

12<sup>th</sup> July 2006

Pamela Gidney  
Transport Strategy Division  
Transport Strategy and Policy Team  
2D (Dockside)  
Victoria Quay  
EDINBURGH  
EH6 6QQ

Dear Sirs

**SCOTLAND'S NATIONAL TRANSPORT STRATEGY**

Thank you for giving us the opportunity to give our views on the above.

I have enclosed comments on the Federation's views and hope you find them useful.

If you wish to further discuss any of the comments please contact Susan Love our Scottish Policy Development Officer on telephone: 0141-221-0775 or by e-mail [Scotland.policy@fsb.org.uk](mailto:Scotland.policy@fsb.org.uk).

Yours sincerely



Andy Willox  
FSB Scottish Policy Convener

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# Scotland's National Transport Strategy Consultation

## Response from the Federation of Small Businesses in Scotland

### **Introduction**

The Federation of Small Businesses is Scotland's largest direct-member business organisation, representing over 18,000 members. The FSB campaigns for an economic and social environment which allows small businesses to prosper.

The Federation welcomes this opportunity to comment on the National Transport Strategy Consultation. Our members depend on the easy movement of goods and services to ensure their business's success, so we take a strong interest in transport issues. Some of the proposals outlined in the Scottish Executive's consultation paper would have a significant impact on businesses across Scotland. We have therefore focused our comments on these issues rather than respond to questions which do not have a direct impact on business.

### **Transport Issues for Small Businesses**

A recent survey of FSB members revealed a high degree of dissatisfaction with transport in Scotland: 72% expressed dissatisfaction with fuel costs; 49% with the local road network; 47% with road tax; 44% with local transport planning; 31% with trunk roads and motorways; and 20% with passenger transport.

When asked about the single biggest transport problem facing their business, around 40% cited fuel tax and other transport costs. Whilst fuel tax is not controlled by the Scottish Executive and therefore not under consideration in this consultation, it is nonetheless important to acknowledge that high fixed costs, such as fuel, associated with road transport in Scotland are a major concern for small businesses. Any changes to transport strategy which are likely to result in new costs to road users in Scotland must be considered in this context.

Other transport problems revealed by FSB members included around 15% identifying the road network as the biggest problem, and a further 15% reporting parking problems. 15% of businesses surveyed by the FSB said they had been badly affected by traffic congestion, while around 10% of respondents stated that the lack and cost of public transport was the most important transport problem for their business.

### **Roads**

As highlighted above, businesses are clearly dissatisfied with the local road infrastructure. Half of all small businesses do most of their business within the local area, and for most, roads are the only practical option for transporting goods and services, whether it be deliveries to shops or tradesmen with equipment visiting customers.

The FSB has supported large-scale transport projects such as the M74 extension since a fit-for-purpose national transport infrastructure is crucial if we are to improve

the Scottish economy. However, with so many small businesses relying on local roads to transport goods and services it is clearly also important to maintain local infrastructure. We believe that just as investment has increased at national level in recent years this must be matched by investment in the maintenance and improvement of the local road network.

The FSB believes that local authorities should address, as a matter of urgency, the estimated £1.5bn backlog of local road repairs. We appreciate that each local authority has different spending priorities; however the scale of the problem justifies stronger intervention from the Scottish Executive. The Federation therefore supports the suggestion that the Grant Aided Expenditure allocated to local authorities by the Scottish Executive for local roads should be ring-fenced, to reflect the importance of the local road network.

### **Congestion**

As we have highlighted, many businesses are negatively affected by congestion, particularly as a result of the costs incurred because of delays. However, because road travel (often at peak times) is essential for many small businesses, any measures to reduce congestion are unlikely to change the travel behaviour of most businesses, but most likely add to their already high transport costs.

The Scottish Executive must accept that because many businesses have to make road journeys to survive, then congestion measures should be targeted at changing the travel behaviour of other road users. Measures should instead focus on reducing non-essential road journeys, such as those made by commuters and those on the 'school run'.

The Scottish Executive should also look at more effective and targeted planning of routes, and the expansion of schemes such as park and ride, to cut congestion. Where possible, the Scottish Executive should also examine how to shift freight from the road network to the rail network.

### **Road Pricing**

We have already outlined why road transport is the only option for most small businesses, so the basic premise of road pricing – that it encourages people to make fewer non-essential car journeys – simply does not apply to small firms.

The FSB is opposed to any road user charging scheme in Scotland that would indiscriminately cover small businesses, offering them no alternative route and simply adding to their costs. Our members are already over-burdened with transport costs; moreover they should not be penalised for making journeys that are essential to the survival of their business. If the Scottish Executive does introduce a system of road pricing, then it must be designed in a way that impacts on non-essential private car use, but not business use.

The FSB would also be concerned about forms of road pricing which target single occupancy vehicles (SOVs) without distinguishing between private SOVs and business SOVs. For most businesses the costs of running vehicles will already ensure that vehicles are shared wherever possible but for many e.g. tradesmen, there is often little option but to remain a SOV.

Furthermore, any system of road pricing must be used only to fund transport maintenance and improvements. Any scheme should also be 'revenue neutral', and not simply add to the burden of fuel tax, road tax and other transport costs.

Lastly, tourism is a vital part of our economy, so it is worth noting that Scotland is already seen as an expensive destination compared to other countries, and any road charges would add both to this perception and to the actual costs for tourists visiting Scotland.

### **Economic Growth**

If growing the economy remains the top priority of the Scottish Executive, then it makes little sense to impose additional burdens on small businesses, which are the backbone of our economy (it is worth noting that 93% of all businesses in Scotland employ less than ten people). Additional financial burdens such as road pricing would place Scottish businesses at a distinct disadvantage to the rest of the UK, reducing our economic competitiveness.

The Scottish Executive must also accept that economic growth will probably result in a greater number of essential business journeys. Most FSB members felt that growing their business would result in a greater number of journeys, either in terms of more employee journeys, or increased deliveries. If the Scottish Executive decides to retain the stabilisation of road traffic as a goal, then it must carefully consider how this goal can become more compatible with business and economic growth. A more strategic focus on reducing non-essential private car journeys must surely be the starting point.

### **Parking**

The FSB is particularly concerned about the impact of parking policies on small businesses. With ongoing concerns about the future of our high streets we feel that the balance between attractive shopping environments and practical vehicle access to town centres (and edge-of centre locations) has been lost. We believe that less draconian parking policies in our town centres are an important step if small businesses are to have any chance of competing on a level playing field with large supermarkets. While this could largely be seen as a local issue, in some ways national transport strategy can impact on local parking difficulties.

In particular, we are aware of the problem of commuters occupying all-day parking spaces in our town centres, which leaves little or few spaces for business customers throughout the day. While increasing the number of commuters using public transport is clearly to be welcomed, this must be matched with sufficient improvements to local infrastructure such as car parking at train stations. One way to tackle this could be that all-day parking in town centres should only be available after 9.30am, so that commuters cannot clog up valuable parking spaces and it should also be possible to make parking more expensive before 9.30am, and cheaper throughout the day. However, an important element of improving infrastructure is increased provision of park and ride around public transport hubs and town and city centres.

### **Balance of Investment**

The Federation believes that investment in existing transport infrastructure should be the priority; but this has to be balanced by investment in new infrastructure. Businesses believe that these decisions should be taken with a longer-term perspective in mind, rather than focus on the short-term alleviation of current

problems. It is also important that investment in existing infrastructure should be targeted at the most strategic routes and be far more innovative, in order to get the most from finite resources.

### **Environment**

In a country where landscape and the outdoor environment are one of our greatest strengths there are obvious difficulties balancing a sustainable Scotland with the transport infrastructure required for a sustainable economy. For a sustainable economy and communities, particularly in rural areas, businesses simply need to travel. We believe that the Scottish Executive should be targeting traffic reduction measures at non-essential road journeys, rather than essential business journeys. Investing in Scotland's rail and public transport infrastructure would reduce road congestion and the need for new roads, by cutting non-essential road journeys.

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For further information on any of the points raised in this submission, please contact Julie Shackleton, Deputy Policy Officer, on [Julie.shackleton@fsb.org.uk](mailto:Julie.shackleton@fsb.org.uk) or 0141 221 0775