



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 9 March 2016

Session 4

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE
9th Meeting 2016, Session 4

CONVENER

*Jim Eadie (Edinburgh Southern) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Clare Adamson (Central Scotland) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Mike MacKenzie (Highlands and Islands) (SNP)

Siobhan McMahon (Central Scotland) (Lab)

*David Stewart (Highlands and Islands) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Aidan Grisewood (Transport Scotland)

Derek Mackay (Minister for Transport and Islands)

Phil Verster (ScotRail Alliance)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Adam Smith Room (CR5)

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 9 March 2016

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Jim Eadie): Good morning everyone, and welcome to the ninth meeting in 2016 of the Infrastructure and Capital Investment Committee. Everyone present is reminded to switch off mobile phones, because they affect the broadcasting system. Meeting papers are provided in digital format, so you may see tablets being used during the meeting.

Apologies have been received from Siobhan McMahon.

Item 1 is for the committee to decide whether to consider in private its annual report for the parliamentary year from 11 May 2015 to 23 March 2016 and its legacy paper at the next meeting. Are we agreed?

Members *indicated agreement.*

ScotRail Alliance

09:30

The Convener: Item 2 is evidence from the ScotRail Alliance. Following the committee's inquiry into access to Scotland's major railway stations, Phil Verster, the managing director of the ScotRail Alliance, committed to updating the committee on the matters that were raised by the inquiry, as well as to providing a general update on the operations of the ScotRail Alliance. I welcome Phil Verster and invite him to make a short opening statement.

Phil Verster (ScotRail Alliance): Thank you convener and members of the committee. I appreciate the opportunity to be here. I found the comments and questions at the previous committee meeting helpful and I hope that our correspondence and the answers that we have given have helped to clarify some of the questions. However the committee is reconstituted in the new parliamentary session, I am keen to continue in the future to contribute to the workings of the committee and to take opportunities to answer questions or clarify issues about Scotland's railways.

The Convener: Does that conclude your opening statement?

Phil Verster: Yes. Would you like me to pick up on a few highlights?

The Convener: Please do.

Phil Verster: I will pick up on a few of the key items that have been really important to us, so that we can build on the spirit of some of the things that we discussed at the previous meeting.

Haymarket station was discussed last time: we are now building a cycle hub there that will increase the current 22 spaces to 90 spaces. We had that really good conversation about that last time round. It has been about working closely with City of Edinburgh Council and Sustrans to make sure that consultation is done outside the so-called red line. We are very excited about that; it is really important to fix cycle facilities, especially at Haymarket.

As you are probably aware, we have found a way forward with Land Securities plc on the Buchanan Galleries development in Glasgow. That means that the Edinburgh to Glasgow improvement programme, the renewal of Glasgow Queen Street station and the Buchanan Galleries development can fit into a delivery timeline of the next couple of years. That was also a big development in thinking beyond the so-called red line and working collaboratively with Strathclyde partnership for transport and Glasgow City

Council, as well as with Network Rail projects and Land Securities.

In respect of the major enhancement to the Aberdeen to Inverness line, we have created what we call informed groups. There is a huge focus on engaging local communities to make sure that our programmes and objectives have lots of visibility and clarity. There is also engagement with access groups, which is useful.

We have opened the north ramp at Waverley for cyclists, which is working reasonably well. Every now and again, we still get a delivery van that parks and blocks the cycling route, but it is a big step forward for cyclists and it is great for development of cycling access to our major station.

Edinburgh Gateway station is a fantastic new station that you will see on your way to the airport, close to Gogar. It is a fantastic new multimodal connection point for travelling around the Edinburgh area. We succeeded in getting a lot of access groups and others including the City of Edinburgh Council engaged with Network Rail to ensure that we have a development that is constructive and meets all stakeholders' requirements.

Perhaps the refrain or message on what we have done since we last met the committee is about the huge focus on ensuring that there is significantly more conversation, discussion and clarity among the various interest groups with which we, as a railway operator, interface through the local community.

I will mention one more project. We propose to develop a taxi rank for Waverley in the New Street car park. It will be a drop-off and pick-up facility. We are working closely with the City of Edinburgh Council on that. It will give us a significantly better taxi facility than the one that we have at Market Street, which was a consequence of the decision a couple of years ago summarily to move the taxi rank. We have worked closely with the City of Edinburgh Council to ensure that we have better provision than the council and the taxi facilities offer currently.

The ScotRail Alliance has a massive focus on customers, who are the centre point of our road map and strategy. I am pleased to share with the committee that in the autumn 2015 national rail passenger survey we were rated as having 90 per cent of customers satisfied or very satisfied with our services. The national rail passenger survey is the definitive survey of customer satisfaction across all train operators. We are one of the big train operators—we operate 2,300-plus services a day—that scored best in that survey.

That does not mean that we have achieved everything that we must achieve—we know that

we can still do loads to improve the railway. We have a huge programme: we are investing £475 million in our rolling-stock fleet, which will be important in addressing busy trains. We have punctuality programmes to ensure that our punctuality improves even more than we improved it this year, and to ensure that our customer satisfaction in the years to come is greater than it is now.

The Convener: Thank you very much. You mentioned the railway interface with the general public and stakeholders more generally. How have you gone about improving that engagement with rail industry stakeholders, particularly with regard to the major redevelopment projects throughout the country?

Phil Verster: I will divide my answer into two parts. Since we last met, we have formed a stakeholder advisory panel and a stakeholder equality panel. Those two panels are really important for us. We engage people from all over Scotland and the various sectors of life in both of them. However, they are not where business gets done: they are places where we can reflect and take stock of whether our strategy using equality groups, access groups and stakeholders in general meets the railway's requirements. I am pleased that we have that mechanism in place because it is important for us not only to do tactical stuff, but to reflect on whether we are strategically keeping on the right track.

On a tactical basis, every enhancement project—or, as the convener called them, “redevelopment projects”—on the railway is allocated a communications team member, who facilitates interactions with local communities and access groups. I cite the Aberdeen to Inverness line and EGIP as examples. The discussions about what needs to be done to support what local communities require vary according to the project. The Edinburgh access panel was consulted on the Waverley platform extension, for example, and on top of that, key stakeholders were invited to a meeting in December to discuss access concerns and requirements. That has become less of a big thing: it is now part of our basic approach to all our programmes and I think that that will continue.

The Convener: That is helpful. Your using Edinburgh Waverley as an example gives me a perfect opportunity to ask you about progress there. You mentioned opening the north ramp for cyclists, which has been welcomed by cycling organisations: full marks for that. You also say that there have been discussions with the Edinburgh stations accessibility forum in order to take on board the needs of disabled people. You mentioned that you are looking at the feasibility of a taxi rank at the New Street car park entrance, which would be an improvement on the existing

arrangements. Have you done that as a result of discussions with disabled people—people with visual impairments, in particular?

Phil Verster: Yes. With regard to the facilities that we have in Calton Road, for example, a direct consequence of the conversations that we have had with people with reduced mobility is that we have added a shelter and a better communications link to our mobility assistance team. We have also taken on board the views of access groups that deal with people with reduced mobility to deal with way-finding within Waverley, which has been improved.

We now regularly invite various disability groups back to Waverley to give us a running commentary on what they think still needs to be changed, so it is not as if consultation is a one-off event. I know that my customer experience director met a group from the Mobility and Access Committee for Scotland at Waverley a couple of weeks ago to discuss the changes that we have made there.

The Convener: So, there is a process of continuous dialogue and improvement to meet the needs of your stakeholders—in particular, disabled people.

Phil Verster: I think so, and I think that we will continue to do that. I can say that when we meet with different groups, we get different information on nearly every occasion. The information is always useful and it allows us to reconsider our policies and our strategies and decide what we can adjust. It is more than holding a meeting to hear complaints—it is becoming something that will drive our policies in the future so that we are more focused on customers.

The Convener: The feedback that the committee has received from disability organisations is that since taxis were denied access to Waverley station it has been far more difficult for disabled people to have a seamless journey from the taxi to the train or from the train to the taxi. Notwithstanding your commitment to engage constructively with such organisations, they still feel that what we have today is inferior to what previously existed. Would you be willing to consider allowing community transport organisations that operate in the city of Edinburgh to have access to the station? Have you looked at specific disability organisations and have you considered people being able to use taxis on a licensed basis? We could allow them to gain access to the station.

09:45

Phil Verster: As we get closer to the work in relation to EGIP and the platform work close to the south ramp at Waverley, the challenge that we face is that vehicle access to the station will be

very difficult. We have a very strong proposition. The New Street car park is a significant improvement for any group of people with reduced mobility, and we are working very closely with the City of Edinburgh Council to start work on that in June or July. We have consulted disability and access groups about the solution. The response has been constructive and positive. The plan is definitely an improvement on the current arrangement at Market Street.

The Convener: That sounds like a “No” to access to the station for vehicles for disabled people.

Phil Verster: It is a “No” for now—in the interim. I can take that away and think about it.

David Stewart (Highlands and Islands) (Lab): Mr Verster will recall that the committee took a lot of evidence on this. I and other colleagues expressed surprise about vehicles being denied access to Waverley, considering that other stations—for example, Aberdeen—allow cars to access the station directly. Are there security reasons for Waverley being treated differently to other stations across the network? There was a question about security issues, but I do not think that we ever got to the bottom of that. I accept that there is work to be done at the station, but why was a decision made—I know that that this was probably before your time—to remove taxis from Waverley when that has not happened at other stations?

Phil Verster: Waverley has been treated like that because of the high footfall and the high risk that vehicles pose to customers and pedestrians in the area of the two ramps. If you look at any big national stations that are of similar size to Waverley, you will see that the interaction between road vehicles and pedestrians has been removed over a number of years. Waverley was the last station at which that interaction remained.

As I explained at a previous committee meeting, a safety concern was triggered by a pedestrian tragically losing their life because a vehicle that tried to use the access ramp reversed into them. At that time, I said that although I do not necessarily think that that incident was managed in the structured manner that it could have been, it is definitely not in the interests of pedestrians to have vehicles crossing the concourse area—which was, in effect, what happened. That was not safe, and we had to make it safer. The difficulty with reintroducing vehicles is in striking a balance between the features that we provide for people with reduced mobility and the safety risks that those features present to some people.

Clare Adamson (Central Scotland) (SNP): I understand that you cannot share security advice with us. However, can you confirm to the

committee in writing whether the decision to remove vehicles from the station was based on security advice?

Phil Verster: I will be able to confirm that.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): Can you give the committee an update on the performance of the Borders railway?

Phil Verster: I have not got the statistics with me, but I can say that the punctuality performance of the Borders railway has improved systematically over the past couple of months.

We expected there to be a period during introduction during which latent demand or interest in the newness of the railway would drive customer numbers, so we strengthened trains accordingly. We strengthened weekday trains on which we counted peak numbers of passengers and we strengthened trains on Saturdays and Sundays. On Sundays, we run strengthened trains throughout the day because the service, which is hourly, is so popular.

As I indicated to the committee the last time I was here, with a new railway there is quite a lot of newness to get through before you get to business as usual. Conductors and drivers have to understand how the routes work and our customers have to understand how to work gadgets like ticket-vending machines, and how to operate the doors, which do not open automatically, as they do on the underground, for example. It is surprising how many little kinks there are to iron out during that period, all of which have a potential impact on the service.

The service pattern is still really tight. Because it is a single-line railway, any failure of a train in a critical location has the potential to disrupt the service significantly. However, from my recollection, the line is performing in the high 80 per cents in terms of punctuality. The overall performance for ScotRail at the moment is around 90.8 per cent—that is where we expect to be at the close of this year—and we had an opening performance on the franchise of 90.3 per cent, so, in terms of punctuality, we are roughly 0.5 per cent better. The Borders railway is contributing to that. In terms of performance, we are where we expected to be.

I am keen to continue to strengthen the Borders fleet. In the next three years, as you probably know, we will have a fleet of about 800 carriages. We are adding around 180 new coaches and vehicles to our fleet and we have a £475 million train-renewal programme, which is the biggest rolling-stock programme that Scotland's railway has ever seen. It is a fantastic programme. Over the next three years, as we buy rolling stock and deploy those vehicles across the network, we will

continue to strengthen services in places including Fife and the Borders.

Adam Ingram: Concerns have been expressed about the class 158 rolling stock that is currently in use on the Borders railway. Specifically, it is suggested that more four or six-coach services should be run, and that refurbishment should be carried out as a matter of urgency. Do you recognise those concerns?

Phil Verster: I do, and the class 158 refurbishment programme is on-going. Part of our £475 million investment involves refurbishment of a number of fleets. The class 158 programme is definitely part of that.

The challenge for us is one of time. The companies that provide train refurbishment facilities for us have a certain capacity and, if we try to put in three or four units at a time to get the refurbishment done as quickly as possible, we become short of units to run a daily service. We try to get that trade-off right. We have agreed a programme for the refurbishment of the class 158 fleet with Transport Scotland that sort of reflects the practicalities of what we can achieve.

I agree with you that the class 158 fleet is critically in need of refurbishment to give it a more modern look and feel. The same is true of the class 156 fleet. You can look at the refurbished units that have come out. Unit 701, for example, is a fantastic product.

Adam Ingram: I have a question about cycle-carrying capacity, which will no doubt be returned to by others. Has anything been done on the Borders railway to expand cycle-carrying capacity?

Phil Verster: I would like to set the context for the discussion around cycling. When I talk to customers, they always express different needs. The majority of our customers are keen for seats on trains. We have a trade-off decision to make between what space we allow for seating and what space we allow for cycling.

On the refurbished class 158 product, we have two designated cycle spaces but we have also agreed with the Department for Transport accessibility committee, which is the holder of the keys on all things accessibility related, that we can take the second wheelchair space on the class 158s and demarcate that area for the use of cycle spaces as well. That is on a single two-car train.

There have been a lot of letters, correspondence and questions in Parliament about what cycle spaces will be available. Sometimes the detail is where the answer lies. Having the two additional spaces in the wheelchair area as well as the two designated spaces can only work as long as ScotRail ensures that if there

is a wheelchair user, they get priority to use the wheelchair space. In those circumstances, to be honest, our staff will find a way to move any bicycle that is in the wheelchair space and put it somewhere else on the train.

We will continue to provide the facility to move bicycles on all our fleets. To give you a sense of what will happen on our class 385 fleet, which is the new fleet that is coming in, we have two designated cycle spaces; we have a further two designated cycle spaces in the universal access toilet area, where there are flip-up seats; and then we have two more spaces in the luggage area for folding bicycles.

Our commitment to supporting cyclists is definitely there. However, I want to make a big point about cycling. We are much more interested in developing cycling facilities at stations and in developing cycling as a way to get to our stations. In the end, our trains are not really aimed at moving bicycles. We are putting 3,500 cycle spaces into our stations in the next three and a half years. That covers a multitude of stations. It also includes putting in very big cycle points in Glasgow, Edinburgh and Stirling to allow a cycling services provider to maintain and resell second-hand bicycles and the like.

We are much keener on supporting cycling as an active mode of travel that people use to come to our stations than we are to have bicycles on our trains. Some cyclists, when they talk to me, say, "Yes, but I cycle to the station, I get on a train and then I cycle at the other end as well—do you want me to buy two bicycles?" I say, "Well, it would be nice if you could." We have this difficult balance—I can guarantee you that if I ask a broad spectrum of my customers, "What should we do? Should we have two more seats or two more cycle spaces?" the vote would probably go to seats.

Adam Ingram: I appreciate that answer, thank you.

Alex Johnstone (North East Scotland) (Con): Scotland has a wonderful climate and a wide range of ways in which the weather can affect the rail network. This winter has been no different. Can you take us through some of the reasons for the closures and their underlying causes this winter?

10:00

Phil Verster: Thank you, Mr Johnstone. Our railway is very exposed to environmental impacts. I will pick up on two of the biggest concerns and risks that we are facing, and I will give a few examples. The two biggest concerns are landslips and scour. Landslips are caused by repeated, long-duration saturation of soil levels that over time causes embankments to be unstable; and

scour is a phenomenon whereby the foundations of bridges are endangered by significantly increased levels and rates of water flow. Those are two major risks for us. If something happens to an embankment during the night, the risk is that the first train out could hit a mud slurry on the track and derail; and scour obviously poses massive risks to bridge structures.

As an example of scour, I will talk about what happened to the bridge at Lamington. The incident there was huge for us in terms of its impact and the phenomenon itself. To give a rough indication of how the severity of the weather can affect us, the Clyde at Lamington is, on average, 0.7m deep. However, on 31 December 2015, when we started to see the damage at Lamington, the water in the Clyde was 3m deep. That meant that the water was right underneath the level of the deck of the bridge structure. Such a huge volume of water causes flows that are more intense and faster in the deeper levels of the river, and those flows undermined the foundations of one of the Lamington bridge piers, which was a big concern for us.

We have now deployed to Lamington and to the bridge structure at Dalguise in the Pitlochry area—unfortunately, disruption at that bridge often affects the Highland main line—a practice whereby when the water level gets above an amber marker, we caution trains to drive slowly and to be on the lookout for anything abnormal; and when the water level goes above a red marker, we close the structure and the line. There is no debate about that, because we prioritise the safety of the structure and the railway. Over December and January, Dalguise was affected multiple times, which significantly affected the service on the Highland main line. However, flooding away from Dalguise also affected the main line, and we had a wash-out in a different part of it.

To put it bluntly, the amount of water that we are seeing and the level of rainfall that we have had in Scotland in the past couple of years are steadily increasing. It is becoming a challenge for us to figure out what fundamentally we need to do differently in our renewal plans and in our planning for the strengthening of structures, embankments and cuttings in order to defend more robustly against the weather phenomena.

We have operational means to respond to severe weather. For example, when we get extraordinarily high gusts of winds, which are another weather phenomenon, we close part of our electric network; and if we get certain rainfall levels within certain periods, we send teams out to observe what is happening in landslip risk areas. We take as many defensive operational measures as we can in the event of severe weather.

However, Lamington has brought back to us the reality that we need to think of how we invest in, for example, more scour-resistant techniques and a different renewals programme, in order to make our structures more robust.

Alex Johnstone: We are certainly aware of the issue of high rainfall. I was on a train on the east coast main line between Montrose and Laurencekirk on a day when the railway was subsequently closed. The train that I was on had to slow to walking pace to go through deep water as the cuttings filled with rain.

You explained the action that you are taking in the short to medium term. Is there a long-term strategy that can be taken with the railways to try to make them more robust against the prevailing weather conditions?

Phil Verster: There is. The long-term strategy that Network Rail put forward was considered a good strategy at the time. It secured a portion of funds over the control period. I cannot give you the exact number just now, but a figure of £240 million across the country comes to mind. We need to take that basic long-term strategy and continue to evolve it to deal with more of the scenarios that we are seeing.

To put that into practical terms, if I look at my operational strategy for landslips, I need to translate what I do currently, which is sending teams of people out to look at high-risk landslip sites, to something that uses telemetry and electronic measurement. Displacement of soil levels must trigger an alarm that gets sent back to our control centre. That requires investment, and it is the type of thing that is becoming more and more essential for us to put into that long-term strategy.

In our planning now for control period 6, which is from April 29 onwards, we are putting forward exactly that type of investment proposal to the funders, who in this case are the DFT and Transport Scotland. That would be part of our long-term strategy.

Alex Johnstone: The two things that I have seen done on the railway to deal with the embankment problem are reinforcing with cages full of crushed rock and reducing the angles of embankments, which is more complex. Will that type of work continue?

Phil Verster: That is a really good question. The angle of an embankment is generally a good indicator of whether something can be done, but it depends often on what soil is in the embankment. An embankment can have a fairly steep angle, but if the soil has a good, strong composition that is strongly supported by structural supports, that embankment could be perfectly fine as it is. It is often the less obvious embankments, where

rubbish has collected over many years and which are less firm in their constitution, that pose the risk.

My route asset manager for earthworks has a map and a plan of each length along the railway that shows its condition, its material composition and the risk that it poses. We look at those earthworks on a rolling programme, control period after control period, to renew them and improve their condition. We have plans for that.

However, your question is still very pertinent. The plans need to be given a different shape and, in some cases, need to be sped up, in order to make the railway more robust in severe weather.

Mike MacKenzie (Highlands and Islands (SNP): I was pleased to hear of the progress with EGIP in your opening statement. Are you confident that the service changes that are planned for the closure of Queen Street—the high-level station at Queen Street—will be able to meet demand while minimising delays?

Phil Verster: I am very pleased that, when you referred to the closure of Queen Street, you added that it was the high-level station. An important message that we are trying very hard to get out to our customer base in Scotland is that Queen Street station is not closing. We are open for business. Our whole communications campaign is about “keeping you moving”, and that is our banner.

We have a big challenge with the new, revised timetable. I will give members a snapshot. On any weekday, I move around 39,000 customers into the high level, and around 5,200 of them come in at the peak. There are around 366 trains; that is the capacity. By the way, on any day when I move around 39,000 customers, I have a capacity of 75,000 seats running through the high level. That also takes the off-peak time into consideration. On a full-day service pattern, roughly one out of every two seats is occupied.

Our revised timetable is tough and tight. Around 20 per cent of the people who travel into the Queen Street high-level station travel end to end from Edinburgh to Glasgow; they are not intermediate station pick-ups. We have a very strong campaign to target that 20 per cent and convince them to use the Airdrie to Bathgate services or the services via Shotts. In a sweep, we want to shift 20 per cent of the capacity that went to the high level on to the four trains per hour via Airdrie to Bathgate or the two trains per hour via Shotts. We are redirecting 65 per cent of the remaining capacity through the low-level station. That brings the figure to 85 per cent. The low level will therefore be really busy. The services there will be from Falkirk High and Linlithgow, and the existing services from Helensburgh and Milngavie,

which will continue to run through the station. They will all go through the low level. That provides the service pattern for us.

That service will be very dependent on customers punctually joining and alighting from the trains. Therefore, we have set up a systematic holding pattern on both platforms 8 and 9 on the low level. People are brought down to the lower level by train size, queued up and helped to get on to the departing train. We are doing everything that we can to minimise the dwell time and people's transition on to and off the trains.

The timetable will be very tight. We spent hours with our teams figuring out what we should do. There is just no way that I cannot provide the service that is necessary for our customers. We have to provide that service for them, so we have to find a way to make that tight timetable work.

I wish that I could show the committee some of what we have done in real life. The Network Rail enhancement projects or infrastructure projects team, which is not part of the alliance, the alliance, my own Network Rail infrastructure people and my train operating company people have done readiness reviews. We have gone iteratively through different levels of detail to figure out what we can do better to ensure that things work on the day.

Only yesterday, I visited my teams at Queen Street. They have taken a whole room at Queen Street station and put all the scenarios on the walls. They use that to brief our employees and our people on how to respond, where everyone should stand, how the peak is dealt with, and what people should do in the off-peak period. They have role descriptions or role simplifiers that say what everyone needs to do.

Your question is pertinent. It will be challenging. We have plans. I expect that, in the first week or week and a half, we will learn more than we thought we were preparing for. The original plans will probably be a casualty in part and we will come up with new plans. However, whichever way you look at it, I have to continue to move those numbers of people. We are confident that the Winchburgh experience has taught us a lot about helping customers to make decisions on their journey options and we are reasonably confident that we have all the bases covered. We will see what happens in the first week—we will see what areas we might not have covered well—and we will adjust.

10:15

Mike MacKenzie: I have dug myself into a bit of a hole on the committee because, on a previous occasion or two, I have quoted a bit of poetry. The line that springs to mind on this occasion is the

one from Robert Burns—I do not know whether you are familiar with him—that says:

“The best-laid schemes o mice an’ men
Gang aft agley”.

I can see that you have given the matter very serious thought indeed, but have you retained a bit of flexibility? Do you have a bit of spare capacity that you can play with if you find that the plans have not quite got it right?

Phil Verster: I do not.

Mike MacKenzie: You do not?

Phil Verster: I do not. There is no spare capacity. I will give you a sense of the situation: I am hiring in crews from other train and freight operators to help me with transferring some of the services from Aberdeen and Inverness into Glasgow Central. It is “all out”, and it will be all out for the 20-week period. It will be a huge effort from our side.

We have to find ways to create the robustness that spare capacity could have given us. I will give you an example. With the way that I am cycling rolling stock and services through areas from Bellgrove through to Hyndland, if I have a train failure there, the daily service plan will be dead. That is just the way that the network is, so we will put into the stations train fitters who normally work on trains in the depots. If a train shows a hiccup, we will get a fitter on to it to see whether they can diagnose the problem, fix it and get the train to run. We will not have to send a fitter to site. I will also have infrastructure engineers who will look after the signalling system in those areas, and if anything creates a hiccup, they will be on hand to deal with it.

We will deploy people who would typically do other duties to give us a robust service on the day. I will be honest: the plan is tight and it will be tough, but we are excited about it, because it is a once-in-50-years event and we have to fix the tunnel, so we have to just do it.

Mike MacKenzie: Are you confident that the work can be completed within the 20-week closure period? If not, do you have some contingencies for an extended construction period?

Phil Verster: Yes. The work in the tunnel is more manageable and better understood than the vagaries of what can happen on an operating railway during the 20-week blockade. I am very confident in the Network Rail infrastructure projects—IP—team.

Some time ago, I suggested to the people on that team that they should do some trial working and they did that successfully. Over the Christmas period, when services were down, they went into the tunnel and experimented with their technique

for breaking up the concrete and removing it from the tunnel. As you know, thousands of tonnes of concrete must be moved—I have the figure here somewhere. For the 1,800m of slab that must be removed, they need a technique that they can time so that they can say how many hours it is going to take them to drill so many holes, break the concrete out and ship it. They did that in December, and that gave them a high degree of confidence that they will be able to deliver what is required.

I know how critical it is that we deliver that on time. You can imagine how nervous we all are about the scope of the work, because quite a lot of it is unknown. We can dig in one part of the tunnel, but then, when we get to another part of the tunnel, we can encounter different rock formations and stuff like that. The nature of a large part of the work is known—we can plan for it and we understand it, as we fitted the same slab track in the Winchburgh tunnel and the guys learned lessons about how to fit it—but there is still uncertainty about a proportion of the 20-week programme. That is also going to be exciting, and we are going to have to deal with the challenges as they emerge.

Mike MacKenzie: I will keep my fingers crossed.

I have one final question. We know that a wider redevelopment of Queen Street is planned. Can you outline that for us? How are things going with that?

Phil Verster: That is the bit that I referred to at the beginning. We had a very tough situation about six months ago, when it appeared as though the Buchanan Galleries development and the redevelopment of the station were going to be mutually exclusive rather than mutually inclusive—it appeared as though we would not be able to complete them at the same time.

I must be honest with you and say that the committee has played a role in helping organisations to figure out what they should be doing in the community. Typically, the rail authority would have focused just on building a new station and would have asked everybody to get out of the way while it did that. However, I think that we are now in a better place, because we now think differently. Queen Street station is not about the railway; it is about Glasgow. We have worked very closely with Glasgow City Council—with Annemarie O'Donnell and her team—and with SPT—with Gordon MacLennan and his team—and I am pleased to say that we have found a way forward whereby we can accommodate the development of the station as well as the Buchanan Galleries development.

There is also an on-going discussion with Land Securities to ensure that we achieve both developments, and we are close to concluding a deal with Land Securities about a south cutting part, which will allow some of the development to proceed. That part of the process has come together much better than was the case six months ago, when there were heads banging together in terms of the two developments.

I will talk more about the station itself. We could do more to show committees such as this one what we are planning, which is a fantastic change to the station. There will be quite a lot of glass frontage that will change how George Square is perceived and how it is drawn into the station. The really exciting bit is that, during the blockade that will start on 20 March, we will start to lengthen the platforms to the seven-car and eight-car lengths that we need; therefore, there will be a huge increase in the capacity of Queen Street station.

The biggest challenge for us in the phasing of works for the station redevelopment is the need to provide a retail offer that is acceptable for a station of that size. If we could have succeeded in getting Buchanan Galleries to integrate perfectly with the Queen Street development, we would have had a Buchanan Street class of retail right at station level. However, because those developments will now be slightly shifted in time, we will probably not have that. We are working with Transport Scotland to put in the station retail facilities that are sufficient for the commuters who will use Queen Street.

I will leave a thought with you, because there will be a lot of public consultation and discussion on the project. If you think about Glasgow Central, it feels like a destination station; the retail facilities there are superb. However, if you think of Queen Street, you realise that most of the super-attractive retail is actually outside the station. The retail proposition is therefore perhaps slightly different—it probably does not have to be the same as the retail offer in Glasgow Central—but it still needs to meet the needs of our people. We feel very excited about what Queen Street station will look like.

Mike MacKenzie: That sounds good. Thank you for such comprehensive answers—I hope that all those projects go well.

Phil Verster: Thank you very much.

David Stewart: Good morning. I want to ask you about the new Hitachi electric trains. I am very excited—as I am sure many members of the committee are—by the prospect of those trains coming on line. Given the interaction of transport with climate change, it is vital that we look at higher targets for electric trains.

I have a couple of points on capacity issues, although Mr Ingram has—not for the first time—stolen my thunder. There are some issues around the ability of those trains to carry bikes, although I take on board the earlier points that you made in that respect. Perhaps you can touch on that issue first, after which I will ask some follow-up questions on the Hitachi AT200s.

Phil Verster: Would you like me to pick up the point about cycling?

David Stewart: Sure.

Phil Verster: “AT200” was the original Hitachi codification—the trains will be class 385s, going forward. When I talk about class 385s, you can put those in the same bracket as the AT200s; they are the same thing.

On the class 385s, we will have two clearly designated cycling spaces. In the area of the universal access toilet, we will have another two cycling spaces. Those will not be in the same place as they are on the 158s—they will be in an area where there are flip-up seats, as I have explained—so they will not be subject to the priority of another user. In addition, the luggage space area will be able to accommodate a further two folding bicycles. That is the capacity per unit; it feels like pretty reasonable coverage for cycling.

David Stewart: So you are saying that, in comparison with your more traditional rolling stock, there is an enhanced ability to carry bikes on trains.

Phil Verster: Yes: there is more capacity. Let us look at the class 380, for example, which is the Siemens Desiro product that operates widely—as you know—in the Strathclyde area and through to Edinburgh. It has two designated spaces, and there are another two spaces that can be used in an area that is similar to the wheelchair area. However, there is a restriction there, as we do not have a derogation like we have for the 158s. When the law changes and insists that wheelchair spaces are used for wheelchairs only, we will not be able to put bicycles in that area, even if we could. It is only on the 385s that we will be able to take two more folding bicycles.

David Stewart: That is positive news—I appreciate that.

I want to touch briefly, as time is tight, on an industrial relations issue. I understand from the relevant trade unions that there is an unofficial overtime ban in response to plans to downgrade conductors on the new electric trains. Can you update us on that? Is that correct? Can you advise us whether there are such plans?

10:30

Phil Verster: To be absolutely clear, we have no plans at all to downgrade conductors, to use that language. Conductors play an immensely important safety role on our railway.

In simple terms, a conductor on a train closes the doors and dispatches the train. In the Strathclyde area, we have not used that practice for decades; we have used the practice of having a ticket examiner on a train and a driver who controls the doors and dispatches the train. That is a safe working method that we use in the Strathclyde area and that can be used elsewhere. As long as we have two people on a train, we still have a safe product.

We have engaged with our conductor colleagues and given them a proposal whereby we are guaranteeing that we will use conductors on the Falkirk line between Edinburgh and Glasgow and that we will continue to use conductors on all our diesel services. What could potentially be seen as a move towards having fewer conductors on our railway is not such a move.

We are developing our service proposals for the Aberdeen to Inverness services in the future, and with our fleet plans as well as our network plans, if we can engage our conductor community to work on Sundays as part of their working week with us, we can guarantee that we will have the same number of conductors that we currently employ.

How did we approach this as an industrial relations issue? Instead of working out a proposal and putting it to our trade unions, we have worked with a number of the different local teams and have discussed with them what proposals could work for them; we have discussed an implicit memorandum of understanding; and this week we have published what we call a fact sheet that contains a rough outline of our proposals.

References have been made in the press to what you referred to as an informal overtime ban. I cannot really comment on that. It is up to individuals whether they decide that they will not work overtime or do not want to work overtime—overtime is not something that they are committed to work in any case.

I am extremely positive about the opportunity for conductors to continue to have massively important roles in our business, but we will now go through a process of consultation with our unions on the proposals and I hope that we will get an agreement in the coming weeks.

David Stewart: Unfortunately, I do not have time to pursue those points, but perhaps you can keep the committee up to date on that particular issue.

Phil Verster: I can.

David Stewart: I will move on to the draft “Scotland Route Study”, which was published in December. Can you explain what the outcomes of that exercise have been?

Phil Verster: The route study is based on what we expect the railway’s impact and growth to be in the next 25 years. You will have seen from the study that we expect traffic to increase by around 114 per cent in Edinburgh, by around 108 per cent in Glasgow and by around 151 per cent in Aberdeen over the next 25 years.

The route study proposes options, which are available for consultation by communities, interest groups and all stakeholders in Scotland. There is a consultation process that I think will be completed by the end of March. Once that consultation process has been completed and feedback has been received, that will get packaged up and discussed with the funders.

The funders—Transport Scotland—will then make a decision on which of those opportunities are the highest priorities and where to steer the investment for the next couple of control periods. In brief, that is what the route study tries to do.

David Stewart: I want to raise a parochial Highlands and Islands issue that is important to me. I have had correspondence from Mr Richard Ardern, who is very interested in rail issues. He said:

“It was impossible to respond properly to the Scotland Route Study because we have not been told what HML”—

Highland main line—

“enhancements are being proposed for CP5”—

control period 5—

“ie by March 2019.”

Will you respond to that issue?

Phil Verster: That is an interesting point. The Highland main line is such a good example of why what we are doing in Scotland is so different from what we are doing in the rest of the United Kingdom. Let me explain what I mean by that.

The plan for the Highland main line was to make a couple of interventions on it to achieve the output of about a 10-minute improvement in journey time. That was proposed a couple of years ago by a route study and by Network Rail. When Abellio ScotRail secured the franchise, it said that it wanted to run high-speed trains. The assumption in the original Highland main line proposal was to have class 170s. However, you need to consider who travels on those routes, so I dare say that a class 170 is more of a commuter product than a long-distance product.

What is beautiful about what we are doing in Scotland as an alliance is that we have brought

together the two worlds and said, “Oh—hang on. If we’re going to run HSD”—high-speed diesel—“trains, do we really need to spend that same amount of money on a Highland main line with those same options or can we do something different?” We could have a different train with different speed and acceleration. At the end of April, we are publishing our group 3 stage, which is the concept design of where the interventions on the Highland main line need to be.

From the point of Abellio winning the franchise, the Network Rail and design teams had to look for a different solution. The commentary that you have had from your constituent is accurate. We now know that the two interventions will be at Aviemore and Pitlochry; they will not be at the locations that were in the original plan, because the rolling stock allows us to intervene in different places with a more simple solution.

It is a valid comment but in the next couple of months when our proposals for the Highland main line are published, and through this year, your constituent will have a better sense of where we are going to invest. They will then be able to fit that into the route study.

David Stewart: Certainly an important objective for that route is to reduce journey times, particularly going south. You will know from my parliamentary questions that the average time improvement has been 1 minute going south—if you take away one of the Sunday journeys—rather than 18 minutes. I do not have the time to pursue that issue with you, but I am sure that you will be aware of it when you are considering improvements.

The Convener: I want to ask about the draft “Scotland Route Study” before you move on, David. Have you finished asking about that topic?

David Stewart: Yes.

The Convener: Another proposition in the consultation is a proposal to electrify and enhance the Edinburgh suburban railway. You will know that I am particularly interested in that. The proposal is for existing freight traffic and the diversion of passenger routes on to that route. There is renewed interest in reinstating the former Edinburgh south suburban railway for passenger use. Work is at an early stage; we do not yet have a feasibility study that would provide the green light for that. If the electrification works were to be included in the next control period up until 2024, would that future proof the route for possible passenger use?

Phil Verster: Electrification, wherever it is deployed, future proofs partially or fully whatever developments come afterwards. Tram-train solutions are typically electrified solutions, because you do not want to run trams in city

centres with diesel engines. Those days are long past.

The structured logic of your question is definitely accurate. Electrification on the south suburban route would be for freight as well as to help with diversionary flows for any disruption on the western side of Waverley. That can be installed in a way that will make provision for a future extension in respect of a tram-train solution. Tram-train solutions must be on the cards for so many big cities in the UK; they present a practicable solution to the need to get stations and footfall off the heavy rail network.

The business case for opening the south suburban line for passenger transport is key and must first be agreed with Transport Scotland.

The Convener: Am I right in saying that prior to your role with the ScotRail Alliance, you were involved in the development of the first ever UK tram-train, in Sheffield?

Phil Verster: Yes, I was.

The Convener: I learned that when I visited Sheffield recently to learn more about that project. Were there to be a feasibility study, would the ScotRail Alliance stand willing and ready to make its expertise available in order to take the work forward?

Phil Verster: Yes. The work would predominantly be led by the Network Rail infrastructure projects team, which is not part of the alliance. However, we will act as a client for that team, on behalf of Transport Scotland. We will steer that.

Sheffield had its challenges and many lessons have been learned from that, which will help us to avoid repeating some of the problems that occurred.

David Stewart: What involvement has the ScotRail Alliance had with the Shaw review, which, as you know, is the UK Government review of the future shape and financing of Network Rail?

Phil Verster: I participate in the review, as do one or two members of my team. We met Nicola Shaw individually as well as in the context of a working group. There was quite a lot of interest in what we are doing in Scotland. In Scotland, we have the Network Rail route team, which does maintenance and operation of the railway, paired up in alliance with the Abellio ScotRail franchise. They are two different legal entities, with two sets of accountabilities, but they have one management team and an aligned strategy to deliver what is right for both businesses. That is just common sense.

The Shaw report will be published in a couple of weeks' time. All the reports have one thing in

common, which is that the railway industry needs to focus on three important things: customers, customers and customers. If we get those three important things right, a lot of what happens behind the scenes will align itself properly to deliver a growing railway.

David Stewart: We cannot predict what will come out of the Shaw review, but we can speculate, as politicians like to do. There could be full privatisation of Network Rail. You have a close relationship in the current set up, so how would your operation be affected if that was a recommendation of the Shaw review and was accepted by the UK Government?

Phil Verster: I do not take a view on whether privatisation or non-privatisation of parts of Network Rail is right or wrong; I do not see that as the core issue facing the railway. The core issue is the need for a clearer, simpler and stronger—in some areas—regulating function. The regulator must have a clearer role, which would probably be different from the role that it has today, involving an unambiguous alignment of objectives to focus on customer issues at the front end of the industry. Neither of those issues has an impact on or is affected by whether a decision is made to privatise the asset base.

The decision about Network Rail's structure and whether private finance is invited to own parts is neither here nor there. For us, the focus is simply on taking our current asset base and operational methods and maximising the benefits for the customer.

10:45

David Stewart: Are you absolutely confident that the outcome of the Shaw review and what is accepted by the UK Government—irrespective of what it is—would not have an impact on the day-to-day working of the ScotRail Alliance?

Phil Verster: Given the way that my team and I run our business, it will not have an impact. We run our business with a focus on the objectives that are set for us by the Scottish Government, whatever assets, policies and operations we have. That is it. We base our decisions on each of the objectives that the Scottish Government sets. We focus on delivering that.

David Stewart: And you have given—

The Convener: We need to move on.

David Stewart: With that telling off, I will leave the questioning. Thank you.

Clare Adamson: Good morning, Mr Verster. There are three areas that I want to cover with you, the first of which is safety. The UK railways have a good safety record. A few years ago, I was

lucky enough to attend an event hosted by the Scottish Youth Theatre. ScotRail was delivering a series of workshops to primary 5 and primary 6 children, which covered electrification of the line. I was very impressed with the skills that were being taught to the young people, as well as the safety message. Are you doing anything like that, or do you intend to do anything like that in future?

Phil Verster: We have a very active programme that includes a rota of visits to schools. We have a very active programme about level crossings, in which level crossing managers engage with local communities about level crossing safety.

We actively engage with communities about electrification programmes such as Edinburgh to Glasgow, and about the risks of the new railway. Electrification brings two big threats: the risk presented by electricity and the risk presented by quiet trains. People cannot hear electric trains coming and, therefore, footpath crossings—not even level crossings across the railway—can become very unsafe. Part of our community engagement programme is extensive engagement across the community on those topics.

Clare Adamson: You have discussed the plans for new stock in 2017. The growth in passenger numbers is to be welcomed but, given that growth, how will you ensure that people—particularly those with young children or those who have a disability—can get access to trains with overcrowded status, as reported in the statistics from ScotRail in 2014?

Phil Verster: There is no doubt that we have busy trains. As we start to roll out our new fleets, some of those trains will become less busy. The new fleets cannot come quickly enough. This year, we have put a lot of effort into finalising contracts to get the HST fleet in place, and to deploy the class 385 fleets.

I will take a moment to explain this. I started an approach in our business that I encourage our leaders to do more of. I go on trains all week, morning and evening, and once or twice a week I go on a train and announce myself to the customers. I say, “I am Phil Verster. I’m the managing director. Please tell me everything you want to tell me about what is wrong and what is right about the service.” That exercise is amazing. Yesterday morning, I travelled to Haymarket from Queen Street and 99 per cent of the comments about our staff and how they help people—including children and people with reduced mobility—were extremely positive.

Our staff are fantastic. They do not need to be invited, managed by a process or told what to do; they have a natural inclination to help people on the railway. Therefore, I am confident that, whatever circumstances our staff, our employees

and our people encounter, they will respond positively and deal with the demands of the day. It is my strong impression that we are currently meeting those requirements.

Clare Adamson: Thank you for that reassurance. If I am lucky enough to be returned after the election, I will look forward to a drop in the number of emails that I receive about overcrowding as the new fleets are rolled out.

An unintended consequence of the Forth road bridge closure was an increase in the popularity of the route between Fife and Edinburgh. Given the fact that the increased number of passengers on that route seems to be being maintained, have you given any thought to how you might improve parking at the stations, giving people the opportunity to transfer from car to train when they travel to Edinburgh?

Phil Verster: Parking is an area in which we need a lot of support from local authorities. Ensuring that people can park around the railway is not always fully within our gift, whether the issue is the availability of land or access for parking. Parking becomes part of the local authority’s roads and transport strategy, and the fact that there are lots of dimensions to it makes it more of a joint issue and much less of a railway issue.

I can say unambiguously that the more parking that we have at stations, the better. We encourage local authorities to work with us and, as part of our franchise, we are delivering more parking facilities in many places across the network over the next three or four years. The development of parking at key nodes is a commitment that we have signed up to and that we are working intensely on with local authorities. You are right in saying that there are many stations where parking would benefit railway users.

We take the feedback that we get from communities and feed that back to local authorities. We have formed what we call an economic development unit, which is a team of people who do everything in their power to get councils to invest in parking where it would benefit local communities. We have neither the funds nor the property to do all that ourselves, so it has to be a joint solution.

Clare Adamson: Thank you. My final question is about train and station standards. During the period between July and September 2015, ScotRail was fined £265,282 for failing to meet service standards for the quality of the trains and stations. The areas of concern included toilet facilities, graffiti, passenger information displays and the seat reservation system. What are you doing to address those service level failures and move towards a better service?

Phil Verster: Thank you for that question, which is a very good one. I will put my cards on the table. The scheme that those penalties come from is called the service quality incentive regime, or SQUIRE, which is an immensely powerful scheme. The scheme requires a 94 per cent performance if we are to achieve zero fine. Can you guess what we achieve? We achieve around 91 or 92 per cent—we are about three percentage points short. The level of the fines depends on the schedules that they are in, and some of the fines are really tough. For example, if someone does not arrive to open a booking office in time, it is curtains for us and there is a big fine. However, that is reasonable. I can honestly say that the SQUIRE system is driving performance, which is manifesting itself in our score of over 90 per cent.

I think that the quality of our trains, both inside and outside, our stations and our staff's service is just fantastic, and SQUIRE has made a major contribution to that. The £260,000 figure that you mentioned becomes the headline, but a much more important headline is that SQUIRE is super-powerful in driving customer service quality. We have put everything in place to catch problems and to reduce that £260,000 payment. For example, induction loop systems that help hard-of-hearing people to hear what someone is saying have to be tested regularly, and if one of those systems fails, it is replaced as quickly as possible. All such little niggly things become a focus for our service quality drive, which is really important for our customers. I think that that is massively good.

It is perhaps useful to make one observation that is very positive in terms of how Transport Scotland is approaching the SQUIRE scheme: whatever payments we make get reinvested into the railway for the benefit of customers. I can assure the committee, on behalf of the ScotRail Alliance, that the penalty figure of £260,000 does not mean that we are neglecting or ignoring SQUIRE. If we did so, the penalty would be a ginormous amount of money. We actively engage with SQUIRE and think that it is a really positive scheme, particularly because any penalty payments get reinvested in the railway.

The Convener: Members have no further questions. Is there anything further that you would like to say, Mr Verster?

Phil Verster: No, thank you. I am pretty exhausted as it is. [*Laughter.*]

The Convener: On that note, it remains for me only to thank Mr Verster for attending today's meeting and to acknowledge that this might well be his last appearance before the committee—in fact, it is undoubtedly your last appearance before the committee in this parliamentary session. I thank you for your commitment to maintaining an open and constructive dialogue between the

committee and the ScotRail Alliance. I am sure that I speak for the whole committee when I say that I hope that that relationship will continue with our successor committee.

I suspend the meeting briefly for a changeover of witnesses.

10:57

Meeting suspended.

11:00

On resuming—

Transport

The Convener: The third agenda item is an evidence-taking session with the Minister for Transport and Islands on general transport matters. I welcome Derek Mackay, the Minister for Transport and Islands, who is accompanied by officials from Transport Scotland: Aidan Grisewood, the director of rail; John Nicholls, the director of aviation, maritime, freight and canals; and Michelle Rennie, the director of major transport infrastructure projects.

I invite the minister to make an opening statement.

The Minister for Transport and Islands (Derek Mackay): This morning, I intend to share with the committee the excellent progress that has been made in transport, despite challenging weather conditions, since we last met in October.

The annual Scottish transport statistics, which were published last week, provide an encouraging insight into areas in which we are performing well, together with indications of where more work will be beneficial in continuing to deliver our transport vision.

Once again, we have seen increases in rail use and cycling, which is a clear sign that our continued investment in those areas is paying dividends. The Scottish Government is currently delivering the most extensive investment programme ever in our railways, worth £5 billion up to 2019.

Although there has been a small decline in bus use, we have remained committed to supporting bus services through the £240 million that is made available through the bus service operators grant and the concessionary bus travel scheme. We are also pushing forward with the introduction of smart ticketing, which will be rolled out across more transport services.

One of the most encouraging signs is the fact that almost three quarters of all journeys to school are made by active or public transport. That provides a real opportunity to encourage the next generation to leave the car behind, while providing environmental and health benefits now.

Although the increase in car registrations reflects the on-going economic recovery in Scotland, the Scottish Government remains focused on reducing emissions and congestion by encouraging a greater number of journeys by public and active travel. We are investing more than £1 billion a year to get people out of their cars, including taking overall investment in active

travel to a record £39.2 million for 2015-16, matching last year's record investment in cycling and walking.

The latest statistics confirm the trend that was identified during the refresh of the national transport strategy, which was undertaken in partnership with the Convention of Scottish Local Authorities. I saw that refresh as the beginning of a conversation that will lead to a fuller, more collaborative and comprehensive review of the transport strategy by the Scottish Government in the next session of Parliament.

I appeared before the committee two weeks ago to discuss the closure of the Forth road bridge in early December. I paid tribute to all the staff involved for the swift and dedicated actions that were undertaken, often in challenging circumstances, to repair the fault, carry out further maintenance and reopen the bridge to all traffic ahead of schedule on 20 February—a feat that has been described as a “remarkable achievement” by an independent suspension bridge expert.

On the rail network, part of the Lamington viaduct was left on the brink of failure by flood damage that was caused by storm Frank on new year's eve, and its closure was decided. Thanks to the efforts of all the people who worked on making the structure secure and rebuilding it, especially amid challenging weather conditions, vital passenger and freight services that rely on the west coast mainline resumed ahead of schedule.

In the middle of January, in advance of the forthcoming 20-week closure of Queen Street station's high-level tunnel, I launched the ScotRail alliance's communications campaign to inform the public of changes to timetables. Although I understand that that work will cause some inconvenience to passengers, the Network Rail and ScotRail alliance is working to ensure that services are maintained where possible, that disruption is kept to a minimum and that passengers are kept well informed throughout the work.

Also in the middle of January, I was pleased to welcome colleagues from all our island authorities to the first meeting of the islands transport forum. Effective and reliable transport links are essential for island communities, and we had constructive talks on the main issues, including a particular focus on air services, where I believe that we have made significant progress. The recent increase from 40 per cent to 50 per cent in the air discount scheme—itsself extended until 2019—offers travellers from remote communities a significant discount on air fares.

The new regular ferry service on the Ardrossan to Campbeltown route is one of a number of

enhancements that are being brought in as part of this summer's timetable, which will increase overall capacity across the Clyde and Hebrides network and make sure that we get the most out of our ferry fleet.

On the subject of our ferry fleet, I am delighted to have cut the first steel on the first of our two new 100-metre ferries, marking the start of construction on that massive £97 million project, which has brought large shipbuilding back to the Clyde. The vessels will also be dual-fuel ferries, allowing them to use cleaner fuel and future-proofing them against the advent of tighter regulations around sulphur emissions.

Recent analysis of the roll-out of road equivalent tariff to Islay, Colonsay and Gigha in 2012 shows an increase in passenger numbers and a rise in the number of visitors to the islands. That shows that RET is doing exactly what we intended it to do: it is promoting our islands by reducing the cost of ferry travel, making them more attractive to visitors and helping to support those local economies.

On road safety, in the first year of operation of the new average speed cameras on the A9, there were no fatal accidents anywhere on the route from July to December. Those improvements are taking place against rising traffic volumes and the continuing use of that nationally important route to support the economy of the Highlands and Islands. We are monitoring the performance of the A9 and welcome the figures, which indicate that the route continues to perform far more safely than before.

Every road death is one too many, and that is why we remain steadfastly committed to reducing casualty numbers even further as we continue to work with all our partners to reach our ambitious targets for 2020.

At the end of January, we announced funding of £24 million to take forward the design and construction of a new grade-separated junction at Laurencekirk, which has been a long-standing commitment of the Scottish Government.

The funding boost for Laurencekirk is part of an extra £254 million that we are investing as part of Aberdeen's city deal, adding to our already impressive transport infrastructure investment portfolio, which includes the £745 million Aberdeen bypass, £170 million of improvements to the Aberdeen to Inverness rail line, improved road access on the A96 at the Inveramsay bridge, dualling the A96 between Aberdeen and Inverness and preparation work to remove the notorious bottleneck at the Haudagain roundabout.

The Forth replacement crossing is being built on time and under budget. I am aware that the

committee received a full update from the project team last week.

Construction work on the M8, M73 and M74 motorway improvements is well under way and is scheduled for completion in spring 2017.

I see that I am trying your patience, convener.

The Convener: Not at all.

Derek Mackay: We are also making good progress on the A9 dualling, other joint ventures and the Aberdeen western peripheral route.

I am happy to answer the committee's questions. Before, that, however, I hope that you will allow me to say that that is an impressive record of interventions since we last discussed transport.

The Convener: I want to pick up on a couple of the points that you mentioned.

Are there any plans to roll out road equivalent tariff to the islands that are not currently benefiting from it? I am thinking of the northern islands in particular.

Derek Mackay: The Government gave a commitment to roll it out across the Clyde and Hebrides ferry services area and then to consider the northern islands. The issues in that regard are different, as the policy ultimately concerns distance and the equivalent road travel that would be involved.

The Government is actively considering the issue in partnership with local authorities through the islands areas ministerial working group. Although its work has concluded, there is on-going Scottish transport appraisal guidance work and other route service methodology work that is considering the ferry service options to the northern isles.

We are looking at a model for the future that covers other islands that do not currently benefit from RET, but there are some islands, such as Shetland, where doing things simply on a road-equivalent basis does not work, and we must consider the methodology that we use in that regard. Given that we have completely fulfilled the Government's manifesto commitments in this session, that is something for the next Government to consider.

The Convener: Okay. If I heard you correctly—you will no doubt correct me if I did not—you mentioned £5 billion of investment in public transport to encourage people out of their cars and into alternative modes of transport. Is that right?

Derek Mackay: The figures are approximately £1 billion a year on public transport and £5 billion for the control period for rail investment.

The Convener: Okay. That is helpful.

Alex Johnstone: Your statement was so comprehensive, minister, that you did not leave many questions to ask. However, you did not mention high-speed rail. Have you received the results of the High Speed Two Ltd study on the extension of the proposed high-speed rail network into Scotland?

Derek Mackay: It is unlike Alex Johnstone to ask the difficult question that I have not covered. I did not cover it as the Cabinet Secretary for Infrastructure, Investment and Cities, Keith Brown, leads on high-speed rail work.

An announcement is due. We are working in partnership with the United Kingdom Government, as the project clearly requires co-operation between it and the Scottish Government. Reports have been received on the broad options study, and further UK Government and Scottish Government co-operation will be required to get to a place where—

Alex Johnstone: Can you tell us nothing about those reports at the moment?

Derek Mackay: Absolutely nothing.

Alex Johnstone: Can we expect a formal announcement at some point?

Derek Mackay: Yes, you can—before the purdah period.

Alex Johnstone: That is very interesting.

Media reports indicate that the decision not to proceed with a standalone Edinburgh to Glasgow high-speed rail line was taken following consideration of a draft business case for the project in 2014. Can you outline the contents of that draft business case and explain why it was never published?

Derek Mackay: No, I cannot outline it. I have spoken about this in previous statements to Parliament. That work was more advanced than the aspiration and benefits of high-speed rail physically coming to Scotland and running between Glasgow and Edinburgh. As the works were considered, it was clear that it would make sense to know what was happening south of the border and to do things together before proceeding with the Edinburgh to Glasgow route. That is exactly what we have done. Therefore, both reports will be published at the same time in an open and transparent way.

Keith Brown will be able to cover much more of that in a statement. I cannot give the content of the Edinburgh to Glasgow element exclusively, as it is very much part of the bigger picture now.

Alex Johnstone: Thank you. I will now jump to an issue that you covered in your opening

statement, which is the development of the road network. You mentioned the M8 completion project. The other day, I went along that road in daylight for the first time in about six months, and I saw that huge amounts of work have been carried out since I previously saw it. When do you expect that project to be completed?

Derek Mackay: In the spring of 2017.

Alex Johnstone: The dualling of the A9 is a longer-term project. Can you tell us anything more about the schedule that will be adopted for the complete dualling of the A9?

Derek Mackay: It is on track for 2025. If you want information on the individual detailed elements of the 12 sections of the project, I can provide that. I am being more contained in my answers so that I can be direct and careful with the time.

Alex Johnstone: Okay. The final on-going road project is the Aberdeen western peripheral route, which I regularly observe as I go round the north-east. What is the current position? Is any further work going on to improve relationships between the construction project and local people who are having difficulties as a result of its continuation?

Derek Mackay: The project is on schedule to open to traffic in the winter of 2017. It is very much on track. Its advantages include the use of a skills pledge around apprentices.

On engagement, Transport Scotland and the operators and contractors try to encourage good relationships with local communities through exhibitions that explain what is going on, real information about what is happening and the progress that is being made, and offering people up for meetings. If Alex Johnstone has any issues to do with a lack of access to information, I am more than happy to address them, but the sharing of information on progress should be adequate.

11:15

Alex Johnstone: My experience is that it is a long construction project that is going through many areas in which people's lives are being disrupted in one way or another. Difficulties are therefore inevitable. All that I am really seeking from you is an assurance that you will work to encourage engagement with local people to work out those problems whenever the opportunity to do so exists.

Derek Mackay: Absolutely. It is fair to say that the end benefits of such construction projects are worth it, but they can impact on people's lives during the period of disruption. Good engagement, consultation and a bit of compassion are things that I expect and proactively pursue.

Alex Johnstone: You mentioned the junction at Laurencekirk, on which the funding announcement has now been made. All I seek to do by raising the matter once again is to ask you to confirm that the decisions and the announcements that have been made will ensure that that road junction will be upgraded to a grade-separated junction and that it will be funded from within Scottish Government budgets.

Derek Mackay: Yes. However, there are issues to do with planning obligations that were live before the Scottish Government's announcement. If we can get further planning contribution from developers and if it is appropriate, we will still proceed on that basis.

Before the Government's announcement on funding, I established a partnership to take the project forward. The aim was to work together to ensure that everyone who had a stake was able to contribute towards the project's actual delivery. If there are legitimate and reasonable contributions to be made towards that transport project, we should still receive them, but there is a commitment to see it through to completion.

Alex Johnstone: Is there, at this stage, any prospect that you could give us a timescale for achieving completion of that upgrade?

Derek Mackay: I think that it would be quite ambitious for me to set out a timescale at this time. Obviously, there are many stages to go through in terms of detailed design and all the legislative requirements for orders and so on. I would be setting an ambitious and potentially misleading date if I were to attempt to give one just now.

Alex Johnstone: Thank you very much indeed. I hope, convener, that you are impressed with the speed with which I went through that.

Derek Mackay: And with the answers.

The Convener: Absolutely. Brevity in questions and answers is always welcome.

Clare Adamson: As Mr Johnstone said, minister, your comprehensive introduction left us with very little to ask you about.

I was very pleased to hear the emphasis on safety on the roads. Can you tell us what the Government will continue to do—especially with regard to small to medium-sized enterprises—about the use of telematics to monitor driver performance in commercial vehicles? Also, what is the Government's current position on black-box technology for new drivers, and does the Government have a position on the possibility of introducing graduated licensing to improve safety among younger drivers?

Derek Mackay: We take road safety very seriously. The long-term direction of travel—pardon the pun—was to ensure that fatalities and casualties were down, and we have made substantial progress from the baseline figure in that area.

That said, any fatality is regrettable. We want zero fatalities—of course we do. Therefore, we have refreshed our framework and our targets. The UK Government does not set targets in that area; we do. They help to drive performance. That is why we are working with the full partnership to improve a number of workstreams.

There are specific categories that we feel are more vulnerable, including road users such as pedestrians, cyclists, motorcyclists, and older and younger drivers. There are a range of interventions that we can make, such as social media campaigns, area-specific campaigns, rural roads campaigns and encouraging 20 mph zones in built-up areas. The road safety framework has been signed off—if it is not published already, I think that it will be this week. It will assist in showing our sense of priority for road safety.

As to your specific questions—on black-box technology, for example—some of those areas are outwith our competence. They rest with the UK Government—either the Department for Transport or the Driver and Vehicle Licensing Agency—but we are supportive of them. We are accused of being a nanny state, but the Government is here to help. If there are further interventions that we can make, we are happy to look at them.

On graduated driving licences, we support such interventions, including pilot programmes—I have given that answer before in Parliament. Again, it is outwith our direct competence to introduce them, but we have supported them; indeed, we have lobbied the UK Government for them.

Clare Adamson: Finally, could you give us an update on the national transport strategy, which has recently undergone a refresh? You indicated that a full review should take place during the next parliamentary session. Could you give us some information on that? Obviously, we do not know at this stage who might be in charge of it, but could you give us an indication of how that consultation will take place?

Derek Mackay: That is the second time in a fortnight that I have been told that I will not be the transport minister any longer.

Clare Adamson: Not at all.

Derek Mackay: As it says on the tin, the national transport strategy was refreshed to bring all the relevant policy elements up to date. We have made great progress on our climate change targets, on cycling, on our walking strategy and on

community planning. All those elements fit within the national transport strategy and should be updated, because it is some time since the previous iteration of the strategy was published. The refreshed strategy was agreed unanimously by COSLA at a meeting last year. I particularly welcomed the engagement with COSLA, and we also held a workshop with stakeholders from across the transport world.

We have committed to a fuller review because, as I have discussed before, we felt that the timing was not right for a comprehensive review and that there was a greater opportunity, as this committee and other stakeholders suggested, to align a review with the strategic transport projects review and the national planning framework. That makes sense, and there will be an opportunity in the next session of Parliament to go through those policies comprehensively.

The strategy is currently in a good place and is certainly fit for purpose. The policy has been updated, but the fundamentals have not changed. We believe that it is worth investing in good public transport and that, if we make the right policy interventions, we can encourage people out of their cars and on to public transport. We have enjoyed more success with rail than we have had with buses, which has further strengthened our view that we need to do more to support the bus sector.

David Stewart: I have a brief point, minister. I am a strong supporter of looking at new aviation routes—for example, a route from Broadford to Glasgow. You will be aware of the report from Highlands and Islands Enterprise today, which endorses the economic benefits of such a route.

Do you share that view? Do you see positive changes on the horizon as a result of the Civil Aviation Authority's recommendations on single-engine aircraft? Routes that are perhaps not viable at present would be viable with such aircraft because there would be lower staffing requirements and the aircraft would be more economical in terms of the number of passengers that they could carry. What is your view on that?

Derek Mackay: First, I believe that adopting the Government's position on air passenger duty would help new routes to Scotland in general. Opening new routes and sustaining current ones is good for economic growth.

There are some separate issues relating to the airports that Highlands and Islands Airports Ltd cover because of the exemptions that are in place. On the specific proposal of a new airport, you will know that in times of austerity we have to balance our budgets, and HIAL—like all agencies—will have to consider its costs and operate efficiently.

As I have said, I am a listening minister, and if there is a proposition to be made, I am willing to hear from stakeholders who might have a view on the cost benefit ratio or on what a new airport could do to unlock local economic potential. Work has been done in that respect in the past.

We will continue to support HIAL and operators to expand routes in Scotland, both generally and in order to support more remote communities. We have done that through the air discount scheme, increasing the subsidy from 40 per cent to 50 per cent, and through direct intervention and support for HIAL. A couple of new routes were announced recently, which should be welcomed. That shows that we are trying to do what David Stewart requests within very tight financial resources.

It is ambitious to propose a new airport. As I said, I am happy to engage on the subject, but we will need much more economic certainty with regard to who would use such a facility. Does that assist you, Mr Stewart?

David Stewart: Thank you. Finally, minister, I certainly recommend HIE's report on the issue. You may not have seen it, as it came out only today.

Derek Mackay: I have engaged with a number of members on the subject, including Dave Thompson just a week or two ago, so I am well aware of the issue. I have not seen the HIE report today, but I am aware of the requests for such a proposal. As I said, I am happy to engage with those requests, but we have a long way to go before we can commit to a new operational airport.

The Convener: We move on to active travel. Minister, you mentioned in your opening statement that investment in active travel is at a record level. You said—if I heard you correctly—that a quarter of all journeys to school are now made through active travel.

Derek Mackay: It is actually three-quarters by public transport or active travel.

The Convener: The figures for cycling and walking have been pretty static for the past decade. The transport statistics that you mentioned show that cycling as the usual means of transport to school is at 1.7 per cent, which has gone up from 1.2 per cent. The trajectory is in the right direction, but that figure is still very modest. Safety is important, particularly for children travelling to school. What role can further investment in cycling infrastructure have in driving up those figures?

Derek Mackay: A few interventions will help. The record funding for active travel and infrastructure should be welcomed, especially in a challenging financial environment, and there are also behaviour change projects.

Convener, you were instrumental in taking forward the community links plus design competition for an exemplar project to show how we can encourage more people to cycle in urban areas. That has been delivered on a cross-party basis. Also, I convened an active travel summit in Inverness to bring local authorities to the table to encourage active travel. I have to say that I was disappointed by the attendance. I was disappointed that more local authorities and senior figures were not present. That is why, when I published the national transport strategy and wrote to each local authority leader, I drew out the important issues, and active travel was one of them. It is largely a local issue, although the Government will do what we can.

We have also commissioned a piece of work on the school run and what more we can do to encourage people to use active travel for that. I will come back to the committee when I have a fuller update on that. If we get it right and we manage to encourage people to make active travel choices at an early age, hopefully they will continue to do it for the rest of their lives.

If you think that there is any dubiety about the figures for the travel-to-school mode, I am happy to provide more details to the committee.

The Convener: We trust the statistics. I was thinking more about how we drive the figures in the right direction.

Derek Mackay: The cycling action plan leads to a number of actions. We have made record investment, although behaviour change is an issue. The bikeability scheme is in a number of schools. From memory, I believe that approximately 40 per cent of schools are involved in that project, but I can check that out. There is a range of packages in schools and I am seeking to improve infrastructure and encourage more 20mph schemes in urban areas; Edinburgh is leading on that. Consultation is the right thing to do and it is better than a top-down approach from the Government.

The record funding that we have put into active travel is also significant. We have extended pathways and cycle routes in the past few years as a consequence of that extra resource. Those are all examples of interventions.

The Convener: You made a point about local authorities that made it clear that there is a variation in the level of commitment of local authorities to taking forward the active travel agenda. That is perhaps reflected in the fact that there is also a variation in cycling rates between local authorities. Transport Scotland's local areas analysis for 2014 shows that 11.8 per cent of journeys to work were made by bike in Edinburgh, but only 0.3 per cent in Renfrewshire.

What is Transport Scotland doing to share best practice between authorities? What are you, as minister for transport, doing to provide further leadership to the local authorities? I absolutely commend you for all the work that you have done and for convening the active travel summit of local authorities but, as you say, if the local authorities are only sending people who hold junior positions in their authorities, how can we get them to take the issue seriously?

Derek Mackay: In some respects, local communities will have to say to local authorities that active travel is a priority. It should come through community planning. I am saying that active travel is a priority for Government. That is clear in the cycling action plan, the walking strategy and the national transport strategy and, as well as in transport policies, it is clear in our health and education policies.

You asked about the sharing of expertise. We now have a smarter choices, smarter places learning network that does exactly that—it shares good practice on what is working to try to improve delivery in every local authority area. As it happens, the first annual networking workshop will take place later this month.

We have made it clear in transport policy that active travel should be a priority. There is record investment and the exemplar project will set out to local authorities what can be done. There have been other exemplar projects—

11:30

The Convener: Can you give us details of that?

Derek Mackay: I can give you as much as I know at the moment. We have committed to that investment. The community links plus design competition will provide significant funding for one or two exemplar on-road segregated cycling schemes over the next two to three years, with the aim of bringing about a step change in levels of cycling for short journeys in target communities. As you will be aware, we have said that we will do that in partnership with local authorities and it will be led by Sustrans, as you would expect. We have made a significant commitment around supporting that and making it happen after the cross-party meeting that we held.

There is clarity in policy, and resources have been allocated. As transport minister, I am making it clear to local authorities that this matters. We are engaging with community planning partnerships to focus on the issue and encouraging the right kind of interventions, guidance and support to deliver it. However, because most active travel journeys are local, local authority leaders will have to lead and deliver at the most local level. As we all know, the Government is not wedded to ring-fenced budgets,

but safer walking routes to schools is one of the few remaining areas where we still have ring-fenced budgets for local government. That is in addition to some of the interventions that I have made.

The issue is a priority for the Government, but I believe that there has to be more local leadership on the subject.

The Convener: On investment, during our budget scrutiny exercise, the committee received a range of evidence from stakeholders who are involved in active travel and cycling, and one of the proposals from the Lothians cycling organisation Spokes was that 1 per cent of the trunk road budget should be transferred to active travel. That would amount to something like an additional £8 million in the current financial year. There was also a more ambitious proposal that 10 per cent of the transport budget be spent on active travel. Will you commit to either of those figures or to maintaining and increasing the active travel budget in the years to come?

Derek Mackay: By my actions, I have ensured that the budget has reached a record level and been sustained at that record level, in quite challenging times for the transport budget. The reason why I do not believe in setting an arbitrary figure for the proportion of spend is that it discounts the fact that cyclists use roads, too. Is investment in roads a bad thing for cyclists? Of course not. It is good for cyclists as well. Therefore, an arbitrary figure would not be helpful.

Further, it is not right simply to have allocations for different modes of transport. Which big project that the committee has heard about would you not deliver? Would it be the Queensferry crossing, the A9 dualling or the new routes to island communities for ferries? There are priorities, and we have set out the Government's priorities while supporting active travel. The Government has clear contractual obligations and maintenance and upgrade requirements.

We have done a lot on active travel. There is certainly more to do, but we cannot separate out roads investment and suggest that it does not support cycling when cyclists use roads, too. I do not support an arbitrary formula.

The Convener: I am not sure that the cycling lobby would agree with you, but I will leave it at that.

Adam Ingram: My first question is on the Borders railway. In our previous session, we asked Phil Verster about the plans for improvements in rolling stock. Has that crossed your desk. Have you pressed for any action on that front?

Derek Mackay: That is a good question. We have looked at whether there is any spare capacity in the current rolling stock that could assist. Some would argue that, when a service is so popular that people want more, it is a good problem to have. That contrasts with the comments of those people, including at least one Opposition politician, who said that the Borders railway would be a big white elephant and would never work. I understand that the member who said that—and that he would never use the service—is now a frequent user of the Borders railway. The railway is a success story. *[Interruption.]*

I think that Alex Johnstone is asking who the member is, but I will not name the Conservative member concerned, because I think that he might be embarrassed.

The Convener: In the interests of openness and transparency, please feel free to name him.

Derek Mackay: I think that it would be polite to move on, convener.

If we had spare capacity in the rolling stock, it would make sense to deploy it on the Borders railway. However, we do not have spare rolling stock at the moment, so it is difficult to expand the service. We have made some modifications and improvements by way of enhancement, but the big progress will be made when the high-speed trains are deployed and the new electric trains are deployed for the Edinburgh to Glasgow route. That will give us the opportunity to cascade the existing rolling stock. That point is still some way off, because the timescale goes to 2017 or 2018, but at that point we will have more rolling stock that we can cascade around the network to help to meet need. I think that the Borders railway could very reasonably call for enhancement of its rolling stock then.

Adam Ingram: Thank you for that. Another issue with regard to Borders rail is that the campaign for Borders rail is calling for the Scottish Government to extend the railway to Hawick and on to Carlisle. Is that on your radar? Are you considering that or is it somewhere in the distance?

Derek Mackay: There are requests from a number of members and communities to extend passenger railway services. More often than not, they come from a local promoter who is going through the necessary STAG appraisal and so on. We will support the local transport partnership, which is the south-east Scotland transport partnership, to look at the available advice and work up a case that can then inform a STAG report and appraisal of transport options. Transport Scotland will assist in that, but it will be for the local transport partnership to proceed with

that work. I understand that it intends to appoint a contractor to undertake the study fairly soon. Proceeding with that work is in SEStran's hands, but we will support it.

We have no immediate plans to extend the railway. There is a process to go through, and we will offer support and advice for it. Any future commitments around the expansion of railways will be considered as part of a control period review, and any business case that emerges will be considered in terms of its finances and so on.

Adam Ingram: Okay. The minister mentioned his ambition to be reappointed after the elections. I will not be joining him in the Parliament because I am not coming back, but I appeal to him on behalf of my colleagues in the south-west of Scotland. We look enviously at the transport infrastructure developments elsewhere in Scotland—in the north-east, the Highlands and the Edinburgh-Glasgow corridor—and wonder whether we can get a piece of that action in Ayrshire and Dumfries and Galloway. Does the minister hold out any hope for developments coming to us?

Derek Mackay: I do not think that Mr Ingram would expect me to be able to offer a new transport project in that fashion. However, I can say that I understand the regional issues around connectivity and the economic growth issues. For example, there is a wonderful opportunity around tourism as well as accessibility in joining up some of the potential there.

Like all new transport projects, a south-west project will require promoters, leadership and a business case to come forward. However, I hear the case that Mr Ingram has made and I will certainly bear it in mind. If I am not in this post after the election, my successor will be informed of his request.

Adam Ingram: I can assure you that proposals will come forward.

Finally, you have mentioned a couple of times the need to look at bus services. A lot of emphasis has been placed on rail, but we know from our constituency mailbags that there are an awful lot of issues with and concerns about bus services—or the lack of them—in our areas. Will you develop your thinking a wee bit on bus services?

Derek Mackay: An objective that I wanted to achieve with the national transport strategy was greater clarity on who is responsible for what. In a scenario in which a bus service is lacking locally, the local authority or—if appropriate—the transport partnership can intervene to support the creation of a route. It would need to go through the necessary process, but it can intervene.

When I was a council leader, I do not think that I realised the opportunity and the powers that I had

at the time to support communities where there was a lack of service provision. If a case can be made, a local authority absolutely can intervene, rather than it washing its hands of the issue and saying that that is for the private sector, the Government or someone else to fix.

We deliver the national concessionary travel scheme, the bus service operators grant and the greener bus fund, but we do not set local routes. The traffic commissioner has a regulatory role. If there are gaps in service provision, a local authority can act through the local transport strategy, community planning or direct intervention. It can do so first of all in a scenario in which there is a lack of service.

More widely, I do not think that a lack of investment has led to falling patronage or stagnation in the number of bus passengers—maybe that is because of the attractiveness of the individual car or the cost of fuel, or because some people have opted to use the train instead of the bus. We must show that buses are a priority. We have greener buses, with far lower emissions than was previously the case. Buses are accessible, attractive and affordable. That is why we have the national concessionary travel scheme and other direct subsidies.

We make buses more attractive by giving them priority in the transport system. What do I mean by that? For example, local authorities should co-ordinate with the bus companies on where any disruption resulting from road works will be. Buses should be given priority at junctions or gates or they should be given priority lanes. Whatever the right local intervention is, we must do more to show people that public transport is the mode of transport that we should try to use first if a journey is necessary. In most areas, that mode of transport is the bus, because the vast majority of all public transport journeys are made by bus. It is just that the growth in bus services has stagnated—there has been very little growth; in fact, there has been some decline—whereas rail use is soaring.

The bus industry can make progress in partnership with local communities and certainly with local authorities. Does that assist you?

Adam Ingram: I certainly look forward to future initiatives in that area. The constituency that I represent is largely rural and bus service coverage is a constant issue, so I would welcome the further development of bus services across Scotland.

David Stewart: Minister, I have three quick questions on the Caledonian sleeper. You will be well aware that members of the National Union of Rail, Maritime and Transport Workers took industrial action over the Christmas period because of concerns about defects in the sleeper

rolling stock. What action has Transport Scotland taken to ensure that all sleeper rolling stock is safe for passengers and, indeed, staff?

Derek Mackay: First of all, I am sure that the whole committee would welcome the fact that the RMT has lifted its dispute on the Caledonian sleeper; that is an important point for everyone to acknowledge.

There are strict safety guidelines on rail services and how the Caledonian sleeper can operate, and there is a role here for the Office of Rail and Road. As regards what Transport Scotland has done, we expect contractual obligations to be delivered. We were proactive in ensuring that a number of the concerns that I heard about the operation and the safety of the service and so on were raised. Pressure has been applied. Of course, new rolling stock for the sleeper is to be delivered.

All the existing rolling stock was inherited. The issue has not necessarily come about recently, but the condition of some of the rolling stock has required extra maintenance, extra maintenance workers and extra investment. That has been put in. Transport Scotland was also pursuing the operator, Serco, throughout.

11:45

David Stewart: Were any financial penalties imposed on Serco for operating potentially unsafe rolling stock?

Derek Mackay: If there is a loss of service, that is at the cost of the operator; the operator loses profit as a result of carriages being out of service, so essentially it takes the hit. There has been no formal request for compensation and no requirement for us to impose a penalty. If the operator breaches its contractual obligations, we would certainly initiate any relevant clause.

David Stewart: I appreciate that you will not be able to dot all the i's in the contract, but in general terms, if the operator has unsafe rolling stock, is there a clause in the contract that would allow you to take action against the operator?

Derek Mackay: If you want more detail, it might be appropriate to hear from the officials.

Aidan Grisewood (Transport Scotland): When it comes to safety issues, that is a clear responsibility of the Office of Rail and Road; the ORR is responsible for enforcement of safety standards on the railway. Safety is imperative and the railway has a very good track record in that respect. Rather than it being a contractual issue, the Office of Rail and Road would act in the circumstances that you describe.

David Stewart: In theory, could the regulator impose financial penalties on the operator if there was a breach of standards of rolling stock?

Aidan Grisewood: There is a range of potential options. First, the operator simply would not be allowed to operate if it were deemed that it was not operating safely. In this case, the ORR has not reached that conclusion; the issues that were raised were not deemed to breach safety standards in the operator's licence obligations.

David Stewart: Finally, if we look at the flipside, do the terms of the contract require compensation to be paid to Serco for losses following industrial action?

Derek Mackay: If Serco can make a case that that would be reasonable, it could approach ministers. We have, uniquely, a parity clause, which means that we would also engage with the trade unions on what is reasonable and what is not. The operator is entitled to approach the Government and say that it has incurred loss because of an industrial dispute. It would have to explain that and then we—uniquely in the UK—would go to the trade unions to get their take on the situation, after which we would make a judgment. For the avoidance of doubt, on this issue, no such approach has been made.

David Stewart: It would be rather perverse for the operator to make such an approach.

Derek Mackay: But I must not prejudice that, Mr Stewart.

Mike MacKenzie: Good morning, minister. Can you provide an update on the tendering of the Clyde and Hebrides ferry service contract?

Derek Mackay: Two final tenders were received on Monday, from CalMac Ferries and Serco. They will be considered and assessed. We should meet the timescale for an announcement at the end of May, with enactment of a contract on 1 October. A great amount of work—on the criteria, the weighting and the process—has been done in order to reach this stage. It is now for officials to produce advice for ministers.

Mike MacKenzie: I have heard you give many assurances—to the users and staff—that service levels, fares and the terms and conditions of staff will be fully protected, regardless of which company wins the contract. Can you provide those reassurances again, for the record?

Derek Mackay: Absolutely. All vessels and ports that are currently under public ownership will remain so. The Government will continue to set the routes, timetables, fares and policies as appropriate and as we do now—there is no change to that.

What has changed since the last procurement process is that I have enhanced the quality aspect of the weighting and have guaranteed that a fair, affordable and sustainable pension scheme will be written into the contract, whoever the operator is. A high proportion of the overall marks will be allocated on the human resources strategy. As I have said, we have made enhancements to the process since last time round and the guarantee continues around that element of public service.

Mike MacKenzie: Thank you very much, minister. Let us move on to the subject of the Forth replacement crossing. Last week, the committee heard from Transport Scotland officials. We are all delighted that the project is under budget and on time. Has a date been set for the opening of the bridge towards the end of the year?

Derek Mackay: I hope that the briefing has been consistent in saying that the bridge will be completed on time by the end of the year. I do not have a date for that, and I will not set a date now, as that would be presumptuous at this stage of the process. Given our transport expertise, we all know that, apart from anything else, if the bridge is completed late in the year, in the winter, other issues may impact on that date. The short answer to your question is that no date has been set, but the project is very much on track.

Mike MacKenzie: Thank you.

David Stewart: I have a very brief question for the minister. We had a very useful session with ScotRail earlier, in which the issue of the deep alliance was flagged up. That seems a very positive idea. I appreciate that contracts for the Caledonian sleeper and the Virgin London services have already been let and that those are longer-term contracts. However, is there any general discussion about having closer links between Network Rail and the Caledonian sleeper and the Virgin London services in the light of what is happening with the ScotRail services?

Derek Mackay: I am not really sure. Aidan Grisewood may be better placed to answer that question.

Aidan Grisewood: There are lots of different relationships between different train operating companies and Network Rail, depending on the nature of the service. Scotland is particularly well placed to have a deeper alliance because there is a single dominant operator and a Scotland route that coincides with that dominant operator. That provided a particular opportunity, and the benefits of a deep alliance are much clearer.

The sleeper service runs on quite a few routes, depending on what is happening on any particular night; therefore, having that deep commercial relationship and single management team is less appropriate for a service such as the sleeper. That

is not to say that the operator does not have to work closely with Network Rail. In a Scottish context, it is really important—the regulator has an important role to play in this regard—to make sure that the deep alliance does not work in a way that could potentially discriminate against other operators. We are alive to that issue and, although I was not here to listen to Phil Verster's evidence, I know that ScotRail is, too, and that the regulator keeps a very close eye on that under its responsibility for equal access.

Derek Mackay: I agree with David Stewart that the deep alliance is working very well. The Thatcher years fractured the railways—I thought that that comment would attract Alex Johnstone's interest—and it is a good thing that we are ensuring deeper integration. That is working well, and it is enabling us to make decisions about our railways more quickly. It is one of the reasons why we have made progress in engineering projects as well as on our wider investment priorities. I believe that the alliance, as a project, is working well.

The Convener: Okay. Do you have any final remarks that you would like to put on the record, minister?

Derek Mackay: No thanks, convener.

The Convener: I thank the minister and his officials for attending the meeting today, and I thank the minister for his update on general transport matters. This will probably be your last appearance before the committee in the current session of Parliament, minister, and I would like to take the opportunity, on behalf of the committee, to thank you for the constructive way in which you have engaged with the committee during your term in office as the Minister for Transport and Islands. We look forward to that engagement continuing between your successor and our successor committee.

11:53

Meeting suspended.

11:58

On resuming—

Petition

A90/A937 (Safety Improvements) (PE1236)

The Convener: Agenda item 4 is consideration of petition PE1236, by Jill Fotheringham, which calls on the Scottish Government to improve safety measures on the A90 by constructing a grade-separated junction where the A937 crosses the A90 at Laurencekirk.

I refer members to paper 4, which has an update from Transport Scotland confirming that

“the Scottish Government will provide £24 million of funding to take forward the design and construction of a grade-separated junction at the A90/A937 south junction at Laurencekirk”,

as the petitioner has requested. The update also states:

“The next stage in the scheme development is to progress with the design phases of the junction upgrade ... Transport Scotland will look to appoint consultants and begin work to take the scheme through design development and statutory authorisation.”

The committee is invited to consider the update and to agree whether it wishes to take any further action in relation to the petition. The committee has the option of closing the petition should it consider that its objectives have been met. Should the committee wish to keep the petition open, the committee would be required to add the petition to its legacy paper for its successor committee to consider further in session 5.

I invite comments from members.

12:00

Alex Johnstone: My comment is: so near and yet so far. I am delighted that the Government has now allocated funds to the creation of a grade-separated junction at Laurencekirk and made it a priority. However, the answers that we received from the minister indicate that there is still one potential issue.

That issue is that the minister indicated that there was an expectation or a possibility that the Government might seek local planning development funding for the junction. The problem locally is that planners see their commitment to developing the local road network and junctions as being focused on a different junction—the north junction to Laurencekirk, which is the one that is likely to be used by commuters who live in the homes that will be built there.

A view has been expressed locally and by planning applicants that any attempt to use

planning funding to develop the south junction would be open to legal challenge and would be unlikely to succeed.

My concern is that the Government has not yet conceded that funding achieved through local planning developments would not be allocated to the south junction. My concern remains adequate enough to suggest that the petition should be retained.

The Convener: Okay. As no other members have any comments to make, are members agreed that we wish to keep the petition open?

Members indicated agreement.

The Convener: We will keep the petition open and add it to the legacy paper for our successor committee to consider further in session 5.

Subordinate Legislation

Concession Contracts (Scotland) Regulations 2016 (SSI 2016/65)

Concession Contracts (Scotland) Amendment Regulations 2016 (SSI 2016/125)

Utilities Contracts (Scotland) Regulations 2016 (SSI 2016/49)

12:01

The Convener: Agenda item 5 is the consideration of three negative Scottish statutory instruments: SSI 2016/65, SSI 2016/125 and SSI 2016/49.

Paper 5 summarises the purpose and prior consideration of the instruments, which are part of a suite of measures to enact changes to procurement law. The committee took oral evidence from the Cabinet Secretary for Infrastructure, Investment and Cities at its meeting on 24 February regarding the proposed measures.

The committee will now consider any issues that it wishes to raise in reporting to the Parliament on the instruments. Members should note that no motions to annul have been received in relation to the instruments. I invite comments from members.

As members appear to have no comments, does the committee agree that it does not wish to make any recommendation in relation to the instruments?

Members *indicated agreement.*

The Convener: I move the meeting into private session.

12:02

Meeting continued in private until 12:38.

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