



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 29 April 2015

Session 4

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE
10th Meeting 2015, Session 4

CONVENER

Jim Eadie (Edinburgh Southern) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*James Dornan (Glasgow Cathcart) (SNP)

Mary Fee (West Scotland) (Lab)

Alex Johnstone (North East Scotland) (Con)

*Mike MacKenzie (Highlands and Islands) (SNP)

*David Stewart (Highlands and Islands) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Linda Fabiani (East Kilbride) (SNP) (Committee Substitute)

Derek Mackay (Minister for Transport and Islands)

Chris Wilcock (Transport Scotland)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 29 April 2015

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

Harbours (Scotland) Bill

The Deputy Convener (Adam Ingram): Welcome to the 10th meeting in 2015 of the Infrastructure and Capital Investment Committee. Everyone present is reminded to switch off their mobile phones, as they affect the broadcasting system. As meeting papers are provided in digital format, visitors may see tablets being used during the meeting.

Apologies have been received from Jim Eadie, Alex Johnstone and Mary Fee. We are pleased to have with us Linda Fabiani as a substitute for Jim Eadie.

At item 1, the committee will take evidence on the Harbours (Scotland) Bill from the Minister for Transport and Islands, who is accompanied by the bill team. I welcome Derek Mackay, who is the Minister for Transport and Islands, Chris Wilcock, who is the head of ports and harbours at Transport Scotland, Pauline McMillan, who is a policy manager in the ports and harbours team at Transport Scotland, and Stuart Foubister, who is a divisional solicitor in the legal services directorate in the Scottish Government.

The minister has indicated that he does not wish to make an opening statement, so we will move straight to questions. I will kick off.

Minister, what consultation did the Scottish Government undertake with shipping and port industry stakeholders prior to the introduction of the bill? What key issues were raised and how have they shaped the proposals in the bill?

Derek Mackay (Minister for Transport and Islands): Thank you, convener, and good morning. Before the bill was introduced, we held stakeholder consultations with the key stakeholder groups, including the British Ports Association, the United Kingdom Major Ports Group and the UK Chamber of Shipping.

No particular issues were raised. There is a very clear issue that we want to address and there is understanding and acceptance of that. We have received general support for the bill but some issues have been raised around mediation, with some stakeholders feeling that legislation may not

be required and that the aim could be achieved through non-statutory guidance. In essence, there is support for the bill to achieve what we have set out to achieve.

The Deputy Convener: Okay. What is that?

Derek Mackay: We want to give assurances about the trust port model and remove the potential conflict identified by the Office for National Statistics, whose review could reclassify certain trust ports as public corporations. That could have an impact on the public purse, as any borrowing that the ports undertake could then be counted as Scottish Government borrowing, which would be unhelpful and unnecessary. We will remove the existing provisions to clarify that as best we can, and we will continue to work with the ONS to achieve clarity.

We will also make the process more efficient by removing some unnecessary bureaucracy, such as the requirement to submit six copies of draft harbour orders along with the application for the order.

The Deputy Convener: Thank you. We will move on with a question from David Stewart.

David Stewart (Highlands and Islands) (Lab): Thank you, convener. Are there plans to introduce mediation in disputes about harbour dues and, if there are, would it be on a voluntary or statutory basis?

Derek Mackay: We have agreed with the industry that non-statutory guidance on mediation will be prepared. That will be welcomed by stakeholders. There are already provisions that allow us to engage in mediation. Maybe people need to be made more aware of the existing provisions.

David Stewart: Thank you. For the record, will you outline for the committee the main provisions of the Harbours (Scotland) Bill?

Derek Mackay: I will ask Chris Wilcock to give the technical detail and the committee can certainly probe him further on that. Just to confirm, I think that you mean in relation to existing specific powers around mediation. Is that what you are looking for?

David Stewart: Yes.

Chris Wilcock (Transport Scotland): On mediation, section 31 of the Harbours Act 1964 contains a right to make a formal appeal to the Scottish ministers about the level of harbour dues that are set. That can be quite a complex process—it is a last resort. No appeals have been brought to us since devolution, although there have been examples down south and there were examples prior to devolution. However, we had an informal approach on a potential appeal under

section 31 and our role was quite limited, given that a formal appeal would have sat with us. That is why we want to introduce a mediation stage to the process.

As the minister said, when we spoke to the industry about mediation, the ports were clear that they already undertake a level of local mediation and that non-statutory guidance might be the more appropriate route. That is what is preferred, but it is important to note that the formal appeal process will, under section 31 of the 1964 act, remain in effect and we will provide additional guidance on other measures.

David Stewart: Did you pick up evidence of regular disputes between users of harbours and the harbours themselves? Do we need a mediation stage? What evidence do we have for this step?

Chris Wilcock: As I mentioned, we have had some tentative approaches in relation to harbour dues. During the past three years maybe half a dozen people have come to us—a group from a particular sector—and the matter was resolved through discussions between the particular ports and the users. From Transport Scotland's perspective, that is the best manner in which to resolve these things: rather than have ministerial or Government involvement, mediation allows the bodies concerned to build their relationships. Resolving matters locally is the best way.

David Stewart: Thank you. I have a final question. The policy memorandum states that the primary purpose of the bill is to provide

“an improved legislative framework for trust ports across Scotland”.

Can you explain how it will achieve that aim?

Derek Mackay: I am happy to do that, but to go back to the previous question from David Stewart, it is important to bear in mind that, although there may be an issue about dues, there is also an issue about control. Control is a separate matter concerning harbour revision orders and empowerment orders and there is a separate process when there is a dispute about control. It is worth mentioning that that has been more controversial than the dues issue.

The bill progresses our aim of improving the legislative framework for trust ports by removing ministers' power to compel trust ports that are over the relevant turnover threshold to bring forward privatisation proposals. That will remove a level of uncertainty for the ports affected. It will also reaffirm our support for the trust model as part of the diverse range of ownership structures in Scotland. That is how the legal change will bring about the purpose that we are pursuing.

David Stewart: Thank you.

The Deputy Convener: We move on with a question from Mike MacKenzie.

Mike MacKenzie (Highlands and Islands) (SNP): Thank you, convener, and good morning, minister. The policy memorandum states that the bill

“satisfies a commitment by the Minister for Transport and Veterans to the Office for National Statistics following their review to reclassify certain trust ports ... as public corporations.”

Can you explain when the commitment was made, what was committed to and why you considered it appropriate to make it?

Derek Mackay: My predecessor, Keith Brown, wrote to the Office for National Statistics on 5 September 2013 to advise that the Scottish ministers had no intention of exercising the power to require a port to privatise under section 10 of the Ports Act 1991 and that they would consider the introduction of legislation to remove it, if necessary, to avoid ONS classification of trust ports that went over the relevant threshold as public corporations. Following the ONS's decision on 25 September 2013 to retain the classification, Mr Brown made a commitment to take forward legislation, which is exactly what we are now considering and pursuing.

Mike MacKenzie: Thank you, minister. My second question is about the policy memorandum, which indicates that classification of a trust port as a public corporation could have implications for Scottish Government budgets. What might those implications be?

Derek Mackay: Essentially such classification would mean that the borrowing that a trust port may undertake would count against Scottish Government budgets and be deemed as our borrowing. We would have no control over that and it would affect the public purse substantially. For example, the very exciting proposals around Aberdeen harbour could mean investment of £300 million and a significant amount of borrowing. It would therefore have an impact on the Scottish Government's accounts and potentially our borrowing. This is only a technical matter of bureaucracy and clarification, and we want to resolve it so that it does not have an impact on our Government's ability to borrow and spend.

Mike MacKenzie: Thank you, minister. I should say in passing that I share your enthusiasm for the proposed investment and improvements at Aberdeen harbour.

James Dornan (Glasgow Cathcart) (SNP): Good morning. Has the ONS offered any guarantee that the passing of the bill will mean that trust ports will not be characterised as public corporations at some point in the future?

Derek Mackay: The honest answer is that it has not given such a guarantee. Previous discussions with the ONS suggest that the bill should satisfy its needs on classification. That said, because of its working practices, the ONS cannot give a cast-iron guarantee about the model that it would decide on. We will be in contact and share progress with the ONS and the Treasury to ensure that discussions are concluded in a positive way. If any other issues emerge, such as classification, we can address them.

I hope that discussions will be concluded by stage 2 of the bill, but that is in the hands of the ONS and, potentially, the Treasury. We will share further information with the committee if we do not get the assurance that the matter will be resolved. All the early indications from the discussions we have had are that, if we legislate as proposed, it should be sufficient to remove the ports from the classification. If issues emerge, they will have to be addressed. Chris Wilcock can provide the current position.

Chris Wilcock: As the minister outlined and as the committee will be aware, Aberdeen harbour is already classified as a public corporation and has been since 2000, based on the turnover threshold. The ONS has also identified Lerwick and Peterhead harbours as potentially approaching that threshold, which makes a solution all the more imperative because of the pending Aberdeen investment and the on-going investment at the other two ports.

When we engaged with the ONS, we asked it to look across the UK at all the factors that had led to the original classification in 2000. There were varying levels of Government control across the UK but in Scotland, the key element was the legislative provision whereby ministers can compel a port to privatise. We have gone back to the ONS to ask whether, if we were to produce a bill to remove that provision and the ONS had the opportunity to look at the detail, it would be prepared to reconsider its decision. The ONS has said that it will do that, but it will only be at that point at which it looks at the bill in detail, and possibly all the other factors, that we will have a final decision on classification. As the minister has said, we will work to push through solutions to any issue that comes up.

James Dornan: If the ONS decides to reclassify trust ports, how quickly is that likely to take effect and could a delay have an impact on current port development proposals?

Derek Mackay: We want the process to take place as quickly as possible so that the issue can be resolved. That is not in our hands but in the hands of the ONS.

To answer the second part of your question, if there were a delay, it would not have an impact on any trust port's plans but it would have an impact on the Scottish Government's accounts.

Linda Fabiani (East Kilbride) (SNP): I see that the Finance Committee has not carried out any formal consideration of the financial memorandum, which states that no costs would be incurred by Government, local authorities, other bodies, individuals or businesses. Is that still the case?

Derek Mackay: Yes, it is.

Linda Fabiani: Thank you.

The Deputy Convener: Thank you very much. Those are all our questions. Is there anything you would like to add?

Derek Mackay: I have nothing to add, convener.

The Deputy Convener: That concludes our evidence at stage 1 of the Harbours (Scotland) Bill. The committee will consider a draft report on the general principles of the bill at a future meeting.

10:14

Meeting suspended.

10:15

On resuming—

Freight Transport

The Deputy Convener: Under agenda item 2, the committee will take evidence from the Scottish Government and Transport Scotland as part of its inquiry into freight transport in Scotland. The minister is still with us, as is Chris Wilcock. I also welcome from Transport Scotland Margaret Horn, who is branch head of freight policy and inland waterways, and Steven McMahon, who is head of rail strategy and funding.

I invite the minister to make an opening statement.

Derek Mackay: I welcome the committee's work to identify and understand some of the challenges that face the freight transport industry in Scotland.

Since 2007, the Scottish Government's purpose has been to create a more successful country with opportunities for all Scotland to flourish through increasing sustainable economic growth. Our economic strategy identifies the need for leadership of change and partnership working and focuses on our four priorities of innovation, inclusive growth, investment and internationalisation.

Scotland's transport system is a key enabling factor in helping us to achieve our purpose and our ambitions for economic growth. We need infrastructure that connects people to jobs, education, services and recreation. Of course, we also need infrastructure that enables the movement of goods. The Scottish Government's approach to investing in Scotland's transport infrastructure aims to provide that by supporting developments that are focused on improving journey times and connectivity, enhancing Scotland's competitiveness, improving accessibility and integration, and minimising the impact of transport on the environment.

Through Transport Scotland, we manage and maintain the 2,000-mile trunk road and motorway network, which connects Scotland's major cities, towns, airports and ports. We plan and deliver rail policy strategy and investment, advise on rail investment decisions and provide the specification of railway outputs that we wish to buy. Development of rail freight terminals and associated sidings is a matter for the commercial freight sector. We are responsible for legislation, policy and guidance relating to ferry services, ports, harbours and canals in Scotland. Shipping is a reserved matter, as is road freight regulation.

I understand that road freight will remain the predominant mode for the movement of goods in Scotland, for reasons of volume and geography.

Nevertheless, I also recognise the adverse impact of freight movements on the environment. Therefore, we encourage modal shift from road to less environmentally damaging modes, where feasible, through our mode shift grant schemes, which make a financial contribution to private sector projects. Ultimately, however, decisions on the means of transport of goods are a matter for the commercial sector.

The strategic transport projects review provides the evidence base for the infrastructure investment plan. Since 2007, we have invested more than £6 billion in our trunk roads, and we have a £3.5 billion rail capital investment programme for the next five years. The STPR identified facilitating freight routes as one of the primary functions of the national strategic transport network, and the projects that we are taking forward will improve the movement of goods.

Roads projects such as the Queensferry crossing, the Aberdeen western peripheral route and the dualling of the A9 and the A96 have all been welcomed by stakeholders from the freight sector.

Rail projects are planned to improve the Aberdeen to Inverness line and the Highland main line. In addition, we have made available £30 million for the Scottish strategic rail freight investment fund to enable improvement initiatives, encourage growth and productivity in rail freight, and reduce emissions and road congestion.

That demonstrated commitment to investing in our transport infrastructure will help us to achieve our vision for Scotland as a place where the movement of freight, throughout the supply chain, is efficient and sustainable, allowing Scotland's businesses to compete and grow in a global economy.

Many of the freight challenges identified by the inquiry cannot be addressed by Government investment in infrastructure alone. We have to recognise the commercial nature of the freight industry and the competition both within and across modes. We have to identify approaches that achieve public policy aims but are also sustainable from a business perspective. We know that that can be achieved only through close partnership working between the public and private sectors.

The Scottish Government has a well-established vehicle in place to help us to do that. The Scottish freight and logistics advisory group—ScotFLAG—which is a stakeholder group that we set up in 2009, ensures on-going engagement and a collaborative approach between the Scottish Government, the wider public sector and the freight industry. ScotFLAG's remit is to advise on and monitor delivery of freight policy in Scotland,

consider the impact of Government policies on freight movements, and prioritise and co-ordinate action taken by the industry and other stakeholders in response to Government policies.

Through our on-going engagement, we know that our stakeholders continue both to share our vision and to support our approach to freight policy in Scotland. Once I receive the committee's recommendations, I will give them careful consideration. ScotFLAG will then provide a useful vehicle for discussion with stakeholders on a possible work programme.

The Deputy Convener: Thank you very much, minister. I invite Linda Fabiani to kick off with some questions on roads.

Linda Fabiani: During evidence sessions, concerns have been raised about the different speed limits for heavy goods vehicles in Scotland and England. I will ask first about the A9 upgrade. I see that that has been welcomed by road hauliers, but of course it has raised the question of similar upgrades for roads in other parts of the country. How do you set priorities?

Derek Mackay: Right now, the A9 is a success story, to the extent that the package of measures is having an impact on road safety, journey times and reliability as we dual the A9. We were able to amend the speed limits for HGVs because of that package of measures—the measure was very specific to the A9. At the moment, I have proposed those limits only for the A9, where average speed cameras are in place. The second round of statistics shows that the road is safer, that speeding has been vastly reduced, that driver behaviour has improved and that people feel safer.

For the business community, safer roads have to be a good thing, but better journey times and reliability are important, too, and those are even better than we had modelled, despite increased road use. I make that point because some critics suggested that people would use other routes, but that is not happening. All the evidence on our package of measures is very reassuring, but there is a safety record to be addressed on the A9.

Through the Department for Transport, the UK Government has increased speed limits for HGVs. It carried out a consultation and an appraisal. That decision south of the border will probably mean greater loss of life—more fatalities—and more injuries. That is not a price that I am willing to pay in Scotland for a blanket increase in HGV speed limits. It was appropriate on the A9 because of the package of measures there, but I do not propose a blanket increase in HGV speed limits. We will of course pay very close attention to the experience south of the border and the policy impacts there. The UK Government's appraisal suggests that

people may die as a result of the policy. Safety in Scotland is paramount, and increasing the speed limits for HGVs in general is a gamble that I am not willing to take.

Linda Fabiani: Convener, I have questions about rail terminals and ports, but I know that my colleague David Stewart wants to ask about road issues.

The Deputy Convener: We will move to David Stewart, then.

David Stewart: Thank you.

I have two related points, minister. As a Highlands and Islands MSP, I am obviously very enthusiastic about the dualling of the A9, and I have supported the Scottish Government's policy. However, the issue of modal shift has been raised in evidence, particularly by the rail industry and those interested in rail issues. If you do not reform rail as quickly as you increase dualling, there is a real risk that you will not get that modal shift.

As you would probably expect, I can give you four or five examples of things that I think would make a big difference. First, I know that you have plans for electrification, but it is crucial that you speed that up on rail routes to Inverness and Aberdeen. Secondly, more dualling and more passing loops for rail are crucial. In a recent parliamentary question, I asked you what percentage of the line is single track. From memory—I do not have the answer in front of me—I think that, north of Perth, around 90 per cent is single track. There are real issues about how we manage rail. Finally, packages such as signal upgrades and allowing height restrictions for freight to be removed would make rail more attractive.

I want to see modal shift, but I worry that, unless we also have accelerated expenditure on rail, rail will be seen as the poor relation to road. I will leave you to deal with that point before I raise my second point.

Derek Mackay: I understand the rationale behind your question, which gives us all the more reason to oppose austerity. The Scottish Government has an alternative to austerity that would mean real-terms increases in spending, so that we could do even more with infrastructure spend. This Government has laid that out, but the Labour Party, the Conservative Party and the Liberal Democrats have all opposed the proposal with their plans for further spending cuts.

I agree with you, and we could do more on road and rail if we had the resources. If people would like to do what you suggest we do, they will have that choice in about eight days' time. Please forgive that slightly partisan point—although you invited it.

I disagree that we have prioritised road over rail. There has been substantial, multibillion pound spend on both. I do not think that you would suggest for a minute that we should slow down investment in the dualling of the A9 because it makes the A9 more attractive than rail. I would disagree that it does. The dualling work on the A9 is required for the reasons that I have given, such as road safety, investment to encourage economic growth, and improving the connections between our towns and cities. Investment is also required on the Highland main line. We have committed to some works and would like to go further in the current control period. As you are well aware, we are actively considering issues such as the electrification strategy.

We support modal shift, but our infrastructure spend is considered strategically, using methodology such as the Scottish transport appraisal guidance procedure, as you would expect. Smaller technical matters, such as how we can improve journey times and support freight, will be considered by the rail industry.

However, on the big question of infrastructure spend, we can unlock extra resources in order to do much more only if we have access to greater spending capacity, including borrowing, along the lines that this Government has suggested.

Once again, I am sure that you welcome the dualling work on the A9. We are the first Government to commit to dual that route and to connect all our cities in a way that befits the century.

David Stewart: I will not take the bait that you cleverly tried to get me to take, minister. I welcome—and I am sure that my party welcomes—the dualling of the A9. I merely make the point that if we look at the relative spend on rail and road in that area, road expenditure dwarfs that of rail. If expenditure on road and rail is at the same level, we will make rail a much more realistic and logical modal shift choice. Speed is still a real problem on the route, and comparative expenditure is crucial.

The other issue that I would like to raise—as you know, I have raised it before—is the speed limit increase for heavy goods vehicles. I campaigned for a change and welcomed the trial, which came about following a grass-roots campaign that was started by a local lorry driver, Conor McKenna, and which involved hundreds of local drivers.

I know that you have to look at the evidence, and what is happening in England and Wales is interesting. Will the Scottish Government keep an open policy mind to increasing the speed limit for the whole of Scotland, if the evidence from the A9 speed cameras justifies that?

10:30

Derek Mackay: That is quite a complex question. The Government will always keep an open mind—it would be a foolish Government that had a closed mind to the evidence. We will take an evidence-based approach.

The UK Government's consultation predicts an increase in fatalities and incidents as HGVs speed up. I am learning from that appraisal, and from our experience and expertise in Scotland. Road safety campaigners have encouraged us not to have a blanket increase but to take a more sophisticated approach.

The package of measures, which of course includes average speed cameras, seems to be working on the A9. The context of your question is whether, if average speed cameras were deployed with a package of measures in other places, an increase in the HGV speed limit could be considered in those places. The answer is yes, but you will entirely get the point that such decisions will be evidence based and will be taken in the context of a package of measures, rather than a blanket increase as happened south of the border.

I return to your first point about the dualling of the A9. Every time I go to the chamber, demands are made from all sides to accelerate spending on that £3 billion project. This must be the first time that I have been asked to slow it down to allow something else to happen. I know that that is not quite what you mean, but the reality is that we do not have another £3 billion to spend right now on rail.

David Stewart: I know that we have an election next week, but it is grossly unfair of you to suggest that. I have said that I support the dualling of the A9. At no time have I said today—the *Official Report* will show this—that I want to slow it down. At no time have I said that. You are a very reasonable man, minister, but you are not reasonable on that point.

Derek Mackay: I shall try to be reasonable. In opposition, it is very easy to support a project and then demand more. We are a few days away from not just demanding more but making a case for extra resources for infrastructure spend so that we can actually realise the things that you are commenting on.

I make no apology for the substantial investment in the A9. If we have more resources, we can do more on road and rail, but it is a mistake to underplay the massive investment in rail. Our new franchise agreement will mean new trains, further electrification, improved stations, improved journey times, a better transport experience and greater integration of transport. The Scottish Government will continue to invest in infrastructure such as new

railways as well as improvements on the Highland main line, which was the context for your question.

I simply do not accept the premise that prioritising spend on dualling the A9, which is long overdue, is to the detriment of freight policy in Scotland, which is the basic tenet of what you were trying to suggest.

The Deputy Convener: We will come on to rail issues a wee bit later on. Mike MacKenzie has a supplementary on the A9.

Mike MacKenzie: On a comprehensive increase in HGV speed limits, does the minister agree that a quite different case can be made in relation to a lot of the west Highland road network? I reflect on my own experience. On my journey home—when I go home, which is fairly infrequently—I typically manage an average speed of 27mph. That has been the case consistently over the past four years and is often because cars are slowed by HGVs, particularly on hills and bendy parts of the road, and there are few opportunities for overtaking them safely within the 60mph speed limit. My experience and that of a lot of my constituents suggests that increasing the speed limit on those roads for HGVs would necessarily reduce the opportunities for overtaking them safely. The minister's suggestion that an increase would lead to deaths is a very real proposition. I am very glad that he has taken a precautionary and evidence-based approach to the matter. Does he agree that all roads have to be looked at carefully on their own merits?

Derek Mackay: Yes. Mike MacKenzie is absolutely right. I have had close engagement with him on specific speed limits on specific roads. This is another example of the Government, through its agencies, consulting, listening to local communities and changing our proposals in light of what we have been told and in light of expertise and local opinion. That local knowledge has been very helpful. In that sense, Mike MacKenzie is absolutely right.

Equally, David Stewart is also a reasonable man. His record on road safety is particularly strong and has informed some of our work. We will take a balanced, reasonable approach that is based on evidence. Of course the economy is important, but safety has to be paramount.

The Deputy Convener: We go back to Linda Fabiani.

Linda Fabiani: During our inquiry, points were made about the importance of good road links to ports and rail hubs. I will outline some of the issues and ask you to respond, minister. There was particular mention of potential upgrades of, for example, the Avon gorge to Grangemouth and the A77 and A75 to Cairnryan. How are you managing

that issue? Are you in discussions with ports about any future capital upgrades?

Also, where ports or rail hubs are served by both trunk and local roads—the Freightliner terminal at Coatbridge is an example—are there opportunities to work more closely with local authorities to manage provision more proactively? I understand that there is particular concern about last-mile infrastructure.

Derek Mackay: That is quite a complex question with a lot in it. Linda Fabiani is right to identify the last-mile concept, which is about the connections from, say, hubs or ports to the strategic routes. We are looking closely at that. It is a local issue as well, and that is why partnerships with transport partnerships and local authorities are important as well as with the private sector operators.

There are the Government's strategic transport projects and the infrastructure investment plan, and there are new deals coming forward for infrastructure, including the city deals. The city deal for Glasgow and the Clyde valley is the most advanced of those. In addition, there are other Government routes such as financial innovation, say through tax increment financing—that picks up an area such as Falkirk and Grangemouth—as well as our wider investment strategies.

We are working with local authorities to address the most local need, and there will be the roads collaboration that I am working on with COSLA and local authorities. We are looking at how we can work better on roads infrastructure, addressing the backlog of repairs that we inherited and also looking to better operating in the future.

Between the investment plans, the local connections, the transport partnerships and the other partnerships that we have, there are a range of ways to try to unlock local economic potential and address the gaps that may be presented between the big strategic points and other parts of the transport network.

I hope that that answers the question. If you would like more specific details on the individual areas that you mentioned, I can provide them in writing, rather than giving you detailed, blow-by-blow capital spending commitments on the areas, because I am sure that that would trigger thoughts about their local areas in other members' minds.

Linda Fabiani: That would be useful. Given your response, I wonder whether there is active co-operation between local authorities and the Scottish Government on some of the potential measures that you outlined.

Derek Mackay: I think that there is, at a high level. If we take roads collaboration as an example, there is a national partnership between

the roads authorities and the Scottish Government, and in relation to individual enterprise areas or business proposals there is engagement through Scottish Enterprise and Highlands and Islands Enterprise.

I will tell you what I want to get better at. I think that there is an issue with transport governance in our country. I would argue that people are sometimes not clear about who is responsible for a specific element of transport. For that reason, I intend to refresh the national transport strategy. I announced that yesterday at the transport conference that I was speaking at. There is a need to bring partners even closer together, and at the most local level.

We are all familiar with community planning, but it sometimes overlooks transport. As well as the other fora that I described and the investment plans that are in place, I think that there is room for further partnership working at the most local level, in addition to the existing layers of governance. We should make it work better. If we were to design a transport structure or local authorities from scratch, I do not think that we would design them in the way that they are right now. We can fuse some of this together a bit better.

I am happy to write to you about the individual areas of concern that you touched on and some of the investment proposals that we have around them. Some of that will involve tax increment financing, some of it might involve the city deal, some of it might involve traditional capital spending commitments, as I have outlined, and some of it might involve local authorities' own capital spending plans. It is quite a complicated mix, but that is to be welcomed—is it not?—because it all stimulates infrastructure spend and economic growth.

Linda Fabiani: Thank you. I think that that will generally be welcomed.

The Deputy Convener: It certainly will. We look forward to getting that material, minister. Can we move now from roads to rail? That seems a popular option.

James Dornan: The committee has visited some rail terminals during the inquiry. Is the Scottish Government happy with the current quantity and quality of rail hubs and how is it ensuring that capacity is secure for future growth?

Derek Mackay: It is hard to say that the Government is happy—we are content. Would you accept that terminology, Mr Dornan?

James Dornan: It looks like the best I will get from you, minister.

Derek Mackay: As I am from the west of Scotland, if I say that something is no bad, that is about as good as it gets.

James Dornan: I would have accepted that in a heartbeat.

Derek Mackay: Where there are further bids for improvement, we will welcome those. I had the privilege of leading the Government's, and therefore the country's, review of the national planning framework, in which we identified a whole host of new opportunities that were emerging around infrastructure. Some of those were looking to rail, coastal and port developments.

We will do everything that we can to encourage future development. The more resource we have, the more we can invest in public infrastructure and the more we will do to stimulate and encourage the private sector investment that is part of the mix in the sector.

James Dornan: How is the Scottish Government working with Network Rail to ensure that the Scottish rail network has the capacity to meet Scotland's trade requirements and prioritise access to global connections?

Derek Mackay: We are working very closely with rail partners—the operators and Network Rail. There will be a further degree of devolution, all being well, as a consequence of the Smith commission, subject to the Westminster election. Frankly, we would pursue even more devolution of rail powers so that we could take all the decisions about rail in Scotland.

We have satisfactory engagement processes with Network Rail. However, as you know, although we have a great deal of influence over its spending proposals in Scotland, Network Rail is not wholly accountable to the Scottish Government in the way that it is to the UK Government, which is a further reason to have enhanced devolution to Scotland of powers over the railways. There is communication between us on our aspirations on capacity, so that there is clarity on what the Scottish Government is trying to achieve.

James Dornan: The committee is aware that the Scottish Government is soon to publish an updated rail freight policy. When is that coming out, and will it include links to other modes of transport?

Derek Mackay: We intend to consult on the refreshed rail freight strategy by September this year, and a final copy of the strategy will be published by spring 2016. It will be a strategic document and will focus on the opportunities for growth in existing rail freight markets and on developing new ones. As you would expect, as part of that work I will consider the

recommendations from this committee very closely. The rail freight refresh will be undertaken this year in addition to the wider refresh of transport policy that I described to Linda Fabiani.

The Deputy Convener: We will move from rail freight to ports. One of the issues that have been raised with us during our inquiry by other witnesses is that there is a big question mark over some of the existing infrastructure in Scotland to allow shifting between modes and the ability of rail freight to enter ports. Is that on your radar?

Derek Mackay: I suppose that it is. I will be interested in the committee's conclusions on how those issues should be resolved. Some issues may be determined by the nature of the ownership of the ports. There is a mix of local authority, trust and private sector ports. If there is commercial interest, that should unlock the right connections. I look forward to the committee's findings on that.

The Deputy Convener: One of the issues is the lack of collaboration and the notion that the different modes—the rail companies and the port authorities—are somehow competing with each other. How do you go about banging heads together or, to use a less violent expression, getting them around the same table? We need to encourage collaboration across the piece.

10:45

Derek Mackay: We have tried to focus on modal shift, to move freight on to sea and river, or rail. There is infrastructure spend and there are grants for modal shift but, because it is the private sector whose goods are being transported, it is largely market driven. Government will always be the honest broker in such circumstances.

When it comes to infrastructure development, when we are dealing with the private sector, we have to be very careful about how we use public funds. We have to do due diligence and ensure that whatever we are investing in has an economic and social return. If there are disputes in the private sector, I am not sure what we can do about that, other than to use our economic and regulatory leverage to ensure that people are doing the right things.

Mike MacKenzie: To continue on the theme of ports—I am sure that you will understand that, as an islander, I have an interest in boats and ports—the committee has been lucky enough to visit a few ports during the inquiry and we learned that there are some infrastructural and operational limitations. Is the Scottish Government happy with the current quality and quantity of ports in Scotland? Is it “no bad”, or is it better or worse than that? How is the Government working with port operators to ensure that there is secured capacity for future growth?

Derek Mackay: I should point out that the terminology “no bad” is not in my civil service briefing.

It is what it is: we have a mixed economy and there is mixed ownership of our ports. Some of the infrastructure is ageing and some of it is newer. Some of the proposals on how that infrastructure can be refreshed are very exciting. At the moment, the infrastructure largely meets the commercial demand, but there is potential to do much more. In that respect, where the public sector can get involved in the private sector, we will do so.

Given Mr MacKenzie's background and his involvement in the national planning framework, he will be familiar with the proposals for further developments in ports and harbours. Through the bill that we discussed earlier, trust ports will have security and there will be further investment in the Scottish Government's infrastructure, through our operating agents. There will also be further opportunities for the private sector as the economy picks up. Trying to encourage more freight to use our ports and harbours will also assist with growth.

Elements around internationalisation are also to be welcomed. Ports and harbours are used not just by freight but by passenger ferries. As we increase our focus on internationalisation, there is potential for growth there.

We do not propose to have absolute consistency with all the ports and harbours, retrospectively making them all the same in terms of classification and ownership. They and their infrastructure have evolved through their own histories over the years and they are largely autonomous.

Mike MacKenzie: That leads me neatly on to the next question. In the course of the inquiry, the committee visited a few European ports and learned that, in Europe, public ownership models are commonplace. Can the Scottish Government find some way to obtain some of the benefits of more direct public involvement in port management, given the wide and differing models of port ownership in Scotland?

Derek Mackay: At this stage, I am not entirely sure that going back to all the ports and harbours and somehow tinkering with their governance arrangements would mean a step change in how we do business. I understand the European experience, but the nature of ports and harbours in Scotland and the rest of the UK is somewhat different.

As long as there is the necessary regulation and all the environmental, economic, planning and technical orders are in place—as I believe they are—the ports and harbours are regulated. However, the models are all different: the private sector, the trust model and the local authority-led

model. In all of it, there is that overarching accountability to abide within the regulations that are laid out. I touched on some of those earlier, for example the harbour empowerment orders or the harbour revision orders, which apply when people to want to change and have control of the harbour areas.

A separate matter in which you will be interested is the further potential for the Crown estate as it is transferred to Scotland, and how local communities can access the benefits of the foreshore and the seabed to 12 nautical miles out. There is more room for community engagement in the Crown estate and some of the harbour areas and foreshore.

I am aware of the European experience, but we are where we are. I do not propose retrospectively to tinker with the governance arrangements of harbours and ports, other than the tinkering that I suggested this morning, which the committee seems to support and agree is necessary, for the reasons that I have given.

Mike MacKenzie: Thank you. That is pretty clear.

The need to increase port dimensions has come up, and there are two aspects to that. One is the potential for a deepwater port; schemes at Hunterston and Scapa Flow have been talked about. Another issue is increased depth for feeder ports, to cater for the international trend for larger boats and feeder vessels. There have been proposals to deepen Grangemouth and the proposed container port at Rosyth. How is the Scottish Government ensuring that Scotland does not lose its connection to container shipping due to a lack of port development? How can the Scottish Government ensure that Teesport does not become Scotland's port due to its proactive development strategy, which has not really been matched in Scotland?

Derek Mackay: Having fallen out with David Stewart this morning, I do not want to fall out with Mike MacKenzie as well. You have missed out a very important container facility at Greenock, which is a deepwater facility that I am sure you would want to acknowledge.

The Scottish Government will do whatever we can to support the commercial propositions that may come forward at Hunterston, Rosyth or Scapa Flow. All are identified in the various strategic documents and our agencies would give whatever support is required to progress them as appropriate. We would not lose the opportunity that Mike MacKenzie talks about but, crucially, such propositions have to be operator led and private sector led.

The Deputy Convener: We have heard the criticism that ports in Scotland have a monopolistic

position in the market and are therefore not pushed to invest in modern facilities. It would be fair to say that about the Grangemouth facility in the Forth. As a consequence of that, we are losing out on container traffic and so on to the likes of Teesport in the north of England, a facility which seems to have much more dynamic management. There is concern that the ownership structure that we have inherited is not serving the interests of international trade in Scotland. Of course, international trade is one of the key areas through which the Scottish Government wishes to grow our economy. Is that on your radar? Could you do something to improve matters in Grangemouth, albeit that it is a privately owned facility?

Derek Mackay: That is a fair analysis. The difficulty in answering the question is that the ports are largely in the private sector, so simply throwing Government money at them would not be the right approach. Complete nationalisation would probably not be the right approach either, because it would not address the basic issue of commercial viability. Commercial viability is very important. Where there is demand, it can lead to a proposal, expansion or investment but—you are right—I would not want private sector operators to have rundown facilities that are not attractive and cannot service the market. The operators themselves would become commercially unviable and be at risk of not meeting various regulations.

You are right that we cannot push the private sector into developments. It is about encouraging and stimulating growth, and we are doing that. Exports from Scotland are up, and there are great developments around food and drink exports. We are creating the conditions for economic growth and are investing in infrastructure, and that should in turn lead to propositions for further private sector infrastructure spend.

Where there is collaboration within a partnership approach, we can also leverage in public sector money. I have given examples of tax increment finance, and there are other financial models that the Government and its agencies can use to be supportive.

What we will not do is build a big white elephant in the hope that somebody comes and occupies it, trades with us and uses it. Where we have spent Government grant before, it was to unlock economic potential, work with our partners, get collaboration and make a business model work. That is what you should do with public money—then there is a return for the public purse—rather than, as some have suggested, building a huge public sector deep-water port and hoping that it will be all right on the night. That would be expensive and particularly risky. I think that our balanced approach is the right one.

On the subject of pushing people when there has been a risk relating to freight or ferries—maybe you will come to this—the Government has done everything in its ability to sustain the Rosyth to Zeebrugge route in a range of different ways, some of which are potentially commercially sensitive. That is an example of where we have been able to put and sustain pressure on the private sector to keep delivering a service.

That service has commercial demand. It is other factors, such as European sulphur directives, that have been the issue, rather than lack of demand. That emphasises my point that commercial viability has to be the crux of any decision and any strategy.

That is quite a complex answer, but I feel that, say, wholesale nationalisation would not be the answer because it does not address viability.

The Deputy Convener: That is an area that perhaps we can follow up with you. There are other options than wholesale nationalisation when it comes to controlling monopolies. We will move on.

Mike MacKenzie: The minister anticipated my next question, and I think that he has given a clear answer. I will therefore ask whether the minister is willing to consider whether there is, as Adam Ingram said, a middle ground that could result in the investment that is—as is apparent to the committee from its visits—needed in the ports that are owned and operated by Forth Ports. It seems that that particular model of ownership may not be delivering the necessary level of investment. I am sure that that is something that the minister will think about.

Derek Mackay: I am more than happy to hear the committee's deliberations and findings on control and monopolies. Of course, no one port authority has a monopoly over the whole country, although they may have absolute control over the port or ports that they control. The private sector may have choices. Part of what we can do is ensure that the infrastructure is right. It is possible that there could be public sector investment in the infrastructure of a port that goes out of operation. There are examples of that happening, and it can be quite a challenge.

If the committee has evidence on how to tackle the more intransigent port authorities, I am all ears.

The Deputy Convener: We will move on to freight grant schemes.

11:00

David Stewart: I am sure that the minister has looked very carefully at the evidence that we have gathered over many meetings about freight

facilities grants, in which I have a particular interest. A fair summary of the evidence is that witnesses have generally been very positive about freight facilities grants on the basis that they allow modal shift. However, there are concerns that the freight grant schemes have been a bit inflexible and the view is that it would be useful for improving take-up if the application process was less complex, which would make the grants more effective generally. What are the minister's views on how to make freight facilities grants more accessible?

Derek Mackay: That is a fair question. Some witnesses said that the process is complex but others said that it is not, so there was a mixed bag of evidence on the issue. However, I am happy to look at whether there is room for improvement. My general sense, though, is that because of due diligence, state-aid rules and regulatory complexities, all of which we are bound by, there are some necessary evils in the bureaucratic process.

That said, some of the complexities around accessing the grants might come from the applications and be about, for example, who is involved, how critical mass is to be reached, how collaboration is to be achieved and whether the grant is for one body or is for unlocking a facility for many bodies. All of that is quite complex. I think that our systems are broadly fine, but if there is room for improvement I am happy to look again at our grant award, assessment and application systems. However, I think as much of the issue lies with the complexity of the bids as lies with the process.

Of course I want the process to be as streamlined as possible. My officials can give examples of quick turnarounds for decisions where applications were competent, comprehensive and met all the criteria. There is certainly a willingness on our behalf to spend all the resources, but they must be appropriately spent, as members would expect.

David Stewart: Our advisers tell us that there have been no successful applications for freight facilities grants since 2011. In fairness, I should say—I am sure that the minister has this in his briefing information—that there was a water-borne freight grant scheme application for £900,000 for Corpach. I am sure that we are all on the same page on the issue in that we want to see successful applications. We took evidence from the chief executive of Montrose Port Authority, who had made a successful application. If memory serves me right, he told the committee that he had employed a consultant to make sure that he ticked all the boxes in order to get the application approved.

The situation on applications is a bit of a worry. Some of the suggestions to improve it include having greater involvement from public bodies such as RTPs and local authorities, and helping existing freight facilities such as the one in Coatbridge. We took evidence on the inability of the grant scheme to fund the new cranes that Coatbridge desperately needs.

I have some experience of European funding, so I take the minister's point about state-aid issues. However, what is your response to the suggestion of having more involvement of local authorities and organisations such as the Highlands and Islands strategic transport partnership—HITRANS—which do a great job in this area?

Derek Mackay: Local authorities and regional transport partnerships are in a pretty good position to be honest brokers that could assess local need and to consider what could unlock the most economic potential, so I think that they certainly should be more involved. I want to reach out more from the transport brief and be more engaged with local authorities on this and other agendas. I think that the point about having more involvement of local authorities is a fair one. However, a fair representation of the position on grant success would point out that applications for water-borne freight grants have been more successful in some years than in others, as have rail grant applications.

The freight facilities grant position is as your witnesses described, but on hearing about that lack of spend, I did as you would expect me to do as the responsible minister and investigated and probed what had happened. I found that some substantial bids had been formed but had then been withdrawn by the applicants. That was not because of anything that the Government was doing but because of the applicants' commercial interests, which perhaps involved proposals that they no longer wanted to proceed with at the time but which are still to come. As I am sure the committee will appreciate, when such significant and credible bids come in, we make assumptions about what they will mean for the budget if they are successful.

There were two withdrawn applications in particular that might be commercially sensitive, so if the committee does not mind I will not say who they came from. The bids were progressing well, but the applicants decided for business reasons not to proceed with them. Those are examples of where there was interest in grant support but we were not able to spend the grant funds. However, as David Stewart would expect, I did not let a penny pass from what I had available to me as transport minister and so I was able to spend the funds in other areas for which I am responsible.

For the committee's awareness, what I have done in this financial year is reprofile the future transport fund.

You will recall that my first debate as transport minister was on supporting active travel, for which there were requests from across the chamber that I provide more money. That is exactly what I have done through the future transport fund, and that has been welcomed. That has an impact on some of the grants for freight, but if there is demand, we will look sympathetically at it. In supporting new applications and applications that came in before, we will be able to give awards in due course, especially if there is further streamlining as a consequence of the committee's findings.

I am not concerned or alarmed by the lack of spend; I have looked into it, have been assured about the reasons for it and am aware that applications may come in the near future. I hope that that answers your question.

David Stewart: I thank the minister for his comments.

The minister has already mentioned the Rosyth to Zeebrugge ferry service. In the previous session of Parliament the then Transport, Infrastructure and Climate Change Committee made a visit that involved our using that service when it was run by Superfast Ferries. Strategically, that is a very important route. You have mentioned that there was a lot of Government support for it. Where do you see the future of that service? Is there any likelihood of further Government support to maintain that crucial service for freight and passengers?

Derek Mackay: I am not aware that there are any current proposals for a passenger service on the Rosyth to Zeebrugge route; there are no bids, and there has been no progress on that.

The Government is doing everything that it can to maintain and sustain the current freight facility; a range of options are being explored. We have so far sustained and saved the service through dialogue and we hope that that continues and that the route continues to have a future. If there is any change to that scenario, I will certainly report that back to the committee. There are live discussions about what kind of support package the Government may be able to offer. Access to our officials has been provided constantly so as to unlock any deal that may allow the service to continue. To be clear, I say that that relates to freight; there has been no request for support for passenger services.

David Stewart: My final question is on European funding, in which I have been particularly interested over the years. There has been a trend among witnesses; they have said that other European countries get a bigger bang

for their buck in accessing European funding. I recently put a question to the minister on the matter, which he answered. I am referring to the utilisation of Marco Polo funding, motorways of the seas funding and trans-European network transport—TEN-T—funding, which I have mentioned in connection with the new Forth crossing, and which I thought was a really good use of that funding. What is the minister's perspective on that? I realise that it takes two to tango on such things, but there is clearly substantial European funding out there. Do you feel that organisations are a bit slow at accessing it? Is bureaucracy a problem. Is the key problem about getting match funding in order to access European funding?

Derek Mackay: We want to access even more European funding through our offices and agencies. You are right to suggest that it is sometimes a matter of the operator not exploring all the options first. When we see an opportunity, we take it, and we try to maximise funding for our own proposals and for partners' proposals. It is a matter of exploring all European funding opportunities and being proactive in that. I am not sure about the perception that other countries do better: we have quite a good record of attracting European funding, although we will focus specifically on further infrastructure spend. There is a great deal of work going on with local authorities, too, when it comes to accessing European resources. We will certainly be proactive in trying to access those resources for infrastructure spend.

The Deputy Convener: I ask James Dornan to move on to other subjects.

James Dornan: During the course of our inquiry, David Stewart and I visited a local consolidation centre that was run by Binnenstadservice in the Netherlands. We have heard about the work that is being led by the Tayside and central Scotland transport partnership—Tactran—on development of similar urban consolidation schemes in Perth and Dundee. You have already spoken about the last mile and collaboration between the Government and local authorities. How are you working with local authorities on, for example, increased night-time deliveries and the role of consolidation facilities in improving quality and reducing the emissions of urban freight? I note that during the Commonwealth games there was a night delivery service in Glasgow, which seemed to be a great success. The Co-operative Group was part of that and seemed to be keen to continue something like it.

Derek Mackay: In addition to the comprehensive answer that I gave earlier about transport governance, partnerships and engagement, we have the freight quality

partnerships at local level. They can discuss those matters and many more that are relevant at a more regional or local level. Night-time deliveries are a good example that partnerships can discuss with a local focus; they can carry out some of that partnership work in discussion. Transport Scotland will play its part in that, as will the regional transport partnerships.

James Dornan: Witnesses have mentioned the need for freight operators to collaborate—you discussed something like that with the deputy convener—and the commercial difficulties that sometimes prevent collaboration. Examples of collaboration included sharing of containers and joint consolidation centres. How can the Scottish Government aid such collaboration?

Derek Mackay: We certainly support collaboration. I have pointed out that freight is private-sector led and that most companies will have a clear focus on their products, profit, employees and service. I appreciate that, but we will get bigger gains and better results for them through collaboration, which is why our action plan and strategy have supported it from 2006 onwards.

The Government cannot compel collaboration, but grants that we offer and policies that we produce should certainly encourage it. Equally, collaboration within the public sector is to be welcomed. We will support the Freight Transport Association's work streams on the matter and we will support any other stakeholders or representative bodies that have an interest in promoting freight. I agree absolutely with James Dornan about the need for collaboration.

James Dornan: I hope that something that you can move forward with will come out of our report.

The Deputy Convener: The Scottish Government has set challenging carbon emissions targets for the country. How can it ensure that the freight industry contributes to carbon emissions reductions?

Derek Mackay: We can do a range of things as part of that package. It is to be welcomed that we have the most challenging climate change targets in the world and that the Government has produced a host of policies to address that.

We want to decarbonise road use. That will affect individual cars more than freight because of the nature of heavy goods vehicles, but it will contribute to lowering emissions. We have also launched an air-quality consultation on emissions, which will have an impact on transport policies. There is also work being done on regulation and on educating drivers about driving more efficiently.

We have spent time on modal shift: we are trying to get freight off the road and on to rail and water-borne options. Sometimes, there will be a

reduced need to travel but, in terms of products, we will encourage efficiency and taking carbon out of the system and we will use all the research that we can use to inform that work.

In 2013, we published “Switched on Scotland: A Road Map to the Widespread Adoption of Plug-in Vehicles”. It sets out our plan to drive forward uptake of electric vehicles including vans, as I have described, as part of the transition to a low-carbon economy and decarbonisation. We will continue to use our grant support to encourage that modal shift.

Those are some of the examples that I cite on environmental policy.

The Deputy Convener: Do you have targets for freight as opposed to passenger traffic?

Derek Mackay: The focus is more on the levels of emissions. I would want to check the specific targets for the number of journeys.

With normal transport for passengers, we can count the number of journeys by public transport rather than by individual cars. With freight, the bigger gain relates to the volume of emissions. Inputs to that include the number of journeys and the volume of goods that we can transfer from road to rail or sea.

11:15

The Deputy Convener: We would be interested to get more information on that.

Derek Mackay: I will write back to the committee with more detail on any targets that might be relevant, as you have requested.

The Deputy Convener: Thank you.

Some respondents mentioned in evidence that an updated Scottish Government freight policy is required. What is the Scottish Government’s view on the need for a new policy to address some of the issues that have been raised during the inquiry?

Derek Mackay: I talked about refreshing the national transport strategy and the rail freight policy because some elements have changed, and we are always looking at the criteria for grants. The Government’s position on the economic strategy was published only in March. That shows that the Government’s economic and transport strategies develop as time moves on.

I am not convinced that we need a new overarching policy, although we may require further refinement, perhaps along the lines of what the committee recommends that we do. Pardon the pun, but the direction of travel is largely right and fine. We do not need a comprehensive review of our policy, but we will refresh it where necessary.

The Deputy Convener: My final question is on the planning system. How can the Scottish Government ensure that the planning system functions effectively to meet the needs of freight transport in Scotland, particularly in delivering the schemes that are listed in national planning framework 3?

Derek Mackay: The planning system was fine when I left it as planning minister. It is now a matter for Marco Biagi.

The national policies are in line with supporting freight as well as rail, harbour and port investment. The cities strategy, the towns strategy and the support for our rural areas all aim to unlock sustainable economic growth.

In the past, the private sector has sometimes described a disconnect between fantastic policies and implementation on the ground. That is not a criticism; it is just the nature of the beast, which is about local decisions. I think—I would say this, wouldn’t I?—that the planning framework is sound and that the policies are clear and have been described as such. They are supportive of freight. Our investment strategy will back up those planning processes. Certainly, Scottish planning policy should be supportive.

As all members know, it is the implementation of the policies that matters. For that reason, I am sure that the committee’s findings will help to reinforce the point about any perceived weaknesses in implementation at local level. Partnership arrangements that we have put in place will give me the opportunity to emphasise the point about freight when I meet partners such as COSLA, local authorities and planning authorities, and to do so through the relevant ministers. I am convinced that we have set out clarity and positivity on economic growth and infrastructure as it relates to freight.

Linda Fabiani: I have a general question. I understand that the inquiry is on freight, but I was struck by the comments of Kay Walls of Freightliner about joined-up thinking across the board. She gave the example that, when the rail freight service opened at Eurocentral, an opportunity was missed to put in a passenger service to deal with the congestion on the roads passing Eurocentral. I use those roads a lot, so I know exactly what she means. I am aware that that was a long time ago, but is there any scope at some point to look strategically at freight measures and, in the overall picture, to tie those up with general people movement?

Derek Mackay: I agree with that criticism and analysis. That big economic development was not particularly sustainable, because it did not have the rail connection that you described. I also think that the bus connections are not particularly

brilliant for those who need public transport to get to the nearest station.

The criticism is fair, but I point out that the project is not new and that it was not born of our current or even fairly recent transport and development policies. Had it been, there would have been a focus on clear strategies for sustainable and active travel, accessibility, the town centre first principle and joined-up communities. I like to think that we would now take a different approach.

However, we are where we are. Eurocentral is still a great business location and, although different and better decisions could have been made about accessibility, we should not leave things at that. There is the new Borders railway, for example. Moreover, as I have tried to make clear throughout the discussion, because all this is private sector led, if a private sector bid was made, the Government could be supportive with further investment.

I have referred to the range of financial tools for unlocking local economic potential, such as city deals and tax increment financing. It need not always be the Government coming in and doing something; the conditions can be created in which entrepreneurs, businesses, local authorities and other operators make bids to improve infrastructure or the sense of place. Finally, in addition to the grants that I have identified, we have the stations fund, which can be used to enhance stations on existing rail routes.

In short, the analysis that you have highlighted is fair but, as far as policy reassurance is concerned, I can tell the committee that all the considerations about transport, accessibility and sense of place are hardwired into current planning and investment policies in a way that was clearly not the case in the past. There is also much more partnership working between Government agencies and the private sector than there was before, when Government-led departments or agencies simply implemented development proposals. There is far more collaboration, which has to be welcomed.

The Deputy Convener: Members do not seem to have any more questions, minister. Do you have any final words?

Derek Mackay: No. I have said everything that should have been said—and perhaps a bit more.

The Deputy Convener: I thank the witnesses for coming along and answering our questions, and I suspend the meeting to allow them to leave the table.

11:22

Meeting suspended.

11:26

On resuming—

Subordinate Legislation

Housing (Scotland) Act 2006 (Repayment Charge and Discharge) Amendment Order 2015 (SSI 2015/144)

The Deputy Convener: Agenda item 3 is consideration of a negative instrument. I refer members to paper ICI/S4/15/10/6, which summarises the purpose and prior consideration of the amendment order. The committee is asked to consider any issues that it wishes to raise in reporting to the Parliament. Members should note that no motions to annul have been lodged.

As members have no comments, does the committee agree that it does not wish to make any recommendation on the amendment order?

Members *indicated agreement.*

Meeting closed at 11:27.

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