs and Benefits:

The long-term benefits (to consumers, businesses and wider society) of investment in education and training are well established. If the status quo was followed, then Scotland would not have the skillset to be able to embrace these forthcoming technologies and the transport sector would lag behind other countries.

EG-12: Integrating transport policy with wider digital investment, with digital connectivity for a green and resilient economic recovery, reducing the need to travel unsustainably, in line with the Sustainable Investment Hierarchy.

Potential impacts and risks:

Businesses

Businesses in the telecoms industry will directly benefit from contracts within the R100 programme while the benefits of access to superfast broadband across all businesses in Scotland is significant.

The action could improve the competitiveness of Scottish companies through the improvement of digital connectivity. Any business or sector that requires digital connectivity for any purpose (of which the majority of firms would rely in internet access to some extent) would be positively impacted by the action. It will give businesses in rural and urban communities access to global trade online and in return, increase profits.

For the proposed 5G hubs, these will target businesses in a number of sectors: Technology and Engineering, Health Care, Energy, Manufacturing, Aerospace, Sciences, Agriculture, Fishing, Creative, Tourism, and Financial Service. The hubs could increase competitiveness in these sectors.

It could help new firms enter existing markets if they are assisted with the hurdle of getting their businesses digital connectivity, as would be achieved with the action.

Micro and small businesses could receive the boost they need to get a high level of digital connectivity. If such connection costs were deemed prohibitive to smaller companies previously then the action could assist them to get this connection.

Local authorities

Though the actions within this strategic policy do not directly involve local authorities, their cooperation and support will be required. For the proposed 5G Hubs, this will be dependent on the degree to which Local Authorities wish to engage in the project.

Universal coverage will bring those Local Authorities with lower coverage percentages in line with those which already have extensive coverage.

Consumers – includes users of public services

Consumers are likely to directly benefit from the actions within this strategic policy in terms of improved connectivity and the ability to access the superfast broadband voucher scheme.

The action will lead to an increased amount of internet options available to consumers, including a higher level of digital connectivity. The programme is also making available 4G mobile services in areas where none previously existed.

The quality could be better compared to in urban areas as the subject areas for this programme tend to have low population densities which means fewer people will be using their mobile phones. Fewer people on the network generally means the better quality of service (as fewer people competing to use the available bandwidth).

The action does not directly affect the essential services market, such as energy or water, but consumers could benefit from increased digital connectivity to search for energy providers and efficient energy packages.

The action does not involve storage or increased use of consumer data, though an increased amount of consumer data could follow on from increased digital connectivity. If businesses choose to connect online and therefore enhance their data collection, this could be an advantage to them, with more data-driven customer insights.

There is a possibility of increased opportunities for third parties to take advantage of government initiatives to target consumers whose circumstances make them more vulnerable. If the broadband connection scheme is well-known then people could target consumers under this premise. This could be exacerbated if consumers currently do not have digital connectivity and therefore have less information about the official route to utilising such programmes.

It is not anticipated that the action would add complexity in a market. However the broadband market is already complex, with different companies' offers dependent on where they operate and the type of connections households have, so the scheme is likely to add more offers/companies for consumers to consider (but this should be for an increased level of digital connectivity, including faster internet speeds).

Improved internet availability could provide alternative or improved routes for consumers to raise complaints on consumer issues or seek advice.

The action will increase the choices and information available to consumers through increased digital connectivity.

Regulators

Ofcom will be required to provide regulatory advice and technical expertise in the ongoing rollout of digital infrastructure.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Improved digital connectivity would allow organisations to provide greater service and information online. The action could also positively impact third sector organisations located in target areas through the delivery of 4G mobile services where this service didn't previously exist.

Environment

The actions within this strategic policy are not anticipated to have a direct impact on the environment, though where digital infrastructure requires major works, an environmental assessment will be required (including the addition of mobile masts).

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions will provide a major positive impact on digital connectivity and moving to online. The action does take account of changing digital technologies and markets, through providing communities with improved digital connectivity.

The action would support businesses through improved connection and won't have an adverse impact on traditional or offline businesses. The improved connectivity could help encourage businesses to embrace digital connectivity. It is not anticipated to have an adverse impact on incumbent operators.

Costs and Benefits:

Evidence from comparable programmes shows that investment in superfast broadband provides strong benefits to the economy (businesses and consumers) as detailed in the UK Government's overview of the Gigabit Infrastructure Subsidy scheme.

The cost (to the Scottish Government) of rolling out digital connectivity can be high, especially to rural and remote communities that have not already been reached by digital connectivity. However, there are large benefits if Scotland can provide digital connectivity to its entire population.

The three R100 contracts currently total £600 million. Analysys Mason's report on the Digital Scotland Superfast Broadband (DSSB) programme estimates that every £1 invested in digital infrastructure in Scotland could contribute around £12 in benefit to Scotland's economy.

The costs and benefits of the 5G Hubs are not quantifiable at this stage, however the overarching aim of the Hubs programme is to contribute to the Scottish Government's aim of accelerating the adoption of 5G and to realise the technology's potential economic prize for Scotland. Research conducted by Deloitte in 2019 predicts that enhanced 4G and 5G capability has the potential to increase Scotland's Gross Domestic Product by £17 billion by 2035.

4.4 Improves our Health and Wellbeing – Strategic Policies

HW-1: Provide a transport system that promotes and facilitates active travel choices which help to improve people’s health and wellbeing across mainland Scotland and the Islands.

Potential impacts and risks:

Businesses

Some businesses, sectors, markets, products or services may be affected by the infrastructure provision for active travel if, for example, it removes space for other travel modes (adverse effect) or improves access for a wider range of employees and consumers (positive effect). Micro and small businesses may be more vulnerable to any potential adverse effects.

Local authorities

The delivery of NTS at regional and local level will require significant additional resources, staff included. This will significantly impact the Local Authorities and their Regional partners. Without additional resources, it remains uncertain whether Local Authorities and their Regional partners will have the ability to adequately resource the delivery of NTS.

In order to manage the potential for different modes of transport to compete for road space, Local Authorities must be supported to produce, fund and implement Local Transport Strategies which enable a coordinated approach to planning public and active travel infrastructure investment.

The Delivery Plan signposts the work of the Transport Governance and Collaboration Review Group in continuing the work of the NTS Roles and Responsibilities review in directing transport governance and delivery across the country. However, the Delivery Plan itself does not propose any new structures through which funding can be delivered.

The absence of clear governance and funding structures could potentially negatively impact on businesses, consumers and local authorities unless a clear and coordinated approach is communicated.

Consumers – includes users of public services

Potential benefits of increased range of active travel options for consumers.

Regulators

None.

Organisations in the third sector

Where organisations in the third sector are required to implement significant portions of Scottish Government policy and funding for active travel, they must be able to demonstrate that they have sufficient capacity and are publicly accountable. Delivery of funding for active travel infrastructure through third sector organisations has the

potential to disempower local authorities from being able to make investment decisions and to plan strategically for the long term.

Environment

Likely to lead to improvements in air quality through a reduction in motorised vehicle use. However, precise impacts uncertain as this will depend on infrastructure installed and the sensitivity of the local environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

Uncertain. Dependent on effect on other transport infrastructure and how this in turn affects access to markets and traditional businesses, as well as delivery of services.

Costs and Benefits:

These are to be fully determined through public engagement.

HW-2: Increase safety of the transport system and meet casualty reduction targets.

Potential impacts and risks:

Businesses

Businesses using the roads to deliver goods and services will be positively impacted by safer road travel.

It is not expected this action will affect industries differently however businesses that are more proactive at implementing driving for work policies (not mandatory) will have fewer road collisions and casualties resulting in better economic outcomes.

All businesses (including micro and small) have the opportunity to join for free the Scottish Occupational Road Safety Alliance (ScORSA) who help businesses manage occupational road risks created through normal business activities.

Local authorities

Local Authorities will be required to translate the Road Safety Framework into local road safety plans/strategies to address their own road safety issues.

The Framework sets out an extra tier in its governance structure through the setting of 3 Local Partnership Forums which aim at improving road safety communication/knowledge and issues between local and national levels.

Consumers – includes users of public services

No direct impacts for consumers have been identified for this policy.

Regulators

There are no dedicated road safety regulators in Scotland.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

Reduced road casualties and corresponding road congestion will benefit businesses using roads to provide goods or services through reduced disruption.

Increased revenues may be seen by businesses should their drivers/riders and vehicle fleet be involved in fewer collisions.

HW-3: Implement measures that will improve perceived and actual security of Scotland's transport system.

Potential impacts and risks:

Businesses

Potential impact on technology companies with regards to supply of technology-based security infrastructure. Transport operators could be impacted through increased technology on transport services.

Local authorities

More information required on the role of local authorities to help deliver actions. However, there may be need for local authorities to support responses to incidents including in collaboration with local emergency services.

Consumers – includes users of public services

Potential for privacy issues with regards to passengers on the transport network.

Regulators

Potential engagement with the Security Industry Authority with regards to public space surveillance

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits:

Costs (to the Scottish Government) relating to security infrastructure installation and maintenance measures. Benefits (to consumers and businesses) will result from improved security with impacts on health, wellbeing and savings for emergency services.

HW-4: Reduce the negative impacts which transport has on the safety, health and wellbeing of people.

Potential impacts and risks:

Businesses

Previous consultation has been undertaken with the business community as part of the development of the low emission zone (LEZ) legislation development. This has shown that, overall, organisations are supportive of Scotland's shift to Zero or ultra-low city centres by 2030 and that LEZ are generally considered an appropriate way to facilitate this. Overall, few businesses foresee detrimental impacts, though they recognise the costs associated with upgrading vehicle stock ahead of time.

Some businesses, sectors, markets, products or services may be adversely affected by the implementation of low emission zones. Micro and small businesses and sole traders may be more vulnerable in regard to the cost of compliance in particular. To mitigate the negative impacts on business, various funding options have been made available for micro-businesses and sole traders that are impacted by the implementation of low emission zones, in addition to funding for taxi and bus companies.

Local authorities

Local authorities will be required to undertake much of the preparation, testing, licencing and compliance checking related to this action. They will also have the powers to create local exemptions to LEZs, which is not within the remit of Transport Scotland.

Consumers – includes users of public services

The cost of compliance for some businesses, including bus, taxi and delivery services, as well as other businesses which may need to, for example, upgrade their delivery fleet, is likely to be passed to consumers. Financial support that is available to businesses that are most vulnerable to the implementation of LEZs will mitigate this to some extent. There are no anticipated issues regarding consumer data, though this should be reviewed again following design of LEZ enforcement systems.

Regulators

The impacts on regulators is unknown and further information is required.

Organisations in the third sector

Impacts on the third sector have been identified through previous consultation undertaken as part of the development of the LEZ legislation. It is evident that many organisations expect cost increases due to fleet upgrades.

Environment

It is anticipated that the actions included within this policy will have an overall positive impact on the environment.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online:

Cost of compliance likely to affect both digital and traditional businesses who may need to upgrade their vehicle fleets to continue operating. Benefits will be to consumers in terms of a safer transport system.

Costs and Benefits:

There will be additional costs in both the regulation and compliance of this action.

HW-5: Embed the implications for transport in spatial planning and land use decision-making.

Potential impacts and risks

Businesses

The implementation of the Sustainable Investment Hierarchy principle through the planning system will require the recalibration of streets and urban environments towards more sustainable modes and away from car use. This may benefit smaller-scale last-mile logistics operators who are more able to alight quickly and within a small footprint.

This could positively impact on competition as small-scale logistics opportunities could favour market entrants. It may also negatively impact those logistics operators who rely on larger vehicles without dedicated off-street loading facilities and who at present rely on use of on-street provision.

If spatial planning practices enable patterns of travel behaviour to change, businesses may start up or re-locate to different areas. This could have both positive and negative impacts depending on the size and nature of the business. Small, decentralised hubs rather than larger centres favour smaller service industries and cafes, whereas larger town centres have more traditionally been the location of choice for larger experiential retail businesses.

Embedding the implications for transport into spatial planning and land use decision-making could therefore have differential positive and negative impacts on different businesses and sectors of society.

The needs of the fast-moving consumer goods (FMCG) industry will differ greatly from the needs of heavy industry and the impacts of spatial policies will vary according to the urban, semi-urban or rural setting of the business in question.

Local authorities

The delivery of this policy at regional and local level will require significant additional resources, staff included. This will significantly impact the Local Authorities and their Regional partners. Without additional resources, it remains uncertain whether Local Authorities and their Regional partners will have the ability to adequately resource the delivery of the policy.

River and canal freight has the potential to bring goods to the heart of our cities in a sustainable, eco-friendly way. Urban planning policy should ensure that riverside water freight infrastructure is preserved and enabled for freight use, which can be challenging given the pressure for waterside residential developments. Local development planning should also consider the role of freight consolidation centres in order to enable small scale deliveries in urban areas.

Consumers – includes users of public services

It is not anticipated that consumers will be directly impacted by the actions within this strategic policy.

Regulators

The impacts this policy will have on regulators is uncertain and greater information is required.

Organisations in the third sector

The actions within this strategic policy do not place any additional requirements or responsibilities on organisations in the third sector.

Environment

The impacts the actions within this strategic policy will have on the environment are uncertain and greater information is required.

General

No compulsory additional forms or administration are anticipated as a result of implementing the actions within this strategic policy.

Moving to digital/online

The actions within this strategic policy will not directly impact the move to digital/online.

Costs and Benefits

Unknown, more information is required to understand potential costs and benefits for the actions within this strategic policy.

