

Active Travel Transformation Project

Summary and Recommendations

This paper seeks Leaders' approval for a new mechanism to fund active travel activity stemming from the active travel transformation project. The intention of the new capital funding mechanism is to provide councils with more financial flexibility and, where required, support from Transport Scotland to develop project pipelines.

Leaders are invited to:

- i. Agree COSLA's principled support for the infrastructure funding delivery model set out in the paper;
- ii. Note the changes to behaviour change delivery funding for 2024/25; and
- iii. Note that work is still ongoing with Transport Scotland and Local Government professional groups on the detail of how the infrastructure delivery model will operate and of the specific levels of funding to be made available, which could lead to further reports in due course.

References

Previous reports:

- Environment and Economy Board October 2020 – Transport Update – Transport Use, Health and Health Inequalities
- Environment and Economy Board September 2021 – Transport Update
- Environment and Economy Board October 2021 – The Positive Contribution of Physical Activity and Sport to Scotland
- Environment and Economy Board October 2022 – Transport
- Environment and Economy Board May 2023 – Active Travel Transformation Project
- Environment and Economy Board September 2023 – Active Travel Transformation Project

Meg Robertson
Policy Officer
meg@cosla.gov.uk

Robert Nicol
Chief Officer
robertn@cosla.gov.uk

January 2024

Active Travel Transformation Project

Purpose

1. This report seeks Leaders' approval for the future funding mechanism for active travel which has arisen from the Active Travel Transformation Project.

Current COSLA Position

2. COSLA has a long history of supporting active travel policy, which is policy which supports walking, wheeling and cycling in Scotland. Active travel is currently a key transport priority for COSLA and is linked through the Environment and Economy Board Plan to the Verity House Agreement on delivering a just transition. COSLA recognises there are clear environmental and physical and mental health benefits associated with an increase in active travel as an alternative to car use.
3. However, COSLA has also recognised for some time that active travel funding did not work effectively for councils. This point has been made frequently to Scottish Government in the past. As a response, the Active Travel Transformation Project (ATTP) has been exploring options to transform the way active travel is delivered in communities across Scotland.
4. In carrying out a review of the Project, the ATTP found that a key challenge for many councils was a lack of capacity and skill to deliver complex projects, with recruitment and retention also being a significant issue. These factors were considered by the Environment and Economy Board in September 2023 who considered the policy implications of the proposal set out in this paper.

What is Changing?

Infrastructure Funding

5. The Active Travel Transformation Fund was launched in 2022 to provide local authorities, Regional Transport Partnerships and National Park Authorities with bid funding to deliver construction ready projects. This fund is the precursor to some of the wider changes to active travel funding now proposed through the ATTP.
6. The Environment and Economy Board considered the ATTP in May and September. In its consideration the Board sought to reach the best solution which maximised flexibility for councils while maintaining support for councils which may have only limited capacity to deliver projects locally.
7. Transport Scotland have now indicated that for year 2024/25, a new delivery model is being proposed in respect of infrastructure funding. The new model will have three complementary components which will be able to flex depending on a local authority's capacity and capability in active travel delivery. All local authorities have completed a self-assessment exercise which measures their capacity and capability for delivering projects for the 2023/24 Transformation Fund bidding process. These

self-assessments have been independently assessed and the vast majority found to be an accurate reflection of a council's capacity to deliver active travel projects.

8. The first funding component would see all local authorities receive funding for Active Travel through the Local Government Block Grant, similar to the Cycling, Walking and Safer Routes (CWSR) funding previously distributed. In 2024/25 £23.927m has been allocated to councils and is included in the Local Government Finance Settlement, and we expect that this will be topped up to £35m in line with previous years. Going forward, CWSR will be subsumed into the block grant as part of the transition to the new funding model. As is discussed below the expectation is that this funding component will grow from year to year which means that the likely £35 million for 24/25 is the initial starting position for funding.
9. The Block Grant funding aims to provide a firm foundation for active travel, across all aspects of the active travel system, by creating an integrated programme of infrastructure design, project construction and behaviour change initiatives. This could include partnering with the private sector, partnering with other local authorities or working with RTPs on some elements of active travel delivery. It also affords councils the opportunity to build their in-house resources, skills and knowledge through recruitment and provides a greater degree of confidence that funding will be available beyond the financial year. Furthermore, Transport Scotland have indicated that the block grant available to local authorities will increase in subsequent years, and allocation of future funding will be agreed with Scottish Government and through the Settlement and Distribution Group. This confidence that there will be money in next year's block grant in combination with the ability to use this money flexibly and/or across multiple financial years will allow for more attractive and longer-term contracts for recruiting, as well as lengthy infrastructure projects.
10. The second component will provide funding to help projects which are ready to commence with a project pipeline ready for construction in that financial year.
11. The third component would provide additional funding to those local authorities where the level of ambition is greatest and the most strategic. The second and third components will be named the Active Travel Infrastructure Fund and this will replace the Transformation Fund. Information about the Active Travel Infrastructure Fund was sent out to local authorities by Transport Scotland to give councils time to submit applications for funding prior to the closing date in early February, and bids are now currently being assessed with the intention that grant offer letters be issued early in the next financial year.
12. The reasoning behind the approach described above is to help with the pace and scale of delivery, by proving more financial certainty to local authorities. Ultimately, the long-term vision for this delivery model would see funding through the second and third routes decrease until they are no longer required, with funding instead being wholly routed through an increasing Block Grant.
13. The Environment and Economy Board at its September meeting considered the policy implications for this proposal but recognised that the final decision should be taken by Leaders.

Behaviour Change

14. In addition to infrastructure funding, Transport Scotland has also indicated that the behaviour change aspects of active travel funding have been amended for 2024/25. In previous years, grant funding has been made available from Transport Scotland, administered by organisations such as Paths for All, for programmes aimed at encouraging people to reduce car use in favour of walking, wheeling, cycling or other more sustainable forms of transport. This funding was made available to local authorities, third sector organisations and other public sector organisations and required to be match-funded.
15. Transport Scotland have now advised that for 2024/25, funding will be provided directly to Regional Transport Partnerships to coordinate the delivery of behaviour change interventions, working closely with local authorities to identify suitable programmes and delivery partners.
16. COSLA was not consulted on the proposed changes to the behaviour change funding and has raised this point with Transport Scotland.

Overall Funding

17. The draft Scottish Budget for 2024-25 indicated that the active travel budget for 2024-25 is now £220m. This is the budget for both infrastructure and behaviour change, and also encompasses existing committed expenditure. We are working with Transport Scotland to identify how much will be allocated to deliver the infrastructure funding discussed in this paper and have so far argued that as much as possible should be routed through the Block Grant. Indications from Transport Scotland are that the money available for 2024/25 through component one (Block Grant) will be broadly in line with that offered in previous years through Cycling, Walking and Safer Routes. As is mentioned earlier in the paper, the expectation is that the quantum allocated through this route will grow in later years.

Proposed COSLA Position

18. The infrastructure funding proposal in this paper has been in development for some time. An announcement on it was delayed from the summer in order that COSLA and Transport Scotland could consider it in light of the Verity House Agreement. The intent behind the proposal is to provide councils with more certainty over funding while also supporting councils that have more limited capacity to deliver projects. Overall, the intent is that this will allow for active travel projects to be delivered at scale across the whole of Scotland. As the capacity of councils increases, more funding will be directed through the Block Grant, increasing the flexibility for councils further. The recommendations in this paper reflect this position. This paper therefore describes the first year in a transition period which will see local authorities gaining much more flexibility and certainty of future active travel funding.

Next steps

19. More work will be required to develop the detail of how the funding proposal will work in practice, including on the distribution of funding through the Block Grant and how much funding will be made available for each component. If agreed today, the detail of how this will be delivered will continue to be considered by the Environment and Economy Board and Leaders.