



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 12 December 2012

Session 4

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**Wednesday 12 December 2012**

**CONTENTS**

	<b>Col.</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	1184
<b>TRANSPORT.....</b>	1185
<b>MARINE NAVIGATION (No 2) BILL.....</b>	1225
<b>PETITIONS .....</b>	1228
A90/A937 (Safety Improvements) (PE1236) .....	1228
DVLA Local Office Closures (PE1425).....	1232
<b>SUBORDINATE LEGISLATION.....</b>	1233
Housing (Scotland) Act 2001 (Assistance to Registered Social Landlords and Other Persons) (Grants) Amendment Revocation Regulations 2012 (SSI 2012/306).....	1233
M74 Motorway (Fullarton Road to the M8 West of Kingston Bridge) (Speed Limit) Regulations 2012 (SSI 2012/320).....	1233

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**INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE**  
**23<sup>rd</sup> Meeting 2012, Session 4**

**CONVENER**

\*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

**DEPUTY CONVENER**

\*Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)

**COMMITTEE MEMBERS**

\*Malcolm Chisholm (Edinburgh Northern and Leith) (Lab)

\*Jim Eadie (Edinburgh Southern) (SNP)

\*Alex Johnstone (North East Scotland) (Con)

\*Gordon MacDonald (Edinburgh Pentlands) (SNP)

\*Margaret McCulloch (Central Scotland) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Keith Brown (Minister for Transport and Veterans)

Stuart Foubister (Scottish Government)

Aidan Grisewood (Transport Scotland)

Ainslie McLaughlin (Transport Scotland)

Archie Stoddart (Transport Scotland)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

Committee Room 6



## Scottish Parliament

### Infrastructure and Capital Investment Committee

*Wednesday 12 December 2012*

[The Convener *opened the meeting at 10:00*]

### Decision on Taking Business in Private

**The Convener (Maureen Watt):** Good morning, everyone, and welcome to the Infrastructure and Capital Investment Committee's 23rd and final meeting in 2012. I remind everyone to switch off mobile phones and BlackBerrys, as they affect the broadcasting system.

Under agenda item 1, I seek the committee's approval to take items 6 and 7 in private. Item 6 is consideration of a draft report on the legislative consent memorandum on the Marine Navigation (No 2) Bill and item 7 is consideration of our approach to scrutiny of the Forth Road Bridge Bill. Do members agree to take those items in private?

**Members** *indicated agreement.*

## Transport

10:00

**The Convener:** Under item 2, we will receive an update on major transport projects from the Minister for Transport and Veterans. I welcome the minister, Keith Brown, and his supporting officials from Transport Scotland—Ainslie McLaughlin, director of major transport infrastructure projects; Aidan Grisewood, director of rail; and Archie Stoddart, transport strategy team leader.

I invite the minister to make some opening remarks.

**The Minister for Transport and Veterans (Keith Brown):** Thank you, convener. I will start by talking about cycling. We are providing significant investment for cycling infrastructure across Scotland, in both urban and rural areas. I know that the committee has been looking at the matter recently. An additional £20.25 million over the next three financial years was announced in February and a further £6 million was announced on 20 September. That is in addition to the £15 million over the next three years in the budget line for wider sustainable and active travel initiatives.

Our transport objectives are analogous to my Government's aims to create conditions for families to flourish, to improve our social cohesiveness and to allow our businesses to prosper. An efficient, well-connected and sustainable transport system is a key enabler of delivery on increasing sustainable economic growth in a low-carbon economy for the whole of Scotland. That is why we have invested more than £8 billion in transport infrastructure and services since 2007, which in turn helps to protect and grow our economy. We invest that money to create employment and stimulate growth, to create conditions of advantage and opportunity, to allow businesses access to a skilled workforce, to deliver goods and services to markets, and so that our people can move freely for work, education and leisure.

We have committed to a £5 billion programme of investment in Scotland's railways between 2014 and 2019, and £3 billion of that will be capital investment. As a Government, we disagree with the Chancellor of the Exchequer's programme of austerity, cuts and backtracking. After failing to generate growth with his plans, the chancellor has had to accept the logic of our argument and follow Scotland's actions by investing more of the budget in building projects that will bring jobs and boost the economy as well as providing lasting benefits in the way of infrastructure.

Part of the reason for that is that transport and housing—housing is another of the committee's

concerns—are labour-intensive areas to invest in. The argument, of course, is about borrowing. Borrowing is a large part of the problem that the United Kingdom faces, but we believe that borrowing for the right reasons—to invest in economic assets—is right and proper. It brings lasting benefits in the way of infrastructure, it creates economic assets and it puts people into employment who then receive wages instead of seeking benefits and who pay tax as well, so a virtuous circle is created.

We are proud of the programme of capital investment that has already delivered, for example, the Airdrie to Bathgate line, which has created new services between Edinburgh and Glasgow and for communities along the route. We delivered the M74 motorway extension across the south of Glasgow eight months ahead of schedule and £17 million below budget. We are delivering a new Forth crossing, which is Scotland's biggest infrastructure project in a generation, and I recently launched the campaign to find the future, permanent name for it. If members are interested, they can submit their suggestions before the end of January.

The Fife intelligent transport system on the M90, which went live on 4 December last week, will increase the efficiency and capacity of roads by improving traffic flow and reducing congestion, which in turn will help to improve journey time reliability and reduce emissions. Yesterday, the Forth Road Bridge Bill, which the convener mentioned, was introduced in the Scottish Parliament.

Last week, on 4 December again, which was just a week after I was in Aberdeen to see ground investigations resumed on the Aberdeen western peripheral route, our programme of on-the-ground preparatory works was advanced significantly with the invitation to tender for archaeological surveys worth about £3 million. We will ensure that small to medium-sized businesses have the opportunity to bid for that work and will open up the project to smaller-scale contractors across Scotland, as well as major national and international organisations.

Less than a year ago, the Scottish Government gave the first-ever commitment to dual the A9 between Perth and Inverness, which is to happen by 2025. We are already seeing progress. Preparatory work is under way, and consultants have been appointed for the preliminary engineering and environmental work. We aim to keep up that momentum by giving the public a chance to comment at the early stages of that vital project for the Highlands and Islands and, indeed, Scotland as a whole. That is why I encourage everybody who has an interest to attend the ongoing two-week roadshow, which is to stop at Kingussie today, and to help to ensure that local

needs are reflected as we develop the dualling programme.

We will deliver rail improvements between Aberdeen and Inverness and on the Highland main line, as well as electrification and the upgrade of railway lines between Edinburgh and Glasgow. Fifteen of the 20 direct trains that link Inverness with Glasgow and Edinburgh are now up to 17 minutes faster in the December 2012 timetable. We are implementing a wide range of infrastructure investment plans that are geared to supporting sustainable economic growth in Scotland, and we are trying to encourage modal shift to public transport and active travel.

The Government has committed substantial funding over the current spending review period to support climate change action. There is £199.7 million over 2012-13 to 2014-15 to reduce the carbon impact of transport via active travel, low-carbon vehicles and congestion reduction, and the £50 million future transport fund, which was announced in January, will enable us to better support public transport, low-carbon vehicles and active travel initiatives.

That is a proud record of investment in the future of transport in Scotland.

I acknowledge the committee's strong interest in the cycling action plan for Scotland and apologise for not giving the committee notice of the publication of the CAPS progress report. That was an oversight on our part. I hope that my subsequent letter gave the committee the information that it requires. I am, of course, happy to provide any further information that it might need, and I look forward to continued further engagement on those issues.

That is a brief overview, which I hope is helpful to the committee in setting the general context. I will try to answer any questions that members have.

**The Convener:** Thank you very much.

**Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP):** Good morning, minister. I will ask an overarching question. What aims and ambitions does the Scottish Government have for Scotland's strategic transport networks, and how will you prioritise investment to meet those aims and ambitions?

**Keith Brown:** That is a broad question. Perhaps I gave you some pointers to the answers to it in my opening statement. One thing that strikes me is the extent of underinvestment in the transport network in various parts of Scotland for many decades. Let us consider some of the bigger projects, such as the Forth road crossing and the Airdrie to Bathgate rail link. There is £5 billion-worth of investment in rail. The Borders railway will

go to a completely new part of the country, and the Borders will have a rail link for the first time in 40-odd years. We are also investing in ferries and so on.

We are seeing almost a modernisation of Scotland's infrastructure. I understand that that is very hard to do at a time when resources are at their tightest, but we have said in the Government that such investment in transport serves other purposes. I have mentioned the beneficial impact on employment and the economy. We have therefore been quite successful in attracting money towards transport projects from a reduced pot.

As I said in my opening statement, the strategic aim must be to improve our links so that the economic benefit is not just from employing people to build roads or improve railways but from freeing up links and making it easier to travel between certain areas. That will help the movement of personnel around the country. People can move for jobs, and we can ensure that businesses can get their goods to market more quickly, for example.

The overarching imperative is to improve Scotland's transport network as a whole, because that helps the economy in different ways. Within that, on roads, we have the new crossing over the Forth. Leaving aside the condition of the existing bridge, which reached its design capacity some years ago, the crossing is a strategic link in Scotland, so a new crossing is imperative. The decision on that was delayed for too long. However, that decision has been made and we are moving forward and making great progress with the new crossing.

Something that may not get as much recognition is our intelligent transport system, which is important. Such a system does not sound strategic in its own right but, if it is used in the right way, it can free up traffic. Traffic sometimes moves more slowly, but it gets to where it is going more quickly. I know that that sounds odd, but that works well on the M25 and the M40.

I used the system on the M90 when it began last week and, although it was not a completely free run across the Forth into Edinburgh, there were virtually no stop-starts. That has a big benefit for the environment, because the worst emissions occur when traffic stops and starts.

There is more and more use of intelligent transport systems. Over the past four or five years, members will have seen an increasing number of gantries with real-time information between Edinburgh and Glasgow, and journey-time information is available now.

The two key issues are trying to ensure that the economy benefits from an efficient transport

network while trying to drive down emissions. Another issue is how we prioritise that. The publication of the strategic transport projects review gave us a substantial route map on prioritising investment. That has helped us a great deal, because it is the first time that there has ever been an objective analysis of how to prioritise by showing the benefits for individual projects against their costs.

**Adam Ingram:** You mentioned the STPR, which was published in 2009. There are also the policies and programmes as set out in the national transport strategy, which was published in 2006. Why have you chosen not to update those documents since their publication? What are your plans for doing so?

**Keith Brown:** That is a fair question. People build up the expectation that Governments will regularly come forward with refreshes or new launches of strategies. However, everybody appreciates that we are operating in a challenging economic environment. They understand the importance of the prioritisation of transport investment and greater efficiency in the way in which we deliver that.

I am comfortable about not diverting officials into a huge root-and-branch review of the national transport strategy. At this stage, a full paper-based refresh of the national transport strategy is not required. There is scope and opportunity for us jointly to revisit the transport delivery landscape and continually to develop more innovative and collaborative ways of working.

The strategy is better focused. An example of that is the roads maintenance review, which was a discrete piece of work that addressed a particular problem. You will remember the audit report that said that there was a substantial maintenance backlog in trunk roads and much more so in local roads. Focusing on particular issues in the roads maintenance review eventually led to a proposal for 30 actions that could be taken to improve what we do. At the same time, there was recognition that we are doing that at a time of reducing budgets.

Such work is more valuable than continually refreshing existing strategies. It is a question of ensuring that the department's time is used most effectively.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** I will ask about recent changes to the existing rail franchise arrangements. You recently announced that FirstGroup would be given a five-month extension to its 10-year contract to run the franchise, which had been due to expire in November 2014. Why did you decide to extend the franchise? Will any additional costs to the Scottish Government be incurred by that decision?

10:15

**Keith Brown:** We decided to extend the franchise because of the west coast main line fiasco, which I think is the best way to describe it. As you will know, two reviews were launched to address the implications of that: the Brown review and the Laidlaw review. Brown has not yet reported, but he will do so shortly. As well as cancelling the award of the west coast main line contract, the Department for Transport suspended or paused three other franchise processes. That also brought into question how a number of other franchises that are coming up in the timetable will be progressed.

That was the background. When we heard about the west coast contract, we immediately checked to ensure that our processes were robust enough not to be susceptible to the problems that happened in that contract. It was right that we checked that, although we felt that we had a good process anyway. From that consideration, it was clear that two things are important to ensure that the process works, one of which is giving it enough time. We think that about 20 months is the right amount of time. We do not have the scale of issue that the DFT has; it has 14 franchises to consider, but we have just two in the future.

We felt that it was important not only to give the process enough time but to have the necessary resource. I think that the Laidlaw and Brown reviews are considering how much resource the DFT had in terms of expertise to process franchises. Given all that, and given that Brown might say something that may impact on the whole franchising process and therefore on the ScotRail franchise, we thought that it was right to take more time, given that we had the seven-month contingency period at the end of the franchise, which we are allowed to use. By doing that, we can listen to what Brown has to say and assimilate any lessons that might come out of that or any changes to the franchising process that he might recommend.

We must be careful to ensure that the process is robust enough to withstand challenges. That is not to say that we can prevent challenges from happening—that is an important point, given what has happened in other areas of transport. There seems to be more of a trend these days for people who lose contracts in a competitive process to challenge the process. It is their right to do that and we cannot stop that. However, we can ensure that our system is robust enough to withstand such challenges. For that reason, we wanted the 20-month period to be left intact. We have talked to the various parties involved and have taken that extra time.

That approach has no additional cost to the Scottish Government. It is important to recognise

that we get much out of the addition to the franchise. In my statement to Parliament last week, I referred to the deal that we managed to strike on fares. In that regard, we seem to set a trend that the United Kingdom Government sometimes follows, because initially it had a figure of the retail prices index plus 3 per cent, whereas we had RPI plus 1 per cent; the UK Government then moved to RPI plus 1 per cent. We are now looking to move to having nothing above inflation, with certain caveats.

We have driven that deal, and a number of additional services and benefits will come with the current contract with FirstGroup for ScotRail. That is a good deal for the passenger. However, the main driving force for seeking the franchise extension—in fact, it is not really an extension; we are just using part of the contingency period—was to ensure that we have the time and space necessary to get the process absolutely right.

**Gordon MacDonald:** It is good to hear that the extension will have no additional cost for the Scottish Government.

You touched on fares. You have announced that peak fares will be capped in January 2014 and January 2015 to the RPI and that off-peak fares will be frozen. Will you outline why that decision was taken? Will there be any effect on unregulated fares, such as those for season tickets?

**Keith Brown:** The reason for our decision is that the current formula builds into the process above-inflation rises, and we are aware of the current economic situation. On the other hand, there is a tension from having to draw in as much money as possible to make improvements that are wanted.

We should bear it in mind that 75p of every £1 of ticket price is borne by the Government and a quarter is borne by the fare-paying passenger, on average. Notwithstanding that, we felt that continual above-inflation rises were difficult for the public to bear, even though ours have grown at a much lower rate than those of the UK. That was why we took our decision.

As for off-peak fares, you might have seen the announcement that I made about the next franchise. In the next franchise, we are looking to reduce to zero the increases in off-peak fares. The rationale is that the railway is expensive to provide and the demands on it tend to be for commuting, yet we have lots of capacity outwith peak hours. If we can, through a process of demand management, encourage people—preferably new business—to use the railways much more outwith the peak hours, we can grow the use of the railways and that will help the whole package.

Aidan Grisewood may want to come in on that.



**Aidan Grisewood (Transport Scotland):** As the minister says, for the next franchise, the rate of RPI minus 1 has been announced.

**Keith Brown:** And on unregulated fares—

**Aidan Grisewood:** The commercial reality is that, even if we shift the price of regulated fares—for example, for commuters—inevitably we need to look at the cost of unregulated fares such as flexipasses and adjust that accordingly, simply for such fares to become value for money for the passenger and a commercial proposition. The reality is that even unregulated fares are often driven by the regulated basket.

**Gordon MacDonald:** Let us move on to the west coast main line. It has been announced that Virgin Rail Group will be awarded a contract to operate the west coast intercity franchise from 9 December until 8 November 2014. Prior to that announcement, what discussions did you have with the UK Government on the extension of the interim arrangements for the provision of the service by Virgin Trains?

**Keith Brown:** None at all. Each time that the UK Government is about to announce something, I get a call saying that I should expect a call from the relevant UK minister in five minutes' time. I am then told, in a fairly scripted form, what has been agreed. Each time that that has happened, I have made a number of points to the relevant minister and stressed that the service is vital for Scotland.

The UK and Scottish Governments regularly discuss things that are kept confidential between them and I am not aware of any outstanding issues about our not keeping confidences. I have made the point that, even when we are dealing with market-sensitive information, we are a responsible Government. The decisions are much more likely to be robust if they are made in the interests of stakeholders, and the Scottish Government is a very big stakeholder in the west coast main line.

It is regrettable that there has not been that level of consultation, but we have shown some understanding of the difficulties that the DFT has faced in the discussions and of how it has tried to resolve them. There are European imperatives that it is not allowed to breach. We have tried to be as helpful as possible, but we do not yet seem to have got the point across to the UK Government that some discussion—or even our being told a little bit in advance—of what is likely to happen would be the right way to go about things. I have made that point a number of times to Simon Burns and on one occasion to Patrick McLoughlin. I hope that the message will start to get through.

I was told—as if it was some revelation—what the statement would contain, just in case people asked about it. However, by the time that I was

told, it had appeared in all the Scottish newspapers already. I am trying to impress it on the UK Government that that is the reality. We can be asked questions about the latest statement from the UK Government before it is made, but the rest of the world will already know before we have been told by the UK Government. The ministers who are at the DFT now are new in post; there has been a fairly big change. We keep making the point that we will be in a better place if we can be trusted to have such discussions in confidence.

**Alex Johnstone (North East Scotland) (Con):** There have been a lot of exciting announcements in relation to the Edinburgh to Glasgow infrastructure. We had the announcement in July that the Edinburgh to Glasgow rail improvement programme would go ahead but with a reduced budget. Then, last month, we had the announcement that the Government will look at high-speed rail in the longer term. Given that most recent announcement, have EGIP's objectives been reassessed?

**Keith Brown:** No. The announcement of £650 million of investment that you mention was made with an understanding of how that might impact on the project and how we might best facilitate the development of high-speed rail. That means that the change has not in itself necessitated a reassessment, and we have come to a conclusion with regard to the announcement on high-speed rail between Edinburgh and Glasgow. The two things are complementary.

On the EGIP budget, an awful lot of attention has—rightly—focused on the top-line investment figure of £650 million, because a figure of £1 billion had been mentioned previously. However, it is right that the Government tries to get more for its money. We have said that the other elements of EGIP are not being cancelled—in fact, I was able to say last week that the advanced works on the Dunblane and Alloa parts of the electrification project were going ahead. We have always taken the view that those things will proceed in the next phase.

It is also true to say—this has perhaps not got the attention that it deserves—that the original announcement of £650 million included 100km of further electrification proceeding outwith the project every year.

**Aidan Grisewood:** That is part of the high-level output specification that was announced.

**Keith Brown:** Those things are going ahead. The extent to which we can get more for our money is evident to me. The £650 million that was announced was to deliver about 80 per cent of the original intentions for EGIP during the first period, and the other 20 per cent is to follow.

We are starting to look at ways in which that further 20 per cent can be brought in on time—well, perhaps not quite as quickly, although that is still possible. The HLOS takes effect from 2014 to 2019, and the EGIP programme will take place over the next five years.

We needed to ensure that we have the right level of financing and that we are anticipating high-speed rail. If we did not try to anticipate and take seriously high-speed rail, our intentions would not be taken seriously by the UK Government.

We are trying hard to get the UK Government to commit to bringing high-speed rail to Scotland. When I met Justine Greening, questions came about what we were doing, how high-speed rail would come from Scotland and what Scotland's contribution would be. We are duty bound to start to show how we can adapt to high-speed rail.

Emphasising our ambitions for the high-speed rail link between Edinburgh and Glasgow helps our case. We can then ensure that high-speed rail benefits not only Scotland but the large part of the north of England that would otherwise be left out. That area's interests must be taken into account too, which is why we have developed a partnership with the local authorities in the north of England.

The two announcements on EGIP and on high-speed rail are entirely complementary, and one anticipated the other.

**Alex Johnstone:** Before I leave the EGIP issue, I note that, given the reduction in the budget from the initial figure of £1 billion to the new figure of £650 million, there is a corresponding reduction in what can be achieved. You talked about getting more value for money, but I have spoken to people who suggest that the reduced budget and reduced objectives represent less value for money than could have been achieved if the whole thing had been done at once. How do you react to that?

**Keith Brown:** I flatly disagree, and I note that there is no corresponding reduction. Going from £1 billion to £650 million involves taking out a third of the budget but, as I have just said, we expect to get at least 80 per cent—and that figure is moving upwards, which is what we have been pushing for—of the benefits and projects that would have arisen from a £1 billion programme. We took advice on that from consultants, and we think that there are substantial efficiencies.

One example is the electrification project in Paisley, which I visited the day before yesterday. The project to electrify the Paisley canal line would normally be expected to cost about £28 million, but we have challenged that with Network Rail and ScotRail. It is probably fair to say that they have led the process, which is the first time that that has happened in the UK. They went to the market and

said, "We are doing this in a different way without the usual constraints for such a project, so you can bid for it in a different way." The bid came in as it normally does—it was no different—and they had to go back and say, "No, this has been done in a different way."

10:30

For example, there was a lot to do with how the piles for the electrification pillars—if that is the right technical term—would be driven and how possession of the railway would be taken. Such a project, which has come in at £12 million and has been done in record time, has big implications for how we might do EGIP, because we might well get an awful lot more for the money that we have announced. The rest of the UK has sat up and taken notice of what happened in Paisley and will look to follow that approach.

I therefore disagree with those who say that we will get correspondingly less for the money. Actually, I think that the situation will be exactly the opposite—we will get far more for it.

**Alex Johnstone:** Moving on, I want to explore where we are with and what information we have on the proposal for a high-speed railway between Edinburgh and Glasgow. For a start, do you have an outline timetable for the project's development?

**Keith Brown:** The Deputy First Minister has already given you a long-stop date of 2024. However, as she said at the time, the design, routes and costs are being worked on all the time. I know that I have attracted some criticism, not least from you, Mr Johnstone—

**Alex Johnstone:** I will always be in there.

**Keith Brown:** However, the same criticism does not appear to apply to the UK Government, which has not put together a business case for some parts of its own proposed high-speed rail link.

First of all, we have to agree what we want to do. Of course, we will be bound by the timescale that has been announced but, as we have made quite clear, we will have to go away and work on it. Aidan Grisewood may want to comment, too, but I simply point out that that is the usual process for such projects.

**Aidan Grisewood:** With regard to the timetable, we commissioned a bit of work that was aimed at getting a feasible programme. Indeed, the announcements made it clear that the proposal is feasible within the timescale that has been set out. We can make the details available to the committee, if members would find that useful.

**Alex Johnstone:** But it would be fair to say that we are some way away from knowing what the costs and route are likely to be.

**Aidan Grisewood:** Yes. In a sense, that work was the starting point for the planning process, which is about looking at precisely what the options are for the Edinburgh to Glasgow route and putting together an outline business case on that basis.

**Alex Johnstone:** On a slightly different subject, have you looked into the funding mechanisms that might be used for the project? Do you have any thoughts on how it might be funded?

**Keith Brown:** In response to your question, I have to point out yet again the absurdity of a situation in which the Scottish Government has to fund these massive projects, including roads projects such as the Forth road crossing, without any substantial borrowing powers and indeed with fewer borrowing powers than a small council would have. As a result, we sometimes have to fund these projects from current budgets.

Through its regulatory asset base—in other words, its borrowing facility—Network Rail can borrow what the Scottish Government cannot. Obviously we will have to do the work in chunks, which means that we will have the option to use the regulatory asset base up to 2024.

As Aidan Grisewood has said, we are looking at the business case just now and will report our findings in 2014, by which time we will have substantially more detail about the amount we can put into the project. Given that, at this stage, we do not know what our budgets will be in the next spending review period, we cannot be definitive—just as, of course, no one else can be definitive. The UK Government itself cannot be definitive about some of these matters and, as I have said, it has not set out how it intends to pay for the high-speed rail links that it has already committed to. I imagine, however, that we will have the usual options of using Network Rail's regulatory asset base and the other resources that the Government might be able to bring to the table.

**Alex Johnstone:** How do you see the project's potential construction and perhaps even funding mechanisms tying in with the development of a high-speed rail link to the south?

**Keith Brown:** That is a very good question. If we can encourage the UK Government to tie the projects together—indeed, I hope that our announcement will help that process—the subsequent efficiencies and economies of scale will make the proposal more attractive.

We have always said that the UK Government's high-speed rail proposal makes sense but that taking it all the way to Scotland would make much more sense for the business community and ensure a joined-up UK network. There would also be benefits for the environment because there would be a modal shift: if the journey between

Edinburgh or Glasgow and London comes down to below three hours, substantial numbers of people will move from air travel to rail.

We need to encourage the UK Government to agree that point. We got to the point of Justine Greening agreeing that we can interact with HS2 Ltd—the high-speed rail company—but if we can get the UK to agree to tie in the projects, it will be much more attractive to start the design and construction processes in Scotland either in advance of or at the same time as the processes start elsewhere.

The extent to which the project fits together is not all within our gift. A lot depends on the UK Government's stance: if it takes a constructive approach, we can all win by driving down the cost of what we do.

**Alex Johnstone:** As an aside, the normal definition of high-speed rail is of trains that will perform at a minimum of 186mph, but the announcement about the Edinburgh to Glasgow line talked of trains doing 140mph. Is that inconsistent, or am I misunderstanding?

**Keith Brown:** I will ask Aidan Grisewood to come in on that question, but one point is that it is not easy to get a train up to 186mph between Edinburgh and Glasgow. Aidan, do you want to talk about the technical side?

**Aidan Grisewood:** It is not too technical a point but it is fundamental. By the time a train got to 186mph, the driver would have to slam on the brakes or else the train would go through the buffers at Glasgow. There are technical realities related to the short distance between the two cities.

The point does link to your previous question about links with the high-speed service coming from England. Making the decision about the services between Edinburgh and Glasgow means that, once they are in place, the line will be future proofed for services from the south of England that are designed to be compatible with high-speed lines.

**Alex Johnstone:** On a slightly more serious note, what is the position with the procurement of rolling stock to do the job between Edinburgh and Glasgow at high speed? Has that been included in your projections, or does it have to be considered nearer the time?

**Keith Brown:** The straightforward answer is yes, we have considered it, but it will obviously depend on other factors and developments during the next franchise. As I have said, we have established our ambition to achieve our objective. The detailed work, including on rolling stock, will be done during 2013, and we will report back in 2014.

**Alex Johnstone:** What worries me is that we might bring in new and better performing rolling stock for the EGIP project and then have to replace it with faster and better trains relatively soon afterwards. Is that economically justifiable?

**Keith Brown:** We would not have to replace the trains that are used on the Edinburgh to Glasgow line. The high-speed service would be additional capacity so we would have to buy stock specifically for it. What we decide will depend on what our studies show, but the line will be an additional line. We are looking to have EGIP up and running in 2016-17 and, although it will have specific rolling stock, the stock will not have to be upgraded just because we have established the high-speed rail link. Does that answer your point?

**Alex Johnstone:** Yes, thank you very much.

**The Convener:** We will move on to discuss winter resilience. Margaret McCulloch has a question.

**Margaret McCulloch (Central Scotland) (Lab):** I have two questions for you, minister. The first is about local authorities. Are you satisfied that local authorities are sufficiently prepared to deal with the effects of any severe winter weather on the local road network?

**Keith Brown:** First, I should say that I cannot really answer for local authorities. They have to answer for themselves for the provisions that they make, whether that is gathering enough salt or other material stock or the gritting runs that they do. Those decisions are for local authorities, and I cannot answer on their behalf.

What I can say is that local authorities work closely with the Government through the strategic co-ordinating group structure, under which we collaborate closely with local authorities and other agencies. For example, in Aberdeenshire, Aberdeen itself, and Dumfries and Galloway, the trunk road gritters will sometimes grit local roads, and vice versa, according to the contract.

We have a salt cell that looks at stocks and ensures that we have a sufficient strategic reserve. Across the whole of Scotland, as I have said in the chamber during the past fortnight, we have more salt than was used during the entire period of the 2010-11 winter. I have the satisfaction of knowing that, but I do not make decisions on the gritting of individual routes.

The overarching point is that, although things are difficult in these times, the resource that we give to local government is still higher as a proportion of the Scottish Government's overall budget than it was in 2007. We are providing the resources that we can. Local authorities have to make their own decisions, but the information that

I have suggests that they are better equipped than ever before.

**Margaret McCulloch:** Okay. In previous years, transport information systems have been unable to cope during severe weather or have provided incorrect or conflicting information. Can you give an assurance that that will not happen in future when we have severe weather?

**Keith Brown:** First, I repeat that we do not control all the systems, including those by which people get information about transport. You are right to say that there were problems before, whether it was with things that we delivered or more generally. Radio stations, for example, give out information that people phone up and tell them. They want to get that information out immediately and they do not always have time to verify it. Before we give out information, we have to verify it, and it takes a bit of time to do that.

Generally speaking, we are far better prepared, through traffic Scotland and the stuff that we do on social networks, to get information out as quickly as we can. You will also see much more information. For example, two years ago you would not have seen journey time information on the gantries between Edinburgh and Glasgow, as you do now. Those signs are collaborations between local authorities and the trunk road network. We make them as accurate as we can, although circumstances can obviously change.

There are other advances in information. People can now go to the appropriate website or use an app to see when a particular route was last or will next be gritted, and much more weather forecasting information is available than in the past. No system is fail-safe, but there is now substantial additional capacity.

One vital area is rail. You are right in that, in 2010-11, the system did not cope with everything that happened. Since then, there has been a huge investment by ScotRail and Network Rail to ensure that our systems are better able to cope. The position has vastly improved, but no system is fail-safe.

**Margaret McCulloch:** This is just a personal question. Do you have the name of that app, so that we can download it and use it?

**Keith Brown:** I am sure that we can get it—we will send it to the whole committee. We did a presentation for some other MSPs, and I think that three or four of them immediately downloaded it. Unless Aidan Grisewood has the details now, we will send them to every member of the committee. People who have used it have said how beneficial it is.

**Margaret McCulloch:** Lovely. Thank you.

**The Convener:** We move on to questions on cycling, from Jim Eadie.

**Jim Eadie (Edinburgh Southern) (SNP):** Good morning, minister. I turn to one of my favourite subjects.

I do not intend to rehearse the funding arguments, which have been comprehensively aired during the committee's deliberations. I had an extensive exchange on the issue with the Cabinet Secretary for Infrastructure, Investment and Cities. Suffice it to say that, to a man and a woman, when the cycling organisations gave evidence to the committee, they said that the Government's ambitious target of 10 per cent of all journeys to be made by bicycle by 2020 will not be achieved on the current levels of funding. I am mindful that that evidence was given by Sustrans and Cycling Scotland—two organisations with which you work closely.

I know that £6 million funding has been announced. That is fair enough, but can you tell us how your discussions with the Cabinet Secretary for Finance, Employment and Sustainable Growth are progressing in the wake of last week's autumn statement, given that Barnett consequential are now available and £3.9 million of shovel-ready projects for cycling have been identified?

**Keith Brown:** First, to be clear, it is not just the Government's target, as it is shared with the various stakeholders. It has always been that way. We expect that local authorities and others will also contribute towards the target, of which we all have part ownership.

Thinking about it, I am not sure that it was ever described as a target when it was first set, but you are right to say that it provides a useful ambition for us to have. We are working hard to achieve it, and I think that it will always be the case that progress is slower at the start.

There has been a huge increase in recreational cycling, not necessarily because of things that we have done but because of Sir Chris Hoy and the Olympics. However, we have not seen such good progress on commuting—people taking the opportunity to cycle to work and back. We understand that we have a large part to play in that, which is why we made the announcement on closing the missing link on the A90 to Edinburgh. We have also announced moneys for Glasgow, which will help commuting and people to get around by bike during the Commonwealth games.

10:45

Individuals will have to make the choice to commute by bike. It is important that we take responsibility for providing the infrastructure for

that and concentrate on making it easier for people—children in particular—to choose cycling.

You will be aware of the work that we have done to put more money into ensuring that every child gets the chance to have on-road cycle training, which is crucially different from playground-based or paper-based exercises. That will reassure parents that they can let their children use bikes much more frequently. As you well know, the benefit is that parents will then choose not to make the short, environmentally damaging journey to school in the car. There are all sorts of benefits from that.

You asked about discussions with the cabinet secretary. I will not go into the details of them, but I know about the meeting that you have had with him and, since then, I have also spoken to him.

I have always found John Swinney to be receptive to the arguments that we have made on cycling. I remember saying to a large demonstration at St Andrew's house a couple of years ago that I intended to continue to argue for any consequential or any other moneys that are available. We have had a good track record since then.

One reason why spending on cycling is so attractive is that cycling infrastructure works tend to be much more geographically spread around the country. That allows smaller businesses to bid for the work. It is often big, international consortia that bid for big contracts such as the one for the Forth bridge; the smaller projects, which are capital intensive, labour intensive and local, provide real benefits around the country. My previous discussions with John Swinney have centred on that, and he is aware of the fact.

**Jim Eadie:** When I met the cabinet secretary last week along with the other co-convener of the cross-party group on cycling—Alison Johnstone—he asked what exemplar projects might look like. When can we expect an announcement on the shovel-ready projects of which cycling would be a part?

**Keith Brown:** I cannot say that, because it is not my announcement to make. I expect to make an input to it, but John Swinney will announce it.

**Jim Eadie:** Will it be the end of this year or will it be next year?

**Keith Brown:** It is John Swinney's decision.

**Jim Eadie:** Are you able to give us any indication?

**Keith Brown:** It is John Swinney's process to go through. He already announced previous shovel-ready projects, including, I think, £35 million for road maintenance, which helps active travel. It is his decision to make and he will have to

give the commitment. However, I will ensure that the arguments for cycling are heard and, every time that I have made those arguments, I have had a welcome response from him.

**Jim Eadie:** We had a monitoring report on the cycling action plan for Scotland in November this year. You are committed to publishing the refresh of the plan in the spring of next year. Can you reassure me that that timescale will not slip?

**Keith Brown:** There is no intention that it should slip. We are talking about announcing the refreshed plan in the spring of next year, and there is no change to that intention.

**Jim Eadie:** Okay. The *Official Report* will record that.

I have a question on political leadership, which I think you recognise is an issue locally and nationally. When the co-conveners of the cross-party group on cycling wrote to you, we made a plea that you should convene a regular meeting of the 32 council leads on cycling—those with a portfolio responsibility for cycling in each of the local authorities. We had some sympathetic words in response, and I am grateful to you for the comprehensive response that you provided across a range of issues in the cycling action plan, but will you commit to consider convening such a summit so that we can have political leadership at a local level?

**Keith Brown:** I have previously made the point that the 10 per cent ambition is not ours alone. I think that I said in my response to you and Alison Johnstone that I have no problem with convening such a meeting and we will do what we can to facilitate it. I know how difficult it can be in other areas—on issues for veterans, for example—to get all 32 councils round the table at the same time, but as I said in my response we have no problem with facilitating such an event and trying to make it happen.

You make an important point about political leadership. We are not trying to shift responsibility, but if leadership is dispersed among the different partners who can contribute to the achievement of the target we will have more chance of success. Political leadership is about more than just the rather unedifying sight of me on a bike between Edinburgh and Glasgow; it has to be shared.

That is why I have said that we will work with local authorities to achieve the target. I have no problem at all with meeting the 32 council spokespeople—if that is not the wrong term to use in the context. I can see the benefits of such a meeting, and I will speak to them with a view to advancing the idea. We have no problem with the proposal and we will try to make it happen.

**Jim Eadie:** Thank you.

**The Convener:** We will move on to the Scottish ferries plan and—I beg your pardon; I am jumping ahead of myself. The next questions are on the completion of the M8.

**Adam Ingram:** Minister, will you provide an update on the M8 completion project?

**Keith Brown:** In an answer that I gave in the chamber last week, I mentioned the updated timetable for the project. It has not changed substantially. The timescale is almost exactly the same as the timescale that we would have for any other project of that size. However, we must take into account the fact that construction will take place at the same time as the Commonwealth games. As a result, we have made some changes to the way in which we will go about things. My officials will be able to provide an update on the timetable.

**Ainslie McLaughlin (Transport Scotland):** Just last week, we received the first round of bids from the four tenderers. Over the next few months, we will examine those bids with the intention of deselecting two. In February or March, we will move forward to the final stage, with the final bids being received in June or July. We will then announce a preferred bidder, with a view to getting construction under way in late 2013.

**Adam Ingram:** Is it right that a maximum cap has been set on the budget?

**Keith Brown:** As we do with all such projects, we put out a budget figure and see what happens in the tenders. It is worth bearing in mind that, although we put out a budget figure for the Forth replacement crossing of between £1.7 billion and £2.3 billion, the tenders came in hugely below that level—I think that they ranged from £1.4 billion to £1.7 billion. We cannot be definitive about the cost until we get the tenders back.

We have put out a budget figure. There are dangers in that as we do not want people to bid up to what is available, but it is clear that companies are hungry for the work. We had massive interest in the industry day that we held in relation to the M8—the room was packed out—so there is no doubt that the industry has an appetite for the work. We hope that that will mean that it will bid keenly for it.

**Adam Ingram:** You mentioned the problem of construction taking place during the Commonwealth games. What steps does Transport Scotland intend to take to keep disruption to a minimum during work on a major project that will affect Scotland's busiest transport corridor?

**Keith Brown:** We have tried to ensure that there will not be disruption. We cannot hide the fact that construction will be going on at that time.

That may sound an odd thing to say, but people who come to the country will see that a large construction project is under way. We want to concentrate on ensuring that they do not feel the effects of it in extended journey times or congestion. I ask Ainslie McLaughlin to comment on the detail.

**Ainslie McLaughlin:** A lot of the construction will be offline, particularly on the section between Baillieston and Newhouse, so that will not have a direct impact on people who use the existing road network.

The contract will require that two lanes are kept open at all times. We cannot guarantee that there will be no cones on the network on the approach to Glasgow when the games are on, but we have worked with the organising committee to understand where the pinchpoints for the games will be.

In terms of the M8 contract, those pinchpoints are all in the Strathclyde country park area, so we are taking particular measures around the upgrade to the Raith interchange to ensure that they do not impact on people going to and from that venue. The rest of the Commonwealth games venues are largely remote from that site. We are working hand in hand with the organising committee to ensure that disruption is kept to a minimum.

**Adam Ingram:** Very good. Perhaps I can return to that point in the new year.

**Keith Brown:** I will just add that yesterday I went to London to talk to Transport for London about how it managed the process for the Olympics, which by popular acclaim was extremely successful. One thing that it did was to anticipate the works that were scheduled. Smaller works can be delayed, but we do not want to delay the M8 project—we want to crack on with it—so it is a question of accommodating it at the same time as the games. As Ainslie McLaughlin said, a lot of the construction will be offline.

I just wanted to mention that visit because we learned an awful lot from our discussions yesterday with TFL about how it organised things.

**Adam Ingram:** That is good.

**The Convener:** We move to ferries now. Can you provide an update on the Scottish ferries plan and the associated vessel renewal and investment plans, and can you tell us when they might be published?

**Keith Brown:** I can confirm what I have said before: they will be published by the end of the year. You can probably work out when that will be.

**The Convener:** We are running out of time.

**Keith Brown:** Yes. We will publish them by the end of the year. The exact day is still to be determined but it will be soon.

**The Convener:** The draft ferries plan proposed that the Scottish ministers take responsibility for the provision of ferry services that are currently provided by local authorities, if those authorities agree to such a takeover. Has the Scottish Government reached agreement with any authorities to take responsibility for the provision of any of those services?

**Keith Brown:** It is probably true to say that the draft plan said that we are willing to take that responsibility; it did not necessarily propose that we would. As you rightly say, we would take responsibility only as a result of discussions between us and local authorities. It is true to say that different circumstances apply.

As regards the northern isles, we have been involved in pretty substantial discussions with Orkney Islands Council in particular about its ferry services. Those discussions are more advanced than discussions elsewhere on the network. We also had discussions with Shetland Islands Council. I think that it is fair to say that it wants to retain control of its internal ferry services but it still wants to talk to the Scottish Government about what the possibilities are.

The discussions that we are having with Argyll and Bute Council on the Clyde and Hebrides part of the ferry network are perhaps a little less advanced. For example, at Kerrera there are discussions not just about the potential service, which is currently provided by a private operator, but about what infrastructure would have to be put in place.

As you will appreciate, we have said that, if we take on responsibility for a service where we currently provide a grant to a local authority to provide it, we will expect that funding to be changed to reflect the fact that we are taking over responsibility.

The situation is not straightforward. There are a number of different routes, and they have individual characteristics in the infrastructure or frequency of services. You will know that the methodology that we are using throughout the ferries review is to state exactly what the current service is and exactly what it should be based on, whether that is primarily freight or recreational or commuting passengers.

That work is on-going, and it is one of the underlying reasons for our decision to award the interim contract to CalMac Ferries for the Clyde and Hebrides ferry service. We have said to the European Commission that the new contract is likely to be substantially different due to the additional services that we will provide. We will

have more to say on that in the final ferries plan, but it is not a finished piece of work at this stage.

**The Convener:** Can you provide an update on the review of freight ferry fares?

**Keith Brown:** Do you mean for commercial hauliers?

**The Convener:** Yes—with regard to the road equivalent tariff and so on.

**Keith Brown:** I think that we have resolved that situation—at least in relation to the northern isles, because that is part of the contract that we have let with NorthLink Ferries. Freight fares are therefore established there.

We had an issue in the Western Isles. The RET initiative was looked at once the pilot expired, and we found that the benefits that we expected had not been passed on to the end user.

Last year, we changed the approach so that commercial hauliers did not get RET, although there was a transitional scheme to limit any increases back to the original price. We said at the time that we would have a study—at the request of the islands—to get to the bottom of the economic impact of that decision on the islands. That study is almost concluded. It is not quite there yet, but we will shortly announce what further transitional support we can provide to commercial hauliers in the Western Isles to mitigate any rises.

11:00

**The Convener:** We move on to greenhouse gas emissions.

**Malcolm Chisholm (Edinburgh Northern and Leith) (Lab):** How much weight does the Scottish Government give to carbon reduction when deciding on transport policies, projects and programmes, compared to economic and social factors? As you know, transport emissions are higher than in 1990, which is the baseline for our reduction ambitions, and they are projected to increase further over the next 10 years.

**Keith Brown:** We give substantial weight to that. We have a number of different processes. Going back to the earlier point about active travel, we have large-scale projects that can help to abate emissions by easing the flow of traffic. We are trying to build in active travel alternatives alongside construction projects. That is what we did with the M74. We can get more information on that if you like.

We are also looking to fund and encourage much more environmentally friendly forms of transport. For example, the establishment of the E-cosse partnership, which is about low-carbon vehicles, has brought all the key partners together with a shared aim of trying to increase the use of

electric vehicles. We are at a difficult stage of that process because inevitably we have to establish the infrastructure before people decide to move. We have the easy hit of people saying that there are more charging points than electric vehicles. That will be inevitable in the interim period. We take that into account.

We have also helped to fund the hydrogen bus project in Aberdeen, which will be hugely beneficial for the environment if we can make it work.

I have mentioned the £5 billion programme of investment in the railways. If we can get modal shift to rail, it will be massively beneficial for the environment.

That thinking permeates all the work that we do. We understand that transport and housing are big factors in efforts to drive down emissions. That is central to our thinking. Archie Stoddart might want to add to that.

**Archie Stoddart (Transport Scotland):** I will just make a quick observation. Carbon dioxide emissions have reduced, but it is transport's share of emissions that has gone up, because of other factors and because of what has happened in other sectors over that 10-year period.

As the minister says, E-cosse is an industry-wide partnership. We are looking to publish a road map next year to increase dramatically the take-up of electric vehicles throughout Scotland. We hope that that will be a major driver—if you will excuse the pun—in reduction, as part of our decarbonising transport agenda.

**Malcolm Chisholm:** I accept that you are doing all those things; the problem is that they seem to be outweighed by the other aspects of transport policy. The “Carbon Account for Transport”, which came out a few months ago, indicated that the net impact of all Scottish transport measures is an increase of 71 kilotonnes of CO<sub>2</sub> emissions over the next 10 years. Interestingly, the report says that the estimated increase is largely driven by a net increase in vehicle kilometres. The convener might be interested to note that that is particularly driven by Strathclyde and Aberdeen because of the increase in—

**Alex Johnstone:** The increase in economic activity?

**Malcolm Chisholm:** No, the increase in road building. Reference is made to the “large infrastructure projects” in those areas. The Government's own report makes a connection between increased vehicle kilometres and road building. We could compare that with the advice given by the former chair of the UK Committee on Climate Change in his letter to Stewart Stevenson earlier this year, when he said that it will be



“essential for the Scottish Government to ensure full roll-out of measures in devolved policy areas, such as demand-side transport”.

It was demand-side transport measures that, late in the day, were taken out of the previous report on proposals and policies. It seems as if all the good things that you are doing are outweighed by the other aspects of transport policy, particularly road building. That is leading to the increase in vehicle kilometres, which your own report says will be the main driver of increased emissions over the next 10 years. In 2022, we will have more transport emissions than we had in 1990, while the rest of the Scottish Government must reduce emissions by 80 per cent.

**Keith Brown:** You referred to the “Carbon Account for Transport”. One of the main factors that tip that over into an increase in emissions is the building of the Borders rail project. The report indicates that emissions will increase during the construction of that project, because it is an addition to the rail network. However, the longer-term benefits are that it will of course help to reduce emissions substantially because of the traffic that it will allow us to take off the road and put on to rail.

I have made the point before that we are building roads because we believe that it is vitally important to do so. For example, it is important to build the Aberdeen western peripheral route and to make the improvements to the M8, given its central nature in terms of the traffic flows in Scotland. However, roads are also used by buses—in fact, they will also be used by trams in Edinburgh—and by cyclists, so it is important that we have a good road network.

The bigger issue that underlies Mr Chisholm’s question is about behaviour and the fact that people are reluctant to move out of their cars, which is a challenge for us. The first challenge is to try to give people a realistic alternative to using the car. The problem is not just that people are unwilling not to use their cars but that they are often alone when they use them. However, there has been a massive increase in the number of car-sharing clubs, which is a trend that we want to increase so that it has an impact on the number of car journeys that people make on their own.

I am not pretending that there are any easy solutions. However, we must first establish alternatives. A good example of that is the Borders rail network. People who can currently use only the bus rather than a car, for example, will have the chance to use a railway service. Such changes of behaviour do not happen overnight, though. As I have said, we are in the business of modernising a transport network that has been starved of substantial investment over many years. It is a slow process to reverse that, but I think that we

are making progress. For example, there have been three consecutive years of emissions reductions from transport, although I acknowledge that the level is above that of the 1990 base year. However, that is progress, and I think that we are continuing to make progress.

**Malcolm Chisholm:** I am not going to repeat what I said, but I just point out that your own report projects an increase for the carbon account for transport for the next 10 years. The key sentence in that regard is:

“The estimated increase in emissions is largely driven by a net increase in vehicle kilometres.”

**Keith Brown:** I have made the point about the three consecutive years of emissions reductions. It is also worth saying that the Transport Scotland “Scottish Transport Statistics 2012” report is out today—in fact, it came out about an hour and a half ago. The statistics show that traffic levels fell in recent years and that car traffic and all road traffic remained stable between 2010 and 2011, with a minor fall of 0.2 per cent, and were 3 per cent below 2007 levels.

Of course, Scotland has substantially more road per head than the rest of the UK does: 10.6km per 1,000 people compared with 6.4km per 1,000 for the UK. As I said previously, in many cases, especially in rural Scotland, people have no option but to use those roads. It is also worth saying that the stats out today show not only that traffic levels have fallen between 2010 and 2011 but that the number of bus passengers increased by 2 per cent and the number of rail passengers increased by 4 per cent. There has also been a 2 per cent increase in cycling mileage.

I know that people want to see more progress, but I think that we are making progress. It takes time to deliver the alternatives to the car, but that is what we are about, as I think we have demonstrated in the Airdrie to Bathgate rail line and the Stirling-Alloa-Kincardine line, in my area. People can get on a train in Alloa now, which they could not do before. However, it is just going to take time to achieve our emissions targets.

**The Convener:** We will move on to the issue of electric vehicles.

**Margaret McCulloch:** Will the minister provide an update on the development of the electric vehicle charging infrastructure across Scotland? How well used is it at present?

**Keith Brown:** It is proceeding apace. We do that work in conjunction with the UK Government through the plugged-in places scheme, for which we get money from the UK Government. We do the work with local authority partners as well. We have seen the establishment in the first tranche of charging points which, in many cases, have been

public sector outlets in local authorities and so on, not all of which are always open to the public. We are now looking to introduce over the next year further charging points that will give people some reassurance in case, for example, they want to make a journey by an electric vehicle from Edinburgh to Aberdeen. They will have the assurance that they will not run out of charge or, if they are running out, that they have a place where they can recharge.

We are starting to look at the charging points between cities. There is a programme to introduce them.

There is also the point that people can charge quickly. Obviously, if a person wants to make that journey and has to stop for eight hours to recharge the car in Dundee, say, that is not practical. Therefore, the nature of the charging points has been improved, so that there is the option of fast or normal-time—which is sometimes overnight—charging. We are investing in that. It is essential that we have the infrastructure in place before we start to see a large uptake in electric vehicles, which we expect to see.

The E-cosse partnership, which I mentioned, is not just about that; it is also about things such as technological innovation. Scotland is a world leader in batteries. Companies in Dundee are world leaders in batteries for electric vehicles. Through the E-cosse partnership, we are trying to ensure that Scotland gets the economic benefit from being at the forefront of such things. I recently saw a car that can be assembled anywhere. It was developed in the Basque Country and runs on Scottish batteries. That is the other aspect of E-cosse. We not only encourage greater take-up of electric vehicles; we encourage improvement of the infrastructure. I recently opened a charging point at Edinburgh Napier University, for example. Universities are coming on board. We also try to ensure that Scotland gets at least its share, if not more, of the economic benefits from being at the forefront of the technology.

**Margaret McCulloch:** Finally, how many electric vehicles are registered in Scotland? How many of those are in private ownership as opposed to being owned by public authorities? Is it likely that private electric vehicle ownership will increase to the extent that it could make an impact on greenhouse gas emissions?

**Keith Brown:** I will deal with the last question first. Yes, we expect an increase. It is true that the technology moves quite quickly, so the cars that Renault, Toyota and others are producing are improving, and some of the earlier teething problems are being addressed. Therefore, we expect an increase in such ownership, although we do not expect a substantial increase until we

have ensured that the network of charging points exists, as I mentioned.

We can only guess at the private ownership of electric vehicles. We would not be notified of that, but I can get the latest information that we have on it.

Among public authorities, South Lanarkshire Council has been very good at using electric vehicles. I have driven one of them. South Lanarkshire Council has found huge environmental and noise benefits from using electric vehicles. The more we can encourage people to do what it has done—it has replaced substantial parts of its fleet with electric vehicles—the more people will get used to seeing such vehicles. They will probably get used to not hearing them as well. I was in an electric vehicle up in Shetland that was so quiet that the guy who drove it said that he managed to come right up behind a woman who was walking her dog on a country road, and neither the dog nor the woman realised that the car was right behind them. There is also a safety issue there. Some public sector bodies are realising the benefits of electric vehicles, and I think that the public sector will lead in the area.

We will ensure that we get the latest information on ownership to the committee as well as information on how many charging points we currently have and how many we expect to have next year.

**Archie Stoddart:** I can give the committee some more information on charging points and vehicles. There are currently 230 public sector electric vehicles, which were funded through previous schemes. We do not have such a strong track on private vehicles, because their ownership is a private matter. Even when people get a grant, we have to track that through vehicle registration, which is a retrospective approach. However, as the minister said, we will provide the information that we have on that.

On the infrastructure, there are around 300 charging points, of which around 80 are currently publicly available. However, there is quite an extensive programme to develop them. Into the spring next year, we hope to have 500 points, of which a good proportion will be publicly available. We do not have the exact figures because the negotiation with the local authorities is still going on. Some of the points will be double headed so that more than one car can charge. I will not go into the details of that; let us just refer to the locations. People will access and book the points through the national charge point registry.

**Adam Ingram:** You mentioned the cap on the M8 completion project. Is there a cap on the Borders rail project? The budget is reputed to be

£294 million. What happens if we go above that? Can we go over budget?

11:15

**Keith Brown:** The target is different from that of a roads project in so far as, with Borders rail, we are talking about the whole-life costs because of how we are procuring that project through Network Rail. Network Rail has today announced that it has awarded the railway construction contract to BAM Nutall. The overall capital cost, including building and maintaining the line over 30 years, has come in at around £60 million under budget. However, as I announced previously, there is an increase in the construction costs. Perhaps Ainslie McLaughlin will give you more information on that.

**Ainslie McLaughlin:** The £294 million contract agreed with Network Rail includes the cost of the contract with BAM Nutall, which is about £220 million, and it includes provision for risks given the continued uncertainties due to mine and earthworks along the route. The line is an old line that will be reused. There are a lot of old structures and there has been quite a lot of investigation into what state they are in but, until the construction goes ahead, the entire extent of the work required will not be known. A risk pot has therefore been allocated within the £294 million.

We have also agreed what we call a pay-and-gain mechanism with Network Rail, so there is an incentive on it to bring the cost in under £294 million. If it does that, we will share the cost savings 50:50. On the downside, there is a paying element; if the costs go up, we will share those costs 50:50.

**Adam Ingram:** That is clear. Thank you.

**Gordon MacDonald:** Minister, I want to ask you about the Edinburgh tram project, which has caused major disruption in the city for many years. We have had good news recently with the opening of the test track between Gogar and the airport. However, given the project's history—what was, back in 2003, a budget of £375 million for a tram network became, in 2007, a £545 million budget for a single tram line, and then, last year, a cost of £776 million; and the timetable slipped from 2008 to summer 2011, to 2013 and then to summer 2014—does the delivery of the project remain within the revised budget and completion date announced last year? How has the Scottish Government been involved in getting the project back on track?

**Keith Brown:** I think that the new revised completion date will be met. You are absolutely right that that is a revised date. As soon as we say that we will do the project on time, people realise that it is massively behind schedule and overbudget. You will know that it has never been

the Scottish Government's position that the tram project was the best way to spend what now turns out to be more than £750 million of public money. However, we got to the situation of delays and cost overruns, so the Scottish Government, through Transport Scotland, has been heavily involved for some time now, mainly through Ainslie McLaughlin. That, along with a new much more focused approach by the council and other partners, has been beneficial in ensuring that we make progress.

I have made clear the Scottish Government's view on the tram project. Whatever your views of the trams in the first place, it was vital to make real progress and get the job done. As you say, there have been very good indications of progress on issues that were much delayed over many years. We have had the testing of the track between the Gyle and the airport.

Crucially, in my view and in the view of others on the project, the Scottish Government through Transport Scotland has been able to help with the issue of conflicts between utilities. Previously, if it was not known what was under the ground, each utility contractor might come in and dig up the same piece of ground for its own purposes. That issue has been hugely advanced by the involvement of Transport Scotland and others. For that reason, I think that we are increasingly confident that we will meet the revised deadline and the revised budget.

The nature of the Government's involvement now is that Ainslie McLaughlin sits on the board and other officials are involved. Where something has to happen, the Government has the ability to say that it should be done in conjunction with our partners. I think that a real focus and discipline has been brought to the project that was not evident in the past.

Ainslie McLaughlin is directly involved, so perhaps he will say a word or two about it.

**Ainslie McLaughlin:** I think that the turning point was the mediation exercise back in March 2011, for which ministers were instrumental in encouraging the parties to come together. That not only resolved the long-running contractual disputes but reset the relationships between the key parties, particularly between the contractor and the council. We have worked with the new council team and the contractor in a much more collaborative way.

I think that the results of that are visible to all who regularly travel into Edinburgh. Although there are disruptions and diversions, those are slowly starting to come off: Princes Street is now complete; works are well advanced in Shandwick Place and St Andrew's Square; and the utilities issues that the minister mentioned have all been

dealt with. The work now is largely on getting the track completed. Over the coming months, people and traffic will be able to return to those streets and the focus will be on the electrical work, such as stringing the cables and testing the trams. There is every indication that the project will now come in on time and on budget, albeit that that is a revised budget.

**The Convener:** Minister, we will move on to the AWPR, which you mentioned in your opening remarks. First, are you confident that absolutely all the legal challenges are out of the way now?

**Keith Brown:** Yes. I think that there is a theoretical possibility of a further legal challenge but not one that could result in us not going ahead with the road—although I am not a lawyer. To my mind, all the legal challenges that we have had to go through have been regrettable and have caused huge delay, but there is no further legal challenge that will stop us getting on with the project.

**The Convener:** What do I say, then, to the few people who are still emailing me to try to stop the project?

**Keith Brown:** They have no chance.

**The Convener:** They will need to get over it.

Can you provide a timetable for the procurement and construction of the AWPR?

**Keith Brown:** Just as we had an industry day for the M8 project, there will be an industry day for the AWPR in early 2013. It is worth saying that, within two days of the judgment, we proceeded with the tender for the advance works in relation to vegetation. While the legal process was on-going, we could not do some things that might have been deemed to be in contempt of court, so we were very conscious of the need to progress with all that we could do and to be ready to go as soon as possible after any judgment was made in our favour. Within two days, we moved on that and the ground investigation works have been progressing since. Just to be clear, the ground investigation works were substantially done, but there were previously areas that we could not go into because of the legal situation. We have also announced the archaeological dig that will take place.

In early 2013, at around the same time as the industry day for those interested in bidding for the project, we will publish the contract notice in the *Official Journal of the European Union*. In the spring, we will issue the invitation to tender. In the autumn of 2014, we will award the contract and commence the works, with completion due in spring 2018.

**The Convener:** In response to one of my questions, you said that you would include community benefit clauses in the contract. Have

you carried out any work on maximising opportunities to employ and train apprentices, the long-term unemployed, university civil engineering graduates and so on? Have you also considered the possibility of improving the environment at the same time by, for example, using the stone that is lying around in vast quantities along the route?

**Keith Brown:** We are doing both those things which, as you say, you have already mentioned. First, we are taking forward community benefit clauses. I might ask Ainslie McLaughlin to give you more detail on that, but I must point out that they are not just about apprenticeship and training opportunities. We also want to use the portal that is being used in the Forth road crossing project to allow local businesses to access those projects. As well as the employment benefits, the local community will benefit from getting the best access that we can deliver to the contracts and procurement that lie beneath the main contract.

Ainslie McLaughlin will say a bit more about that issue and the reuse of on-site materials.

**Ainslie McLaughlin:** In our approach to community benefits, we will build on our experience in the M74 project in which we had quite a successful apprentice training scheme with the contractor on a voluntary basis. I think that 10 apprentices were taken on over the life of that four-year project, and the scheme provided a good opportunity to train young people and apprentices.

As the minister has indicated, we have introduced community benefits in the Forth road crossing project and will use exactly the same mechanisms on the Aberdeen western peripheral route. We expect the Forth community benefit provisions to deliver an average 45 vocational training positions a year as well as 46 positions for the long-term unemployed. We do not have the exact numbers for the Aberdeen western peripheral route, but those are the kinds of benefits that can be built into these projects.

As for reusing materials, the road design has been very much focused on balancing the cut and fill wherever possible. We use as much as we can of the rock and other material that we dig out when we take the road through a cutting for the embankments that we require to go over railways, roads and river crossings, which minimises the need to bring new material in from other places and to dispose of material. Not only is that good for the environment, it represents economical use of the on-site materials.

**The Convener:** With regard to employment, training and apprenticeship possibilities, ConstructionSkills seems to think that the requirement on contractors is not robust enough and has a template setting out the number of apprentices that could be employed on specific

projects. Are you working with organisations such as ConstructionSkills to find out exactly how many apprentices could be trained on such projects?

**Keith Brown:** I will find out from Ainslie McLaughlin but, from memory, I believe that when the concept was first taken forward we had those discussions with not only ConstructionSkills but wider stakeholders. Obviously we have to strike a balance between getting the best price for the contract and maximising these opportunities and I would have no problem at all with having further discussions with ConstructionSkills prior to our putting together the final details of the AWPR contract. Ainslie McLaughlin might be able to tell the committee about the discussions that have taken place so far.

**Ainslie McLaughlin:** Over the past year or two, there have been extensive discussions with a number of organisations and bodies, including the contracting industry through the Civil Engineering Contractors Association, to try to design a fit-for-purpose provision in our contracts that would allow long-term training places and opportunities for the long-term unemployed. As the minister said, we are happy to continue that dialogue.

11:30

**The Convener:** Are you prepared to look at the stones that are lying around the route rather than quarrying new stone to use as hard core?

**Ainslie McLaughlin:** Yes. There is an economic advantage and imperative for the contractor to do that because they have to pay not only for such material but aggregate tax, so there is every incentive within the contract for the contractors to make the best use of all available material that is within the land that we make available for them to build the road.

**Margaret McCulloch:** I have a couple of questions about the procurement process.

You mentioned that you will be encouraging small and medium-sized enterprises or micro-businesses to tender. My experience has been that that group is the furthest away from being successful in tendering for work. That is due to a number of things. First, the process is so time-consuming and complicated and such businesses do not have the skills, staff or expertise to complete a successful tender. What will the Government do when it says it is going to encourage that group to bid for work? We want them to bid for it, but we also want them to be successful.

Secondly, within the tendering process, will there be some kind of commitment from the larger organisations that they will subcontract to the smaller SMEs and micro-businesses, and that

they will pay those businesses' invoices within a tight timescale? Cash flow is really important to small businesses.

**Keith Brown:** Your final point about being paid on time for work that has been completed has been a long-standing issue in the construction industry.

You raised a point about making it as easy as possible for SMEs to access the business, whether through subcontracts or procurement. I mentioned earlier the portal that we have set up, which worked successfully for the new Forth crossing project, as you can see if you look at the number of small local businesses that have benefited from it. Having one place where those contracts will be means that businesses know from day 1 where future contracts under a main contract will be notified and can be bid for. For the Forth crossing project, we had local awareness days with chambers of commerce to ensure that all their members were aware of the portal. We must make the process as widely known and as simple as possible. I understand the point that you are making.

Large-scale contracts will inevitably attract bids from other countries and overseas and that has benefits and downsides. One of the benefits is that we can get extremely keen prices. The disbenefits include not getting as much out of the contract for the economy as we would have done had local companies won the contract. I will not be responsible for the forthcoming procurement bill but, as I understand it, it will seek the ability to base the awarding of a contract on the overall economic impact of that contract, rather than just on the price.

There are legal constraints on what we can write into a contract. It can be challenged, or, worse than that, companies will not be interested in bidding for it if it is too restrictive. Ainslie McLaughlin can talk about what we are doing about ensuring that businesses can get involved and about payment on time.

**Ainslie McLaughlin:** As the minister said, we will extend the use of the public contracts Scotland portal that we made mandatory for the Forth crossing project. That has been hugely successful.

As well as opening up opportunities and making them more visible to small companies, we have also been working alongside the local enterprise companies to ensure that they are aware of forthcoming opportunities and can provide the necessary support to smaller businesses so that they can access the markets. They help the businesses with tendering and whatever other arrangements they need to put in place. That has been successful and we will continue to use that system on the AWPR and the M8, for which the

larger organisations will be the main contracting bodies.

We operate a strict regime of paying the main contractor's invoices within 10 days and we require the contractor to pay its subcontractors within 28 days. We have limited ability to legislate for that, but for a number of major jobs over the past five or six years we have had no complaints from the subcontracting industry that subcontractors are not being paid in a timely manner.

We encourage all our contractors to treat their subcontractors and suppliers in a similar way to how we treat them.

**Margaret McCulloch:** Will the individuals who will be looking at the tenders for this work be occupationally competent and understand the background and everything to do with construction work? Will they understand what people are putting in their tenders, understand the whole process and make a good judgment?

**Keith Brown:** It is probably best for me to answer that question. I think that the track records of not just Ainslie McLaughlin but the people who work with him are tremendous. If you look at the M74, the M90 and the Forth crossing, you will see that a huge amount of expertise and a very positive track record have been built up. I know that those are not the things that make the headlines, but those people have been hugely successful. I have a great deal of confidence in the officials who are looking at this. There is an extremely good body of expertise—especially on road construction—and there are some very competent officials.

I will quickly divert back to the previous discussion on trams. I know that it is not the committee's purpose to do any back-slapping, but the efforts of the officials—who are by and large trained officials and who will deal with your point about bringing rigour and discipline to the trams project—and the efforts of the other stakeholders have made a fantastic difference.

I have every confidence that officials, who will be headed by Ainslie McLaughlin, are very good at dealing with this kind of project.

**Margaret McCulloch:** The Government has recently received £394 billion in Barnett consequentials. Will you use any of that for any of the shovel-ready projects that you have mentioned and can you tell us what those projects are?

**Keith Brown:** We received £394 million, rather than £394 billion, but the figure is not that much, as around £60 million will come off due to other budgets being top sliced, so we are talking about £338 million or so.

We have published a list of our shovel-ready projects, which I will be happy to provide to the committee if it needs it.

You are quite right that that new money will allow us to look at different things. I will make a pitch for my area of transport, but the decision will be for the Cabinet, and the Cabinet Secretary for Finance, Employment and Sustainable Growth, John Swinney, will be very prominent in that. I cannot publish that decision in advance because I do not know what it will be, but we can certainly provide the committee with our existing list of shovel-ready projects.

**Margaret McCulloch:** Thank you.

**Keith Brown:** Can I mention one thing about road maintenance?

**The Convener:** We will come to a question about road maintenance in a minute.

Alex Johnstone has a question on the AWPR.

**Alex Johnstone:** The convener quite rightly asked about opportunities for the employment and training of local people with the AWPR. Unusually, in the north-east we fortunately have very low unemployment and consequently those training opportunities might not be filled. What can the Government do to ensure that people from other parts of Scotland can access any opportunities that the AWPR may provide?

**Keith Brown:** That comes back to the point about skills and training. As you rightly say, there is low unemployment in the north-east, but many employers are starting to identify skills gaps. We need to do things in a joined-up way, whereby we can help. We have labour around the country that will be interested in those opportunities and our responsibility is to ensure that that labour is as trained and as skilled as possible. It is up to us to provide those opportunities, some of which will be directly provided through apprenticeships, for example.

Elsewhere in the country we need to ensure that we have construction skills in the workforce, which inevitably these days is much more mobile and willing to travel. Many people from Scotland over the past 40 years have travelled to the north-east to take up opportunities in the oil industry and because of this substantial construction project—which is not the only one in Scotland—we want to ensure that people are as well trained as possible so that they can take up those opportunities.

**The Convener:** We will move on to roads maintenance and you can now say what you wanted to say earlier, minister.

Can you provide an update on the implementation of the results of the national roads maintenance review, particularly highlighting what

impact that has had on improving the state of Scotland's roads?

**Keith Brown:** As I mentioned before, there were 30 recommendations from that review and the group that was established, which is co-chaired by me and a representative of the Convention of Scottish Local Authorities from the northern isles, has had its first meeting. Key to that group's remit is the idea of joint working.

I will make the point that I was going to make previously if I can, convener, before I forget. The shovel-ready projects that you mentioned, the list of which has been published, include roads maintenance, for which there is an allocation of around £35 million. Roads maintenance is often ignored because it is not a new project, a new road or a new piece of the railway network. It is, nonetheless, vital and good for employment because it tends to be parcelled into smaller chunks that smaller local businesses can access. We are well aware of the backlog of work that has to be done on our roads and the extent to which the damage can be exacerbated during tough winter periods.

The final report set out the 30 options. Recently, we have had the conclusion of the review and the establishment of the strategic action group, which I lead with Stephen Hagan from COSLA and which met on 15 November. The review identified a strategic framework for change, which will embed best practice. The 30 evidence-based initiatives that are mentioned will, we believe, deliver up to 10 per cent savings.

It is also recommended that a central resource be established to encourage councils to design and deliver a package of shared services initiatives. That is perhaps the area in which the biggest progress can be made. A council can be doing road works and even lighting works on the roads network right up to the boundary with either a trunk road or another council's road, and we believe that such work done in a more joined-up way can be delivered more efficiently and with less use of public resources.

Those initiatives are being taken forward and the group had its first meeting on 15 November. It is now up to not just us, but the 33 local partners that there will be and the roads authorities, including—provided that the bill is passed by the Parliament—the new Forth crossings body, to take that forward. That work is on-going.

**The Convener:** At our previous meeting, the Mobility and Access Committee for Scotland—MACS—and Passengers' View Scotland raised some issues with us that we said we would raise with you. Jim Eadie will begin.

**Jim Eadie:** I will be as brief as possible. Minister, your officials are currently undertaking a

review of Passengers' View Scotland. It would be useful for the committee to have an update on the stage that that review is at.

One of the issues that PVS raised with the committee was the fact that its good practice guide for Scottish bus operators had not been adopted by the Confederation of Passenger Transport UK. Along with PVS, we would be interested to know what discussions there have been between your officials, you and your counterparts in the UK ministry on that subject.

PVS also raised the issue of the integration of rail and bus services where those are both operated by a single company. Are you aware of that issue? What is your response to PVS's concerns about that, given the competition legislation that applies to that?

**Keith Brown:** I will address your last point first. We are seeking to address that issue by stepping away from the point about bus and rail services being delivered by the same provider, as there are issues with our being harsher on that arrangement or more willing to accommodate it. Instead, we will make it an obligation on whoever bids for the new franchise—there will be an obligation written into the franchise—that they must start to integrate bus, rail and ferry services. The idea that buses will arrive before trains depart sounds simple, but there will be an obligation on the rail franchise holder to ensure that they arrange things in that way.

As you will know, those services will sometimes be run by the same provider, depending on who runs the contract, as some of the biggest companies provide bus as well as rail services. We cannot set a franchise that accommodates one or the other; we just have to state our desire that those services will be integrated in future in a way that they have not been in the past. That is how we are trying to deal with the situation.

11:45

If there are issues with regulation in relation to the same provider, we do not, by and large, currently have the remedies to resolve those. The Office of Fair Trading or the Competition Commission deals with those things, and we do not have the wherewithal to do so right now. The Competition Commission has investigated parts of the bus industry in Scotland, but the commission itself promotes those investigations. We can refer things to the commission, but that is currently dealt with at UK level.

We are very close to reaching a conclusion in the PVS review. I know that it has expressed an interest in seeing that happen. There have been some issues to work through with regard to how those things could be better arranged. That

process is taking some time—perhaps longer than expected. However, we are well aware of the resignations from PVS, its diminishing board and the need to reappoint, which it has mentioned, and we will come to a conclusion very shortly.

Does that answer all your points?

**Jim Eadie:** Yes, that is fine. I would be interested to know what your definition of “very shortly” is, but that response is helpful.

My other point was on the good practice guide for bus operators, which has not been adopted by the UK CPT. Have you raised that issue—either directly or through officials—with your counterpart south of the border?

**Keith Brown:** With regard to the relationship with the CPT, we have our own relationship with the Scottish organisation—in fact there are discussions with it at this very minute on some big issues for the bus industry. We have that direct dialogue, so anything else would be over and above that.

I will be more specific about timescales. We will come to a decision on the review certainly within the next four to six weeks—perhaps even sooner.

Archie Stoddart can discuss the relationship with the UK organisation.

**Archie Stoddart:** The CPT views the guidance as being fine as far as it goes, but it has seen no reason to attempt to have that guidance extended UK-wide. We contacted the CPT, which has confirmed that it will get in touch with the PVS to discuss the position further, so that will move that issue on.

**Jim Eadie:** Does that mean that you have been in dialogue with officials?

**Archie Stoddart:** Officials have been in contact with the CPT about that, and it will get in touch with the PVS to discuss its position further.

**Jim Eadie:** I have a couple of final questions that the organisations asked us to raise with you. The first relates to blue badge eligibility. The welfare reform changes mean that people who are currently eligible for a blue badge may no longer be eligible. Is the Government addressing that issue?

**Keith Brown:** Yes—

**Jim Eadie:** I might as well just give you the final question. The “Rail 2014” consultation raised particular issues concerning the passenger experience in relation to disability access to trains and stations. Are you addressing that issue?

**Keith Brown:** Yes. We are actively involved in the blue badge reforms process, not least with

MACS, which has a great deal of expertise on that matter among its membership.

There is business coming before the Parliament on how we further refine the blue badge scheme. An awful lot of changes—for example, improved enforcement—have taken place already with the support of stakeholders.

However, the passporting of current provisions under UK-led welfare reforms presents us with challenges. We are keen to ensure that no one falls through the cracks and that if someone should be able to get a blue badge they do so with as little hassle as possible. That must be balanced with the need to ensure that we drive abuse out of the system, but our efforts just now in working with MACS are aimed at ensuring that we do that as painlessly as possible. We have not sought that change. It is derived from the UK Government’s welfare reforms. It presents us with some challenges, but we are making pretty good progress and should be able to come to a conclusion on that fairly shortly.

**Jim Eadie:** And the “Rail 2014” consultation?

**Keith Brown:** Your point was about access—

**Jim Eadie:** Disability access.

**Keith Brown:** The main vehicle through which we provide access just now is the awards for all programme, although Aidan Grisewood might know some other aspects. The programme allows us to tap into a UK-led initiative. Money is provided to make improvements—ramps, lifts and so on—at different railway stations. We recommend to the UK Government Department for Transport what we think are the most pressing cases and it takes the decision.

We have already announced a pot of £30 million under the next franchise for station improvements. That does not necessarily mean improvements to access alone, but it can mean that. It is also not necessarily for new stations; existing stations can access that money to improve access for people with disabilities, including people who are visually impaired.

Those are the main vehicles through which we will improve access. Of course, the rail network is big and largely Victorian, so there is a lot of work to be done. However, fantastic improvements are taking place in, for example, Waverley station in your area, where I was last night.

There are various ways in which we can address the matter. We are well aware of that and have already made provision for it. The franchise specification is not yet drawn up, but we have already specified the station improvement fund.

**The Convener:** Alex Johnstone has a small point.



**Alex Johnstone:** I will get into trouble when the convener hears what I am going to talk about.

In last week's autumn statement, the chancellor further reiterated the intention to complete the upgrade to motorway status of the A1 to Newcastle. The Government previously increased the level of priority given to the A1 north of Newcastle towards Berwick. That holds out the prospect of the development of an east coast motorway network, which could have huge economic benefits for Scotland. Where does the continued upgrade of the A1 between Edinburgh and Berwick lie within the Government's priorities?

**Keith Brown:** We have made our priorities clear through the STPR. You are right to say that we need to examine the announcement from the UK Government to see whether it changes anything and what it changes. We need a bit of time to consider exactly what improvements the UK Government will carry out and when it will make them.

Ainslie McLaughlin might want to say something specific about the improvements that have already been made to the A1.

**Ainslie McLaughlin:** There are no active plans for further upgrades of the road to dual carriageway beyond what has already been completed. The main motorway link into Scotland remains the M74 but, as the minister says, that would have to be reconsidered in light of the announcement by the UK Government.

**The Convener:** The road is much better this side than it is at Berwick and south to Newcastle.

Those are all the questions. That was a long evidence-taking session, minister. I thank you and your officials for attending. The committee will consider the ferries plan at its first meeting back in January, so it looks as though that will be our Christmas reading, once you publish it.

I suspend the meeting to allow for a changeover in the minister's officials.

11:53

*Meeting suspended.*

11:57

*On resuming—*

## **Marine Navigation (No 2) Bill**

**The Convener:** Agenda item 3 is consideration of a legislative consent memorandum on the Marine Navigation (No 2) Bill. I thank the minister for staying on to give evidence to the committee on the LCM and I welcome his supporting officials: Val Ferguson, who is a policy executive; and Stuart Foubister, who is the divisional solicitor. Before I invite members to begin the questioning, I remind the committee that we have a very short window in which to consider and agree a report on the LCM, which must be considered by the Scottish Parliament before the Christmas recess. Therefore, we will consider our draft report later in this meeting.

Minister, would you like to make some opening remarks?

**Keith Brown:** I will speak briefly to the proposed legislative consent motion on the devolved provisions of the Marine Navigation (No 2) Bill. In my view, the provisions will offer benefits to the operation of Scottish harbours without the need to develop separate legislation. The main provisions—and those most relevant to Scotland—include amendments to the Harbours Act 1964 and the Pilotage Act 1987, both of which are UK-wide acts that apply to Scotland.

The amendments to the Harbours Act 1964 include provision for orders to be made to permit or to direct harbour authorities to cease to maintain harbours that are no longer commercially viable or necessary. They also include powers for Scottish ministers to designate harbour authorities that may give directions in respect of ships that are in, entering or leaving their harbour.

The amendments to the Pilotage Act 1987 include provision for Scottish ministers to designate by order that a harbour authority is no longer a competent harbour authority, thereby removing its pilotage functions where those are no longer necessary. In addition, the bill amends the provisions for pilotage exemption certificates so that those may be applied for by any deck officer, rather than only the master and first mate of any vessel, subject to the current competence testing by the competent authority.

The bill has the broad support of the ports industry and we wish to see it applied to Scotland to ensure that the powers are available to our ports, should the need arise to use them. However, the closure of harbours and the removal of pilotage functions are not scenarios that we expect to arise except on an exceptional basis.

Ministers do not expect to use those two powers on a proactive basis; it would be for the harbours in question to provide a detailed case to accompany any such application.

That is a brief overview of the main provisions. I am happy to try to answer any questions that the committee may have.

12:00

**The Convener:** We have three questions, which I will just put to you. First, have you identified any harbours in Scotland—you may have covered this—that no longer need to be maintained?

**Keith Brown:** No.

**The Convener:** Can you outline, with specific examples, what benefits the provisions covered in the LCM might bring to Scotland?

**Keith Brown:** In addition to the benefits that I mentioned in my opening statement, the provisions will contribute to safer harbour operations by Scottish ports. For example, the direction powers will allow the harbour authorities safely to regulate their harbours. By taking away some of the burdens from harbour authorities that no longer need or use pilotage powers to oversee their harbour, the provisions will tidy up that process. The LCM also refers to useful provisions at a UK level that could be adopted very straightforwardly in Scotland. Another point to consider is that we do not have opposition from the ports and harbours, which are very supportive of the bill. However, the main benefit is that it will make our harbours safer.

**The Convener:** The LCM states that the issues addressed in the bill would not merit separate Scottish legislation. Can you explain that view? Would the Scottish Government have introduced such a bill if it had the competence to do so?

**Keith Brown:** I think that we would have done so if we had the competence—if the Parliament had the powers, I am sure that we would have taken the measures forward already—but the question is whether we should put this Parliament's resources and time into bringing forward separate legislation when we have a proposal from the UK Government that enjoys the support of the industry and can be easily taken forward under these circumstances. That is the main benefit.

As you will know, the ports and harbours industry is quite keen to see the two Governments collaborate in dealing with the industry's interests. In this case, such collaboration will both make harbours safer and remove some bureaucracy, so I think that it is broadly welcomed. It seems to us a sensible way forward.

**The Convener:** On that point, will there be any difference between how the provisions affect those ports that are privately owned and those that are controlled by trusts?

**Keith Brown:** No, the same provisions will apply to both.

**The Convener:** The Subordinate Legislation Committee, which has also considered the LCM, points out that clause 13 will give Scottish ministers powers to commence clauses 1 to 6 in relation to Scotland. The Subordinate Legislation Committee has asked this committee to explore further the points that it raised with officials last week on the powers contained in clause 13 to make incidental provision within the commencement provisions. Officials suggested that, although the Scottish Government could have asked for the incidental provision power to be removed, that was not considered necessary as it is unlikely to be used. Can you explain why that view was taken? Would it not have been preferable to have asked for the bill to reflect Scottish ministers' intentions on the matter?

**Keith Brown:** As you say, that point was discussed with officials. Perhaps Stuart Foubister can talk about those discussions.

**Stuart Foubister (Scottish Government):** The feeling was that it is a very minor matter. The bill includes the power to make incidental provision in the context of making a commencement order. That is not a power that we normally take in the Scottish Parliament, but it is terribly minor and is unlikely to be used, so we simply thought that there was no particular need to go to the extent of seeking to amend the Westminster bill to disapply that to Scotland.

**The Convener:** Unless members have any further questions, I thank the minister and his officials for their attendance. We will consider our report to Parliament later on in this meeting.

## Petitions

### A90/A937 (Safety Improvements) (PE1236)

12:05

**The Convener:** Agenda item 3 is consideration of two petitions. First, we will consider PE1236, by Jill Fotheringham, on safety improvements on the A90 and A937. Members have a paper by the clerk that sets out the background to the petition. The Public Petitions Committee considered the petition on 27 November and agreed to refer it to this committee for further consideration.

The committee should note that responsibility for any work that is carried out on the issues that are raised in the petition lies at the local level and that the relevant local authority and transport bodies are engaged with the issues. I invite members to comment.

**Alex Johnstone:** I will jump in and comment first because I think that I was the first member to sign Jill Fotheringham's petition many years ago. It resulted from one of a number of fatal accidents at the junction. The first achievement of the campaign was that a previous transport minister, some years ago, put what was believed to be a temporary speed limit on the A90 at the junction, and speed cameras were erected. Since then, there have been no fatalities, but there continue to be accidents.

The A90 is busy at the junction and the A937 is a key route that deals with traffic coming from the Montrose area, including both commuter traffic and heavy lorries related to the oil industry that are going north. The inadequacy of the junction is obvious. It has been the subject of a petition for some time and I have regularly found myself visiting the Public Petitions Committee to support the petition. It is an extreme disappointment to me that it has been on the agendas of committees and others for so long and yet no progress has been made.

I emphasise that the measures that were taken to improve safety on the road were always assumed to be temporary, but now they seem to have become permanent.

**The Convener:** So what are you suggesting?

**Alex Johnstone:** I was going to allow other members to air their comments before I make a suggestion.

**Margaret McCulloch:** I have looked at the matter and done some research on it as well. I was going to say some similar things to what Alex Johnstone said. However, if it is possible, I would like us to ask some of the people who have been involved in writing letters and in the petition to

come to the Parliament and give us some evidence and some more information on it.

**Gordon MacDonald:** I support what Margaret McCulloch has said. I suggest that we get the local MSP and the petitioner to come along and give evidence. I have used part of the road in the past and I know that, further south, new road junctions have been put in. I do not understand why this junction has not been replaced. It might be useful to hear from the MSP and the petitioner about the situation.

**Margaret McCulloch:** Are a number of MSPs involved in that area? Should we also hear from local businesses and other groups?

**Jim Eadie:** Convener, I am not against that suggestion in principle, but I wonder whether in the first instance the petitioner should give evidence to the Public Petitions Committee, before coming to this committee.

**Alex Johnstone:** That happened many times before the referral took place.

**Adam Ingram:** Should we not be trying to take the petition beyond having another witness session on the issue? Is there not something more that we can do by way of taking the matter forward, as opposed to just hearing the arguments again?

**Margaret McCulloch:** Well, we have not heard the arguments. It would be useful for us to hear them as well.

**Adam Ingram:** We have all the background material from the Public Petitions Committee's consideration of the petition. As a current member of that committee, I know that, when the petition was passed on to this committee, frustration was expressed that this long-running issue is not being progressed appropriately. The Public Petitions Committee wants us to take it forward.

I do not know whether Alex Johnstone has any suggestions, given his long-running involvement in the petition.

**The Convener:** Before Alex Johnstone responds, I will outline the options that we have. We could write to Transport Scotland to seek an update on the issues that the petitioner has raised in her most recent correspondence and on the discussions with the north east of Scotland transport partnership. In that letter, we could also request information on the processes that are involved in assessing and acting on safety issues at road junctions more generally, together with details of where responsibility for making decisions on such matters lies. Alternatively, we could write to Angus Council to find out what is being done to discourage the use of the A937 and hence reduce traffic at the junction between the A937 and the A90 at Laurencekirk.

I am surprised that people do not use the coast road more.

**Alex Johnstone:** The issue with the coast road is that the bridge over the North Esk on the A92 north from Montrose is unfit for heavy traffic. As far as heavy goods vehicles are concerned, I should point out that Montrose is the southernmost town to be heavily involved in fabrication work for the North Sea oil and gas industry. A number of companies in Montrose transport unusually wide or heavy loads. As a consequence, the road network in that area is under pressure. An effort is being made to encourage that traffic to use the road to Brechin and the junction at Brechin to access the A90, but given that most of the traffic in question is travelling north, that is quite a long way round to go. In addition, there are problems with the road through Brechin to access that junction.

Therefore, there is a tendency for all traffic, especially traffic from the north end of Montrose, where there is a substantial population who work in Aberdeen and commute to the north, to use the A937 as their natural access point to the A90, with the result that it has become a pinchpoint on the network. Heavy lorries have to cross the southbound carriageway to turn north. Substantial queues of traffic form, especially in the morning, as vehicles try to turn north across the southbound carriageway. Those who are aware of the local circumstances will know that there is a particularly wide central reservation there. There is the problem of cars that have to cross the southbound carriageway to turn north queueing in the middle of the road.

Although there is the option of Angus Council encouraging traffic to take other routes, in practice people will use the A937 because it is the main road north out of Montrose to the A90. I do not think that there is much that we can do to encourage people to virtually travel south to join the road, before travelling north on the A90.

**The Convener:** That is certainly the case for big HGVs, which cannot get round the bridge over the North Esk, but it is not the case for all traffic, is it?

**Alex Johnstone:** In my experience of that road, it is not an attractive route for commuters to take, particularly at busy times. During a recent closure on the A90, the traffic was diverted down there. When traffic levels reach a certain point, the traffic just comes to a standstill at many points on that road.

In my view, the decision to de-trunk that road some years ago was a demonstration that it was not a suitable road for development. Consequently, the A90 was made the main trunk road. All those who are involved in considering access to that road must take into account that previous decision and the fact that the A90 is the

main trunk road north. Indeed, it is the only trunk road north at that point, and access to it should remain a priority.

**The Convener:** So what is your suggestion? Is it the same as either of the ones that I outlined?

**Alex Johnstone:** Ultimately, my solution to the problem is a grade-separated junction.

**The Convener:** How do you suggest that we make progress with the petition?

**Alex Johnstone:** I think that your suggestion that we write, in the first instance, to Transport Scotland for an update on the position and that we consider the reply when it comes back would be the appropriate way forward.

**Adam Ingram:** Fine.

**The Convener:** Will we do that in the first instance?

**Adam Ingram:** Yes, in the first instance.

It strikes me that Transport Scotland is saying, "Yes, we need a grade-separated junction but, no, we will not prioritise it. We will wait for a local housing development to come up with the cash to provide the wherewithal to put in the junction."

12:15

**Alex Johnstone:** On local housing developments, there are two junctions to access Laurencekirk. The north junction is essentially on a local road; it is not a crossroads. There is a reasonable argument to be made that those who are investing in housing development in the area can contribute towards the improvement of that junction.

The A90 and A937 junction is for two A-class roads. It does not have a direct relationship to any housing development in the Laurencekirk area, but it may be argued that it has a relationship to housing development in the Montrose and Hillside areas, which are in a different local government area. As a result, there is an element of responsibility for that junction not being claimed by either local authority, and consequently it has been systematically ignored. The idea that we might get local development to provide finance is probably impractical.

**The Convener:** That is a good point. When we write to Transport Scotland, we should ask for specific information about the processes, how it acts on safety issues at junctions, and where the responsibility lies for collectively looking at how much housing has gone in and how that affects the junction. Alex Johnstone is right. Has there been more development in Hillside at Portlethen, for example, than at Laurencekirk recently?

Possibly not, but a grade-separated junction went in there.

**Alex Johnstone:** That is a different Hillside.

**The Convener:** Yes. There is Hillside in Montrose, too. That is a bit confusing.

We will write a letter to Transport Scotland with specific requests about how it comes to its decisions, and take things from there.

### **DVLA Local Office Closures (PE1425)**

**The Convener:** The second petition is PE1425, by Maureen Harkness, on the adverse impact of Driver and Vehicle Licensing Agency local office closures. Members should note that the matter is reserved, of course, and that the Scottish Government is actively engaging with the Department for Transport and the DVLA on the proposed office closures.

What action should we take in relation to the petition? Given that the matter is reserved, I am not sure that there is much that we can do if the Scottish Government is engaging with the Department for Transport. Does Steve Farrell have a suggestion?

**Steve Farrell (Clerk):** It is really a case of members taking a view on the matter. Given that the Government is actively pursuing the matter, that should be continued. That is our strong view. One option for the committee is to close the petition and ask the Scottish Government to keep it apprised of any progress on the matter.

**The Convener:** Why do we not ask for the result of the Scottish Government's active engagement, wait for the reply, and then consider what we will do with the petition? Do members agree with that approach?

**Members** *indicated agreement.*

## **Subordinate Legislation**

### **Housing (Scotland) Act 2001 (Assistance to Registered Social Landlords and Other Persons) (Grants) Amendment Revocation Regulations 2012 (SSI 2012/306)**

12:18

**The Convener:** Agenda item 5 is subordinate legislation. We have two negative instruments to consider, the first of which is the Housing (Scotland) Act 2001 (Assistance to Registered Social Landlords and Other Persons) (Grants) Amendment Revocation Regulations 2012. The regulations revoke a previous set of regulations and, in doing so, address the committee's concerns about the drafting of those regulations.

The Subordinate Legislation Committee has drawn the Parliament's attention to the regulations on the basis that the Scottish Government has failed to meet the 28-day deadline. However, given that the regulations have been brought forward to allow the Scottish Government to address the serious concerns that the Subordinate Legislation Committee and this committee previously raised, the Subordinate Legislation Committee is content to accept the Government's justification.

The committee is invited to consider any issues that it wishes to raise in reporting to Parliament on the regulations. Members should note that no motion to annul has been received in relation to the regulations.

As members have no comments on the regulations, do they agree that they do not wish to make any recommendation in relation to them?

**Members** *indicated agreement.*

### **M74 Motorway (Fullarton Road to the M8 West of Kingston Bridge) (Speed Limit) Regulations 2012 (SSI 2012/320)**

**The Convener:** The second instrument is the M74 Motorway (Fullarton Road to the M8 West of Kingston Bridge) (Speed Limit) Regulations 2012. The regulations will allow the enforcement of new speed restrictions on a stretch of the M74 that has been subject to temporary speed restrictions.

The Subordinate Legislation Committee did not raise any concerns in relation to the regulations. The committee is invited to consider any issues that it wishes to raise in reporting to Parliament on them. Members should note that no motion to annul has been received in relation to the regulations.

As members have no comments on the regulations, do they agree that they do not wish to make any recommendation in relation to them?

**Members** *indicated agreement.*

**The Convener:** As previously agreed, we will take the remainder of our business in private. However, before we do so, I record the committee's thanks to Malcolm Chisholm for his contribution to its work over the past 18 months. Subject to a decision at decision time today, he will take on a new role as a member of the Finance Committee. We wish him all the best.

There will be another change in the committee team. Lewis McNaughton is moving on to the Scottish Parliament information centre on a six-month secondment. We give him our best wishes as well.

I close the public part of the meeting.

12:21

*Meeting continued in private until 12:26.*

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

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e-format first available  
ISBN 978-1-4061-9458-6

Revised e-format available  
ISBN 978-1-4061-9475-3

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Printed in Scotland by APS Group Scotland

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