

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

14 MARCH 2023

DIRECTOR'S REPORT

Purpose

The report asks the Partnership to note: progress in recruiting a new non-elected board member; the outcome of the Levelling Up Fund applications; the adoption of NPF4 by Scottish Ministers; updates on the EV Strategy, Hydrogen Decarbonisation Project and Bus Alliances. The Partnership is also asked to agree that the 2022/23 Audit Strategy is circulated via e-mail and to consider and approve a proposed response to Scottish Government consultation on a draft Energy Strategy and Just Transition Plan.

Summary

Tactran has been given permission to advertise the non-councillor member post on the Scottish Government's Work for Scotland website. The 2022/23 Audit Strategy will be circulated to Members via e-mail. Dundee City and Stirling Councils were both successful in being awarded funding from the UK Levelling Up Fund for sustainable and active travel projects. The National Planning Framework 4 has been approved by Scottish Ministers and will now be supported regionally by Regional Spatial Strategies rather than Strategic Development Plans. The 4 partner Local Authorities are progressing public EV charging strategies and infrastructure expansion plans, funded by Transport Scotland EV Infrastructure Fund (EVIF) aiming for these to be drafted by end of March 2023, after which the Tactran EV Steering Group will consider how to best support these regionally. The Hydrogen Decarbonisation Project is progressing with a draft Tay Cities Regional Hydrogen Assessment having been prepared and future workstreams and funding being considered. Both Bus Alliances are working towards completing their STAG bus priority appraisals for submission to the Transport Scotland Gateway. A draft response to Scottish Government Draft Energy Strategy and Just Transition Plan is included for approval.

1 RECOMMENDATIONS

1.1 That the Partnership:

- (i) notes progress in recruiting a new non-elected member to the Tactran Board;
- (ii) agrees the 2022/23 Audit Strategy will be circulated to Members via e-mail for noting and comment.
- (iii) notes the outcome of the Levelling Up Fund applications;
- (iv) notes the adoption of NPF4 by Scottish Ministers and updates on the EV Strategy, Hydrogen Decarbonisation Project and Bus Alliances outlined within the report; and

- (v) considers and approves a proposed response to Scottish Government's consultation on draft Energy Strategy and Just Transition Plan, as outlined in Appendix A.

2 DISCUSSION

Non-Councillor Member

- 2.1 Tactran has been given formal permission to use Work for Scotland website to advertise the non-councillor member post and are in discussion with Scottish Government regarding the template for advertising to ensure engagement from underrepresented groups in society. It is expected that the position will be advertised within the next few days.

2022/23 Audit Strategy

- 2.2 It has not been possible for Audit Scotland to prepare the 2022/23 Audit Strategy in time for inclusion on the agenda for this Partnership meeting. The aim is to have the 2022/23 Audit Strategy ready by end of March 2023, at which time it is proposed to circulate the Audit Strategy to Members by e-mail for noting and comment. The Partnership is asked to agree to receive the 2022/23 Audit Strategy via e-mail.

Levelling Up Fund

- 2.3 Tactran supported three applications to the UK-wide Levelling Up Fund, as follows:
- Dundee City Council – Bell Street Green Transport Hub
 - Perth & Kinross Council – Perth West and Perth Eco Innovation
 - Fife Council – Tay Bridgehead Park & Ride
- 2.4 Of the three applications, Dundee City Council's Bell Street Green Transport Hub was successful in being awarded £14.4m from the Levelling Up Fund which will go towards redeveloping the dated multi-storey car park into a sustainable transport hub, creating 350 electrical vehicle charging points, car share spaces, and an e-bike hire scheme.
- 2.5 In addition to the three applications supported by Tactran, Stirling Council was also successful in being awarded £19.0m from the Levelling Up Fund towards the regeneration of the Forthside area, which includes 3 potential active travel routes linked to the Forthside area and officers are awaiting advice from UK Government as to the detail.

National Planning Framework 4 (NPF4)

- 2.6 The revised National Planning Framework 4 (NPF4) was approved by Scottish Ministers on 13 February 2023.

2.7 The NPF4 sets out 6 overarching spatial principles, of which 4 are particularly relevant to Transport, Accessibility and Connectivity:

- **Just transition:** empowering people to shape their places and ensure the transition to net zero is fair and inclusive
- **Local living:** supporting local liveability and improving community health and wellbeing by ensuring people can easily access services, greenspace, learning, work and leisure locally
- **Compact urban growth:** limiting urban expansion so the use of land can be optimised to provide services and resources, including carbon storage, flood risk management, blue and green infrastructure and biodiversity
- **Rural revitalisation:** encouraging sustainable development in rural areas, recognising the need to grow and support urban and rural communities together

2.8 It is intended that by applying these principles, the NPF4 includes policies that will support the planning and delivery of:

- **sustainable places**, where we reduce emissions, restore and better connect biodiversity;
- **liveable places**, where we can all live better, healthier lives; and
- **productive places**, where we have a greener, fairer and more inclusive wellbeing economy.

2.9 Eighteen National Developments support the spatial strategy, with those of most relevance to the Tactran Region being:

- Central Scotland Green Network
- National Walking, Cycling and Wheeling Network
- Dundee Waterfront
- Industrial Green Transition Zones (inc Grangemouth)
- High Speed Rail

2.10 Additionally, the regional spatial strategy highlights the need for good connectivity from the region to Glasgow and Edinburgh as well as connections northwards to Aberdeen and Inverness.

2.11 Following NPF4's adoption by Scottish Ministers, the approved TAYplan Strategic Development Plan 2016-2036 will be replaced by a non-statutory Regional Spatial Strategy (RSS) within the overall approved planning framework. In the Tactran Region there will be two such RSS, for Tay Cities and Forth Valley.

EV Strategy Update

2.12 The Regional EV Strategy was approved by the Partnership in September 2019 with the associated Delivery Plan being approved by the Partnership in June 2020 (Reports RTP/19/35 and RTP/20/24 refer respectively). Steady progress with the actions within the strategy was made during 2020 and 2021 with an

update on actions undertaken provided to Tactran Board at its meeting in June 2021 (Report RTP/21/16 refers).

- 2.13 Towards the end of 2021 Transport Scotland informed Local Authorities and RTPs that they had been working with Scottish Transport Futures considering different models of financing future EV charging networks and had identified opportunities to leverage private sector capital, skills, resources and expertise through a partnership approach with local authorities and private network operators. As part of this work Transport Scotland funded a small number of pathfinder projects, with Dundee City Council being included from the Tactran region.
- 2.14 In January 2022 the Scottish Government published [‘A Network Fit for the Future: Draft Vision for Scotland’s Public Electric Vehicle Charging Network’](#). This new vision places people and businesses first, outlining the accessible, affordable and reliable public network required for the future and sets out the key areas underpinning the development of the public electric vehicle charging network over the coming years to meet 5 desired outcomes:
- People have access to a well-designed and comprehensive public network of charge points.
 - The public electric vehicle network works for everyone regardless of age, health, income or other needs.
 - Scotland has attracted private sector investment to grow the public electric charging network, ensuring it meets the needs of all people.
 - The public charging network is powered by clean, renewable energy and drivers benefit from advancements in energy storage, smart tariffs and network design.
 - People’s first choice wherever possible is active and public transport with the location of electric vehicle charging points supporting those choices.
- 2.15 To assist in delivering this vision Transport Scotland in March 2022 announced an Electric Vehicle Infrastructure Fund (EVIF) aiming to at least double Scotland’s public electric charging network over the next 4 years and help achieve the Scottish Government’s Draft Vision. The EVIF aims to support Local Authorities to draw in private investment and enable the implementation of a variety of public charge point owner/operator models. Transport Scotland will provide £30m funding programme and it is anticipated that this will be matched by £30m of private investment. The initial phase of the EVIF is for Local Authorities to develop public electric vehicle charging strategies and infrastructure expansion plans and Transport Scotland is providing each Local Authority with a £60,000 grant for this purpose in 2022/23.
- 2.16 The EVIF is being managed by Scottish Futures Trust and they have provided a template strategy and infrastructure expansion plan for Local Authorities to consider. All 4 Local Authorities in the Tactran area are progressing their strategy and expansion plans with Dundee City Council doing so through their pathfinder project. As previously reported Stirling Council is pooling resources with Falkirk and Clackmannanshire Councils to develop a strategy and

expansion plan for that area but are also disaggregating this into Council areas. Angus, Dundee City and Perth & Kinross Councils are developing their own initial strategies and expansion plans but are considering how to best collaborate on these as a future phase.

- 2.17 A Tactran Regional EV Steering Group comprising officers from Tactran and the 4 constituent Local Authorities continue to liaise to share good practice, with the current focus on delivering the EVIF strategies and expansion plans. It is anticipated that each of the Local Authority's draft strategy and expansion plan will be completed in draft by the end of March 2023. The steering group is scheduled to meet in April 2023 when it is anticipated the Local Authorities' draft EVIF strategies and delivery plans will be completed to consider how best to take forward the EVIF and Tactran Regional EV Strategy.

Hydrogen Decarbonisation Project

- 2.18 An update on the Hydrogen Decarbonisation Project was provided at the Partnership meeting on 13 December 2022 and work has since progressed on the Tayside Hydrogen Project.
- 2.19 With analyses having been completed both in relation to the potential for fleet replacement and the total life costs, Tactran representatives have met regularly with the Head of Innovation and Supply Chain from Transport Scotland's Low Carbon Economy Directorate to ensure the project builds on the results of the data analyses.
- 2.20 Tactran aims to identify an ambitious, but realistic set of work packages which will set the strategic direction to ensure continued engagement of project partners. Work packages were agreed at the most recent meeting of the project consortium, including an assessment of how hydrogen would be produced and distributed within the region and, an assessment of available options to realistically replace and / or convert public sector fleets to hydrogen.
- 2.21 Project partners will continue to engage with Transport Scotland's Low Carbon Economy Directorate for funding to support the project. Aware of the constraints in funding, officers continue to identify alternative sources of funding, including European Union Horizon Research and Innovation Programme. Other alternative sources of funding may include the UK Infrastructure Bank as they can fund capital expenditure to decarbonise public sector fleets. Colleagues from the Hydrogen Accelerator at St Andrew's University (H2A) will follow up on this lead.
- 2.22 Tactran representatives have met with Stirling Council's Fleet Manager and it is anticipated that the information required will be collated and submitted to the Energy Savings Trust and the H2A by the end of February to allow them to complete the respective data analyses for Stirling Council's fleet. Once completed, Stirling Council will be supplied with the respective reports, detailing the results for their fleet.

- 2.23 The results will be incorporated in the Draft Tay Cities Regional Hydrogen Assessment. The report is prepared by both the Energy Savings Trust and H2A. A first draft has already been shared with the project partners and Transport Scotland.
- 2.24 Tactran Officers will continue to work with partners to further strengthen the case for investment into the hydrogen infrastructure in the region to ensure project partners remain engaged and benefit from participation in the project.

Bus Alliances

- 2.25 Both the Tayside Bus Alliance and Forth Valley Bus Alliance are being developed in the Tactran area. Both are at similar stages of delivery, with the Tayside Bus Alliance due to report by the end of the financial year (2022/2023), and the Forth Valley alliance by the end of June 2023.
- 2.26 Both alliances are following a standard appraisal structure, the Scottish Transport Appraisal Guidelines (STAG), and both are undertaking the Detailed Options Appraisal elements of their respective analyses.
- 2.27 Previous updates have been made to the Board, including summaries of the Bus Partnership Fund process, under which the alliances are supported, including the provision of an alliance workshop to the Board.
- 2.28 Current activities include the undertaking of stakeholder engagement activities, including both elected member and public surveys, leading to the completion of the first phase of BPF funding, submission to the Transport Scotland gateway process, and further funding application to allow progression to an Outline Business Case and the delivery of priority measures.

Draft Energy Strategy and Just Transition Plan - Consultation

- 2.29 On 10 January 2023 Scottish Government published consultation on a [Draft Energy Strategy and Just Transition Plan](#), with the consultation period ending on 4 April 2023.
- 2.30 The Scottish Government are consulting on a draft route map of actions required to deliver a flourishing net zero energy system that supplies affordable, resilient and clean energy to Scotland's workers, households, communities and businesses.
- 2.31 To realise the Scottish Government's climate change ambitions, there needs to be a transformation in the way Scotland generates, transports and uses energy. The draft Energy Strategy and Just Transition Plan sets out the scale of that opportunity and provides clarity on how Scotland will prepare for a Just Energy Transition.

- 2.32 The draft Energy Strategy and Just Transition Plan sets a vision for Scotland's energy system to 2045 and a route map of ambitions and actions that, coupled with detailed sectoral plans and the forthcoming Climate Change Plan, will guide decision-making and policy support over the course of this decade.
- 2.33 Transport is currently a significant user of fossil fuels, accounting for 25% of Scotland's energy consumption. Modal shift will be a key element of any policy that aims to decarbonise transport. Tactran, subsequently, welcomes the Scottish Government's ambition to reduce car kilometres by 20% by 2030. Significant modal shift, however, will be possible only if strong political leadership is displayed and more support for the approaches that drive transformation fast and at scale, including fiscal travel demand measures.
- 2.34 While this will clearly reduce the energy consumption of the transport sector, there will still be demand for energy within the sector. It will be key to meet this demand by renewable energy to fully decarbonise Scotland's transport sector.
- 2.35 The draft response highlights that the Government needs to support overstretched Councils throughout the deployment of clean energy sources. Transport cannot be decarbonised unless finances can get to where they are needed and, that more models, such as the Electric Vehicle Infrastructure Fund, are needed that enable all local authorities to access Scottish Government funding, while incentivising private investment alongside.
- 2.36 Tactran notes that the Scottish Government will publish a Draft Just Transition Plan for Transport later in 2023.
- 2.37 The Partnership is asked to consider and approve the proposed Tactran response, as detailed in Appendix A.

3 CONSULTATIONS

- 3.1 Elements of the report have been the subject of consultation with partner Councils, other RTPs, Transport Scotland and other partners/stakeholders, as appropriate.

4 RESOURCE IMPLICATIONS

- 4.1 This report has no direct or additional financial or other resource implications.

5 EQUALITIES IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of Equality Impact Assessment and no major issues have been identified.

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Director

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NOTE

Papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing this Report.

Report to Partnership, RTP/19/35 Regional Electric Vehicle Strategy, 17 September 2019

Report to Partnership, RTP/20/24 Tactran Regional EV Strategy: Delivery Plan Update, 16 June 2020

Report to Partnership, RTP/21/16 Director's Report, 15 June 2021

Draft Energy Strategy and Just Transition Plan Consultation

Scottish Government Consultation

Tactran Proposed Response

Tactran welcomes the opportunity to respond to consultation on the Scottish Government's Draft Energy Strategy and Just Transition Plan.

The energy transition will not happen without a transport transition, and the transport transition will not happen without the energy transition. Efforts to decarbonise transport must be seen in the wider context of decarbonising all sectors, so that overall outcomes can be optimised. We welcome the wider policy approach set out in the document.

Transport is currently a significant user of fossil fuels, accounting for 25% of Scotland's energy consumption. Modal shift will be a key element of any policy that aims to decarbonise transport. Tactran welcomes the Scottish Government's ambition to reduce car kilometres by 20% by 2030. Significant modal shift, however, will be possible only if strong political leadership is displayed and more support for the approaches that drive transformation fast and at scale.

While this will clearly reduce the energy consumption of the transport sector, there will still be demand for energy within the sector. It will be key to meet this demand by renewable energy to fully decarbonise Scotland's transport sector.

Quick wins to transform the transport sector and, indeed, transform the energy sector, are electricity based. This is because renewable electricity is the most cost-effective energy. It is already an established technological standard, and its application is widespread. Sectors, such as aviation and shipping, are more challenging. However, available technologies include biofuels and, renewable electricity based synthetic fuels.

Electrification holds the opportunity to redesign the transport sector, as well as to change the way it is fuelled. As transport electrifies, it is merging with the energy network, with electric vehicles becoming more and more able to respond to the needs of the wider renewable energy systems. Tactran, subsequently, welcomes the commitment by the Scottish Government to take forward research to explore the opportunities available to Scotland through Vehicle to Grid technology to manage the regular and repeated changes of renewable energy systems to maintain system stability. When generation is low, and demand is high, electric vehicles equipped with two-way charging devices can send electricity back into the grid. And when renewables produce more electricity than the system needs, electric vehicles connected to smart meters can act as distributed storage infrastructure – small batteries, absorbing surplus energy and stabilising the grid. These innovations, alongside others such as stationary battery storage or software that coordinates charging with periods of low demand, can boost grid capacity.

To realise the respective quick wins, it is important that policies target public sector fleets and private sector fleets alike to create markets, not only for electric mobility, but also for renewable electricity, and to accelerate the development of renewable electricity generation within Scotland.

The ambition of the Scottish Government, along with the identified £2bn for transport decarbonisation, are a promising start. However, the Government needs to support overstretched Councils throughout the deployment. Competitive models of public funding are not driving change fast enough. Tactran believes that we cannot decarbonise transport unless finances can get to where they are needed. More models, such as the Electric Vehicle Infrastructure Fund, are needed that spread Scottish Government funds between a wider range of public sector players, while incentivising private investment alongside.

Such funding models, complementing the ambitious policies set out by the Scottish Government, will enable the transition needed at the speed required and, will also help Scotland to build a resilient energy infrastructure which in turn means a resilient transport infrastructure and mobility offer.

Both the transport transition and the energy transition require fundamental structural changes. Ultimately, it is about societal changes and choices. Societal acceptance of such transitional changes is essential. The latter, however, can only be secured through strong political leadership and a societal debate to allow for the exchange of the different public and private perspectives, the establishment of common grounds and an understanding of the opportunities. Tactran would welcome to be part of this societal debate to accelerate the transition and help Scotland contribute to the Paris Agreement.

Due to the rapid rise of EVs in recent years and even faster expected growth over the next ten years in some scenarios, the second-life battery supply for stationary applications could surpass 200 gigawatt-hours per year by 2030. This volume will exceed the demand for lithium-ion utility-scale storage for low- and high-cycle applications combined.

However, to unlock this new pool of battery supply, several challenges in repurposing the batteries must be overcome, including the current lack of standardisation of battery-pack designs. Each battery is designed by the battery manufacturer and automotive OEM to be best suited to a given vehicle model, with packs varying in size, electrode chemistry, and format (cylindrical, prismatic, and pouch). By 2025, approximately 250 new EV models will exist, featuring batteries from more than 15 manufacturers.

Finally, Tactran would like to highlight that in the absence of directive regulation outlining whether recycling or reuse is the path required to avoid mass disposal of batteries, this creates uncertainties for the stakeholders involved, including battery and automotive OEMs.

While Tactran supports the development and deployment of other energy vectors, vectors with currently high conversion losses, such as Green Hydrogen, could potentially increase Scotland's primary energy consumption. This risk could be mitigated by diversity of supply sources. The Government needs to support overstretched Councils throughout the development and deployment of Green Hydrogen.

Tactran notes that the Scottish Government will publish a Draft Just Transition Plan for Transport later in 2023. The partnership is looking forward to seeing this draft and providing comments on the draft plan later in the year.