

Item:
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Report to Partnership Meeting 26 April 2013

PARTNERSHIP

Green Transport Strategy

Purpose of Report

To focus discussion on identifying how the Regional Transport Strategy Delivery Plan refresh can reconcile the economic development objectives of the Plan with managing energy use and emissions.

Background

HITRANS has begun the process of refreshing the Delivery Plan document associated with its Regional Transport Strategy. Core elements of the refreshed RTS Delivery Plan will include the continued support and commitment to seek improvements in the rail and road networks and to lifeline ferry and air services; seeking to lever in additional funding to help facilitate delivery of the RTS Delivery Plan projects (particularly through European projects); and support for sustainable transport, specifically thought active travel audits, the promotion of cycling and walking and discreet European projects.

While HITRANS has been relatively successful in pursuing these objectives, there has been limited progress in reconciling the inherent tensions that exist in pursuing these objectives – essentially – in isolation. For example, successfully working with stakeholders to enhance ferry and air services and to increase capacity and reduce travel time on the trunk road network and will almost inevitably lead to an increase in energy use and climate change emissions within the region. Indeed, it could well be the case that the increase in emissions from HITRANS' road, rail, ferry and air policies is significantly greater than the reduction in emissions wrought from its sustainable transport projects, leading to a net increase of emissions across the portfolio of activities (although there is a lack of benchmark data to support this assumption).

The core emphasis identified within the Regional Transport Strategy is to strengthen the region's viability with the Strategy's principal benefit to the communities and businesses of the HITRANS area being to increase sustainable economic growth, in line with Scottish Government's Economic Strategy, by enabling the area to compete and support growth. The Strategy does not have a 'headline' sustainability target around - for instance - CO₂ emissions, growing the proportion of electric/ low carbon vehicles in the regional fleet, or increasing modal share for cycling and walking (although the latter has been discussed at recent board meetings). In contrast, regions at the 'cutting edge' of the sustainable transport agenda tend to have a headline target under which policy priorities are aligned (e.g. Copenhagen's 50% 2030 cycling target and Malmö's aim to be 'carbon neutral' by 2020) while the Scottish Government have outlined challenging targets through the Climate Change Delivery Plan.

Such an ambitious approach is – arguably – impractical in a rural region where key public transport and active travel alternatives are more difficult to provide, and where air, ferry and road links are lifeline rather than discretionary modes of travel. Nevertheless, there is scope for

HITRANS to take a more strategic approach towards sustainable travel in its RTS Delivery Plan refresh, particularly in terms of reconciling the tensions between sustainable and lifeline travel, seeking to benchmark energy use and emissions from transport within the region and perhaps even setting a headline green travel target.

In addition, increasing attention is being paid to the relationship between green transport and renewable energy, and the extent to which vehicles powered by batteries, hydrogen fuel cells and even gas can store excess renewable energy, providing much needed 'flexibility' for the producers of intermittent renewables, and helping to balance out peaks in renewable energy supply and demand. This is an area that CMAL is interested in exploiting through its next generation electric hybrid and hydrogen fuel cell ferries. Robert Gordon University are also about to look at the potential for green transport to provide renewable energy flexibility in Orkney, Shetland, and - possibly – in remote airports (the latter through a Northern Periphery Programme bid which HITRANS is leading on).

Finally, with many experts arguing that oil production has peaked, and with increasing demand for (more expensive to extract) oil and gas from emerging BRIC economies, it is almost certain that diesel and petrol prices will continue to rise until alternatives become economically viable (for electric vehicles this could be somewhere around the £3 a litre). Fuel prices will almost certainly be subject to greater volatility. Although the Highlands and Islands have already been mitigating the effects of high and rising fuel prices for over fifteen years, HITRANS and its constituent local authorities will have to make further efforts to create additional resilience to future fuel price shocks.

Because energy use and management lies at the heart of these issues, it can be argued that there is a *virtuous interrelationship* between efforts to reduce CO2 emissions; using vehicles to balance energy supply and demand from renewables; and seeking to fuel create resilience against future oil price rises. Taking a holistic view to these interrelated issues (rather than dealing with them in discreet 'projects') is consistent with the approach taken in places like Malmo and Copenhagen. Furthermore, if pursued strategically and thoughtfully, seeking to make progress in these areas is not necessarily at odds with policies and interventions which seek to maximise access and mobility, particularly on lifeline routes (CMAL's new ferries being a prime example).

Suggested courses of action

It is proposed that HITRANS take a more strategic approach to sustainable transport in its RTS Delivery Plan refresh. The interrelationship between CO2 emission mitigation; green vehicles and renewables; and fuel price resilience should be fully articulated and embedded in the revised document.

It is also recommended that HITRANS consider setting an appropriate headline target around green transport for inclusion in the refreshed RTS Delivery Plan

It is proposed that HITRANS should seek to strengthen strategic partnerships with stakeholders such as bodies such as CMAL, HIE, SSE and ZetTrans in order to pursue this agenda.

In order to provide valuable benchmark data, HITRANS might also consider commissioning a 'high level' transport energy / emissions audit for the region, which would seek to capture energy demand, supply, and associated greenhouse gas emissions; identify opportunities for enhancing fuel price resilience; and identify schemes where transport initiatives could assist in providing local storage and flexibility for balancing renewable energy into the grid.

To give such aspirations a practical focus, and to further help prioritise future interventions in this area, it is suggested that HITRANS identify a number of *sustainable transport and energy demonstration hubs* (potentially one in each of the HITRANS constituent local authority areas). This would allow HITRANS to more efficiently pilot and evaluate various interventions around sustainable transport, energy management and fuel price mitigation, and to identify the best combination of measures (in terms of impact, business case, cost/ benefit etc.) for up-scaling across the rest of the Highlands and Islands.

The creation of demonstration hubs would allow HITRANS to take a more a more focused and strategic approach to EU funding and would enable the partnership to better target European calls and increase its overall level of funding from the EU.

Recommendations

1. Members are asked to note the report
2. Officers should embed the interrelationship between CO2 emission mitigation; green vehicles and renewables; and fuel price resilience within the RTS Delivery Plan Refresh.
3. Members and Advisors should consider the benefits of developing a headline green transport target within the RTS Delivery Plan Refresh.
4. Members are asked to consider including 'high level' transport energy/ emissions audit for the region within the Business Plan.

Risk	impact	Comment
RTS delivery	√	The recommendations of the report will help focus the RTS Delivery Plan to align with national targets designed to support the development of a low carbon economy.
Policy	√	
Financial	√	The recommendations of the report will help focus project development and access funds.
Equality	-	No Equalities impact.

Report by: David Gray
 Designation: Board Member
 Date: 16th April 2013