

LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

Tuesday 21 December 2004

Session 2

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LOCAL GOVERNMENT AND TRANSPORT COMMITTEE 30th Meeting 2004, Session 2

CONVENER

*Bristow Muldoon (Livingston) (Lab)

DEPUTY CONVENER

*Bruce Crawford (Mid Scotland and Fife) (SNP)

COMMITTEE MEMBERS

*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

*Dr Sylvia Jackson (Stirling) (Lab)

*Michael McMahon (Hamilton North and Bellshill) (Lab)

*Paul Martin (Glasgow Springburn) (Lab)

*David Mundell (South of Scotland) (Con)

Tommy Sheridan (Glasgow) (SSP)

*Iain Smith (North East Fife) (LD)

COMMITTEE SUBSTITUTES

Bill Butler (Glasgow Anniesland) (Lab)

Colin Fox (Lothians) (SSP)

Mr Bruce McFee (West of Scotland) (SNP)

Mr Brian Monteith (Mid Scotland and Fife) (Con)

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Professor David Begg (Commission for Integrated Transport)

Iain Docherty (University of Glasgow)

John Ewing (Scottish Executive Enterprise, Transport and Lifelong Learning Department)

Frazer Henderson (Scottish Executive Enterprise, Transport and Lifelong Learning Department)

Nicol Stephen (Minister for Transport)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Alastair Macfie

ASSISTANT CLERK

Euan Donald

LOCATION

Committee Room 6

Scottish Parliament

Local Government and Transport Committee

Tuesday 21 December 2004

[THE CONVENER *opened the meeting at 14:08*]

Railways Bill

The Convener (Bristow Muldoon): This is the 30th meeting of the Local Government and Transport Committee in 2004 and our last this year, so in case I forget to do so at the end, I wish all members of the committee a good Christmas and a happy new year when it comes. I look forward to seeing you all again after the recess.

The first item on our agenda today is further consideration of how we should handle the Sewel motion that is, as we understand it, likely to be lodged on the UK Railways Bill. We have had another letter from the Minister for Transport, Nicol Stephen, which states that the Executive hopes to lodge the Sewel motion and accompanying memorandum early in January, and that he expects to be able to bring to the committee information about the transfer of resources to the Scottish Executive.

I will give a draft outline of how we intend to consider the issue once the Executive lodges the motion and memorandum. I propose that, in addition to the format that we used for another recent Sewel motion—a presentation from the minister, questions and answers, a debate and an indication to the Parliament of whether the committee supported the Sewel motion—it would be useful, as some members have suggested, to hear evidence from other relevant railway industry bodies. Given that there will be significant financial issues associated with the transfer of powers that is part of the UK Railways Bill, it seems that it would be appropriate to hear from Network Rail about the financial implications that will follow. I am prepared to listen to suggestions from members about other groups from whom it would be useful to hear, but I would appreciate it if members could say what specific area of evidence they would expect them to address. We will proceed on that basis. Do any members wish to suggest bodies?

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I assume that our Minister for Transport, Nicol Stephen, will complete the evidence with his officials.

The Convener: Yes.

Fergus Ewing: I assume also that the information that he refers to in his letter of 20 December, and which was also referred to in his oral evidence on 2 November, will be supplied as soon as possible. It is pretty important that we get hold of that as soon as possible.

As far as witnesses are concerned, Network Rail, the Strategic Rail Authority and the Rail Passengers Committee Scotland have a wide knowledge of the rail network in Scotland, which would be useful. It is essential that the UK Secretary of State for Transport, Alistair Darling, come before us, because what is at stake is the funding of the rail network infrastructure in Scotland for the foreseeable future. It is plain that we would want the right to question Mr Darling about his views on what Scotland's share should be and what a fair share should be. Of course, he also has another responsibility as Secretary of State for Scotland, so I presume that he will want to come here to say how he will fight for Scotland's fair share in respect of the responsibilities that it is proposed we take on in respect of the railways.

To sum up, we should hear from Network Rail, the SRA, rail users and the UK Secretary of State for Transport.

The Convener: Do other members have comments?

Bruce Crawford (Mid Scotland and Fife) (SNP): One of the issues that we discussed with the Minister for Transport when he was here in November was the process of moving powers from the UK Government to here and the financial issues associated with that. I understand that, at that stage, the minister was involved in what might have been quite sensitive negotiations about money that will be allocated to Scotland to allow us to take on the new powers. The negotiations were on whether the funding would be based on the Barnett formula, on a needs assessment or on pounds per mile of track. I do not think that we know yet how funding will be allocated; that will be one of the crucial issues. We need to know whether the responsibility, when it comes, will be worth the candle, supposing that we have the money to spend on it.

It is not up to us to tell the minister how to conduct his business, but it would be useful and helpful if, when he appears before us, he ensures that with him are civil servants from the Finance and Central Services Department to lay the ground for us on how the process will work in reality. I would also particularly like to speak to Network Rail because of the lack of power of direction—as I see it—that will be available to Scottish ministers, despite their taking on new responsibilities.

The Convener: On the financial back-up to the settlement, I imagine that the Minister for Transport will bring appropriate officials to support him in answering questions. I expect that that suggestion will be taken on board.

David Mundell (South of Scotland) (Con): It will be important to have before us somebody who can provide us with objective evidence on the financial issues. We have had various experts in the past, but in my view the financial issues are at the core of the matter. It would be helpful to have somebody, in an evidentiary or advisory capacity, who could assist us with that. In the past, we have accepted that financial issues in respect of the railways are complicated, so we would benefit from such ability.

The Convener: Are you suggesting that we seek to make a short-term appointment of an adviser?

David Mundell: That might be helpful. Alternatively, at the end of the process, we could invite someone to give evidence on the evidence that we will have taken. From my perspective, financial issues are at the core of the matter. Rather than simply have a political debate on the financial issues, I would like us to take some objective evidence as well.

14:15

The Convener: We could try to achieve that. Although I am comfortable that we should invite as broad a range of witnesses as possible, I do not agree with Fergus Ewing that it is necessary for us to invite the UK Secretary of State for Transport, Alistair Darling. The Minister for Transport, Nicol Stephen, is accountable to the Scottish Parliament on transport; I imagine that he will be perfectly able to answer questions that MSPs might have on the agreement between the UK Government and the Scottish Executive. I do not know whether colleagues agree with my assessment.

Michael McMahon (Hamilton North and Bellshill) (Lab): I certainly agree with that assessment. To invite Alistair Darling would be a waste of time. Although some members might get a good press release when he turned down the invitation, it is not necessary for him to appear before us. That will not affect our ability to deal with the Sewel motion.

The Convener: On that basis, do members agree to invite the range of witnesses that has been suggested?

Bruce Crawford: I support Fergus Ewing's call to invite Alistair Darling, for which there are good reasons. I understand that Nicol Stephen is the Minister for Transport in Scotland and that he has a particular role to carry out, but the fact that the

UK secretary of state will cede powers to Scotland may give rise to issues to do with Network Rail. Scottish ministers' power of direction over Network Rail will be important. The Sewel process is ongoing, but it seems that Scottish ministers will not have a great deal of power of direction over Network Rail. The only way in which that could be achieved would be through the UK secretary of state, not through the minister who is responsible for transport in Scotland. There is an important edge to the debate that makes it proper for us to ask Alistair Darling to attend, which would allow us to decide whether the proposals will be a success for Scotland.

The Convener: It remains my view that it would be perfectly possible for the committee to decide whether to recommend that the Sewel motion be agreed to on the basis of the range of evidence that we will take from the various rail bodies that we mentioned and from the Minister for Transport, who is responsible to Parliament. I propose that we proceed on that basis.

Fergus Ewing: I appreciate your general approach. I welcome the fact that you have agreed to have an inquiry and your agreement to David Mundell's request. It is sensible that, as well as inviting Network Rail, the users and the SRA, we should have an objective source of evidence.

I say to Michael McMahon that the issue is not about being able to put out a press release. Bruce Crawford has put his finger on the central point—we face a momentous decision. Powers will be transferred, but we do not know whether resources will be transferred. The nub of the matter is, as Mr Crawford pointed out, that we do not know how resources will be allocated. A wide variety of criteria could be used singly or collectively, including the Barnett formula, population, length of track and an audit of need. At present, we have no idea what criteria will be used. The first question that should be asked is, "What are the criteria?" Unless we hear from the Secretary of State for Transport and the Secretary of State for Scotland, we will not know what the Westminster end of the Government proposes the criteria should be.

I will finish on this point, because I appreciate that time is short and today's agenda is busy. If the criteria do not suit Scotland, the financial consequences could be catastrophic, which is why there is in this case a strong argument for having the responsible Westminster minister here and making him accountable to this Parliament, so that he can explain the criteria that he advocates be used to assess Scotland's share of the resources.

The Convener: Without giving a full response, I draw members' attention to the last sentence in Nicol Stephen's letter to the committee, in which he proposes

“to share with the Committee, in advance, factual information which will provide the basis for agreement with the Department for Transport.”

Nicol Stephen will provide the committee with that information in advance of the meeting, in order that we can probe it with the witnesses whom we invite.

Iain Smith (North East Fife) (LD): You are right, convener. We are in terrible danger of saying that we will not get the answers from the witnesses, so we will have to ask other people as well. I would prefer to find out whether we get the answers. If we are not satisfied, that will be the time to call for other evidence. To be frank, the questions that are being asked by Fergus Ewing are the very ones to which Nicol Stephen should be able to give us answers; I presume that he has agreed to lodge the Sewel motion because he clearly understands the basis on which resources will be transferred. If he does not, it will be up to the committee to find the answers. If we are not satisfied with the response and we feel that we can get the answers only from somebody else, we should make that decision at that time and not second-guess the evidence that we will receive.

Dr Sylvia Jackson (Stirling) (Lab): First, I support David Mundell, although I am not sure where the person or persons he mentioned will come from. However, I share his desire for such information. Secondly, the committee is well able to work on its scrutiny role. If we do not get the evidence that we require, we can go further. Can we write to the minister to say that we want information on the matters that were mentioned by Fergus Ewing?

The Convener: That will not be necessary because I have already written to the minister stating that we want an explanation of the financial arrangement that will underpin the agreement. The minister has indicated that he will supply that.

Dr Jackson: That is fine.

The Convener: Finally, every party that is represented round this table will have the opportunity to scrutinise the bill through their representatives at Westminster. We have every opportunity to scrutinise the bill and the powers that will pass to Scottish ministers through the Minister for Transport. I propose that we go with the list of witnesses that we discussed, with the exception of inviting the Secretary of State for Transport, who was suggested by Fergus Ewing. Do we agree?

Members *indicated agreement.*

Fergus Ewing: In agreeing, convener, I think that it is obvious that the committee is not with me, which I suppose is not a unique experience.

The minister states in his letter:

“I propose to share with the Committee, in advance, factual information which will provide the basis for agreement with the Department for Transport.”

We all accept that that information is vital, so can we have it before Christmas, or at least ascertain whether it is currently available? If it is, can we have it, so that we can perform our scrutiny role, assess the information and begin to carry out the work on the criteria as quickly as possible?

The Convener: I do not know whether the information is available yet, but in communicating with the minister's staff we will say that members would appreciate the information as early as possible, in order that they can scrutinise it appropriately.

We agree on that basis to proceed with scrutiny of the proposed Sewel motion when it is lodged. We expect to discuss it at our meeting on 18 January.

Transport (Scotland) Bill: Stage 1

14:24

The Convener: The second item is further evidence taking on the Transport (Scotland) Bill. Our first witness is Dr Iain Docherty, whom I invite to take his seat. Welcome back to the Scottish Parliament. You have become a well-kent face in the Local Government and Transport Committee in the past couple of years. As usual, you may make some introductory remarks, after which we will ask you questions.

Iain Docherty (University of Glasgow): I thank you for the invitation to come and share some thoughts with the committee this afternoon. My opening comments will be brief.

Many people are generally supportive of the move towards stronger regional governance of transport in Scotland. It has definitely been the case that since the abolition of regional councils in 1996 the pace of change and the agenda have slipped somewhat, so any move back to a more dynamic and delivery-focused environment would be welcome.

It is also true that when consultation on the bill started about 18 months ago, there was a general feeling that we would end up with meaty and strong regional structures. However, there is general disappointment that the bill does not propose the strong regional authorities that many of us had hoped to see. In particular, it is not clear that the basic level of powers that most of the new regional transport partnerships are likely to take up—at least in the short term—will make much difference to delivery of transport policy throughout Scotland. That is a major problem that the committee will want to probe further.

It is one thing to create strong regional structures to deliver transport policy, but if we are going to do that—I believe that it is the right thing to do—we must ensure that we get the political and decision-making structures of those bodies correct. Some of the proposals in the bill, particularly the form of political representation that is proposed for the new bodies, are quite weak and might constrain the new regional transport partnerships and prevent them from being as effective as they might be.

Fergus Ewing: Iain Docherty's submission states that there is a

"move towards stronger regional governance".

There is, perhaps, broad consensus on that. My difficulties with the bill—which you also describe in your written submission—are that we do not know what the powers of RTPs will be, we do not know what the boundaries will be, we do not know what

the representation will be and we certainly do not know how funding will operate in practice. There is an awful lot that we do not know because we have not been told it. It is a bit like being asked to judge a Miss World competition in which the contestants remain behind the screen at all times.

Can you remind us what the consultation paper, "Scotland's Transport Future: Proposals for Statutory Regional Transport Partnerships", said about the levels of powers? I think that there are levels 1, 2 and 3. Could you explain those levels? I am sure that you will be able to do that far better than I could. What level of powers do you think the RTPs should have if they are to make a difference for the better in delivering transport improvements?

Iain Docherty: The consultation document that accompanies the bill envisages three levels of powers. Level 1 is concurrent powers which, in essence, describes a situation in which the member councils of a regional partnership will choose, on an ad hoc basis, to pool their responsibilities for particular policy delivery. That is basically the situation that we have today with the voluntary partnerships, which have not, in my opinion, produced much by way of delivery. The only change would be that the new RTPs will have to produce a statutory plan—it is envisaged that that would be done within 12 months—without necessarily having seen either the new national transport agency up and running for a considerable time, or the final form of a new national transport strategy for Scotland.

At the other end of the spectrum, level 3 power is fairly analogous to the current operation of Strathclyde Passenger Transport Authority. That will be the power for a statutory body in which constituent councils pool their powers over a range of transport issues in order to deliver regionally. That is on the way to what many people had expected. The Executive originally hinted that the new structure might look fairly similar to the traditional joint boards that we are used to in Scottish local government. Joint boards are quasi-independent statutory local authorities in which—in order to try to avoid some of the pork-barrel politics that often characterise weak partnerships—members operate in the interests of that authority alone rather than directly in the interests of constituent councils.

In the middle is a vague model of level 2 powers, which the consultation paper describes as "Some Transport Powers Transferred". That means that the constituent councils might choose to give specific powers to the partnership over particular issues, such as bus infrastructure, to enable it to operate regionally. It is not particularly easy to see how that would build substantially on level 1.

I believe in regional governance of transport for numerous reasons. One of the biggest problems is that there is no coherent regional structure, but transport is by its very nature about strategic projects on such a scale. There tends to be decision making on the basis of "It's my turn next year." One of the biggest risks in the voluntary system—apart from its powerlessness to deliver anything at all, about which questions have clearly been asked in the past few years—is that if there are going to be weak partnerships in the future, there will in effect be a pork-barrel political decision-making structure in which one authority will get its pet project in one year and the political bargaining will be about who will be next in the list for the following year. Therefore, the more strategic and rational view of investment for which many of us hoped will perhaps have difficulty in emerging from that structure.

14:30

Fergus Ewing: You mentioned the duty to devise a strategy that will be placed on regional transport partnerships by the bill—I think that the bill provides that a strategy should be devised within 12 months. On the other hand, you referred to the national transport agency. The bill does not really flesh out what the role, function and powers of that agency will be.

I want to ask about timing and the interaction of the RTPs and the national agency. If the RTPs are to provide a strategy within a year, that is clear. However, am I right in saying that there will be no national strategy from the agency? There cannot be at the moment. Will the RTPs be hampered in fulfilling their task in the first 12 months of their existence by the fact that no national strategy will be devised? If you agree to some extent about that, should there be a national strategy to enable the RTPs to fulfil the one job that is provided for them in the bill?

Iain Docherty: There is an argument that under the voluntary system to date, the partnerships have not had much money or power to deliver, but have had time and space to think and to strategise. Therefore, some areas already have a regional strategy that could fairly easily be translated into the new level 1 partnership. However, if boundaries are to change, that will mean inevitably that considerations will be different; the situation would be more like that which Fergus Ewing suggests. There would be a clean sheet of paper and the new organisation would have to look afresh at its policies.

I understand that the bill does not talk about the national agency much because ministers already have the powers to create that agency—new legislation is not required. Nonetheless, it would be helpful to know what that agency was going to

look like and what ministers expect it to do—particularly in the short term—because any organisation is bound to develop its own politics, agenda and priorities. The question is whether one is looking for a top-down or a bottom-up approach to strategising in general. I think that we have been weakest in strategic direction in the years since 1996, so I would prefer that the national agency be put in place and its strategy be well understood by the new regions before they start work on redeveloping what already exists.

There is, of course, an opposing argument that the bill suggests, which is that the new regional partnerships will create strategies that must be approved by ministers or the agency, so there will be an iterative process and consistency with whatever the national strategy becomes. However, it would be more helpful—for the sake of transparency and openness—if we knew more about the form of the national agency, how it will operate and its priorities. We need to know more about the institution itself, what it might seek to deliver and even where it will be located.

Dr Jackson: I was interested in your submission, which tries to summarise one or two issues that have been raised, one of which is obviously boundaries. Your submission states that boundaries are

"One of the most contentious issues".

I did not realise the difficult situation that Stirling—which is my constituency—was in until the other week, when we considered the details of the matter. Stirling seems to be included in a region that also includes places where most of its commuters do not go to; they go to Edinburgh and Glasgow. You also mention the Highlands and Islands being kept on their own. Will you elaborate a wee bit on the issues that you raise on boundaries?

Iain Docherty: A fundamental problem with such a reform process is that we have inherited a set of local government boundaries that were of their political time and were—particularly in central Scotland—designed to institute unhelpful competition between local authorities and to break up the regional councils. That set-up stopped the regional strategic approach to service delivery of the kind that is set out in the bill. It is difficult to try to stitch that fragmented system back together to deliver joined-up working instead of competition.

The Executive might have made a rod for its own back by stipulating that all of Scotland must be part of a partnership and that any partnership must have more than one local authority as a member. For example, Dumfries and Galloway does not sit easily anywhere. There is obvious disquiet in the region about being part of a large partnership in the west in which decisions on local

bus transport might be made in Glasgow. Equally, because of its position at the corner of three regions, Stirling does not sit easily anywhere in a local government sense. However, if we consider transport flows, the majority of strategic movement to and from Stirling involves Edinburgh, Glasgow and the rest of the central belt. As a result, there is no credibility in the claim that an area that starts 10 miles outside Glasgow city centre and ends in Montrose in the north-east is a coherent region for transport planning.

Given the local government boundaries that we have inherited, it would make sense to be more proactive about dividing up existing council areas into more than one partnership. One rule of thumb is that, if any reform gets the approach to Fife wrong, the whole reform package will be wrong. Some people would argue—as I would—that the biggest failing of the Wheatley reforms of the 1960s and 1970s was the failure to address the Fife problem and to create proper functional regions for the east of Scotland. The same holds true today. To privilege political bargaining by keeping local authorities intact in partnerships instead of dividing them more sensibly along transport lines tells us much more about political realities than about strategic transport decision-making.

I was interested to note that certain authorities have been split up by some of the proposed boundaries. For example, I find it curious that the Highlands and Islands Enterprise boundary has more or less been preserved, which means that the Clyde islands region of North Ayrshire will be included in a partnership area that stretches all the way from Kintyre to Shetland. That rather large region will make political representation in the partnership difficult. Contentious questions always have to be resolved when we try to match a difficult set of local authority boundaries to what are essentially new functional organisations.

Dr Jackson: You appear to be saying that, as it might well be impossible to create partnerships that reflect areas in the way that we would wish, there should be representation on different partnerships. For example, Stirling might feature in three of them.

Iain Docherty: One way out of the problem is to make the regions bigger. For example, it would be possible to combine the south-east and central regions into a bigger area, although that would give rise to a whole new set of issues about the size of the institution and how we can have effective political representation on it.

Everything depends on the first principles that we adopt. If they centre on effective transport planning, how people travel around and the development of the transport network, we will have to think about a set of boundaries that are very

different from those of the current unitary local authority boundaries. There are difficulties with splitting up existing councils into more than one partnership, but we might be able to overcome that problem.

Bruce Crawford: You are beginning to make me think more deeply about the matter. For example, your comments about partnership boundaries and political representation on the partnerships are more appropriate to the first model that the Executive has suggested. However, if we were to adopt the second model under discussion, which has more potential for delivery, the mechanisms for political representation might be different. You have already suggested having a joint board, which would move us from a representational structure for the regional strategy to a structure in which individuals on a board would be responsible to the whole region. How would that interesting concept strengthen the system? Furthermore, what would be the best funding mechanism for the first model or for the third model, as set out in "Scotland's Transport Future: Proposals for Statutory Regional Transport Partnerships"?

Iain Docherty: The traditional idea of a joint board evolved in Scottish local government as a means of doing exactly what you said about taking decisions on a regional basis, if that was more appropriate for the public service that was to be delivered. Although the membership of joint boards was drawn from local councillors from the councils in the areas that the boards represented, when members acted for the joint board they did so independently of their sponsoring councils, so that there would be a degree of independence and a strategic regional outlook. A problem that has been apparent throughout the United Kingdom over 20 or 25 years is the general trend to weaken such structures and replace them with softer partnerships in which people represent their own local interests. In such partnerships, the strategic view tends to be displaced by short-term bargaining about the direction of resources, which is not very consistent over time.

It might be interesting to consider the model for the passenger transport authorities and executives in England. Those bodies are in essence joint boards, but their political representation, which is drawn from member councils, involves some form of political proportionality. Not only is funding proportionate to the size of the councils, but representation is proportionate, too, and there is a requirement on organisations to try to reflect the politically partisan as well as the geographical nature of the areas that they cover. The authorities in England cover relatively small areas compared with the larger regions in Scotland that we are talking about. However, there is a case for considering the traditional joint board model more

carefully, to ascertain whether we could construct partnerships that would be more reflective of wider regional priorities.

One of the biggest problems with the bill is the Executive's decision to allow no more than one councillor per council to be a member of a regional transport partnership. The partnerships are to be focused on delivery and I therefore understand the overwhelming desire to make them small, flexible and responsive, so that they can deliver policies quickly. However, that approach could lead to all kinds of problems about representation and funding.

For example, the small partnership that is envisaged for north-east Scotland, which is expected to retain the features of the current north-east Scotland transport partnership and include only two member councils, would have only two councillors on board. That is a small number of people to make the political decisions for a strategic organisation. At the other end of the scale, given that SPT currently has around 33 or 34 members and works relatively effectively through good political debate and consensus, it is not clear what advantage there would be in cutting the level of representation on the future west of Scotland regional transport partnership, just to secure one member per council.

There are also issues about transparency and accountability of representation. The proposals envisage a sliding scale or weighting of members' voting rights between one and four. For example, the proposed west of Scotland regional transport partnership would include a small part of Argyll and Bute Council's area, with a population of 20,000 to 30,000, and the representative from Argyll and Bute Council would have one vote. However, the representative from Glasgow City Council, who would represent a population of roughly 600,000, would have only four votes, so there would be a clear political imbalance in decision making.

The system might sometimes work in favour of small, peripheral councils, but in other geographical areas it might work in favour of the councils at the centre, depending on the make-up of the RTPs. The system would not be consistent and there would be significant potential for problems, even in simply reaching agreement about a strategic medium-term investment plan, if there were such a level of political complexity and lack of accountability.

The Convener: Your paper expressed concern about non-elected members who would have

"voting rights, and therefore powers over the spending of public funds requisitioned from local councils".

Will you expand on that? What model would be most appropriate for the regional transport

partnerships? Secondly, do you believe that the congestion charging powers that currently lie with local authorities would be more appropriately placed with regional transport partnerships?

Iain Docherty: I will answer your second question first. It is difficult to answer, because much would depend on the boundaries that were chosen and the way in which political power was distributed. The proposed region for the south-east Scotland regional transport partnership is currently drawn in such a way as to make it easy to see how authorities in south-east Scotland other than the City of Edinburgh Council, which are well known to have been somewhat hostile to congestion charging, might seek to neutralise the issue by taking responsibility for it in the region and killing it off.

Part of the balancing act of any regional reform is recognising that if an innovative and dynamic local authority wants to take difficult decisions—whatever they may be—it may be easier to have such decisions accepted locally within one boundary than under a regional system. The danger with congestion charging in a regional system is that councils that do not have strong and pressing congestion problems might seek to delay implementation of that policy. We must live with that. That does not mean that dealing with the matter from a regional perspective does not make sense.

14:45

The consensus on the representation of external members is that it would be good to extend the membership of RTPs beyond councillors. That involves a difficult choice. One argument is that a higher level of involvement and commitment is more likely from members who have a real say in a body's decision making. However, a more traditional democratic viewpoint from local government is that, if people who make decisions about spending money that has been precepted or requisitioned from local authorities are not accountable through the electoral system to the people who pay that money, that creates the potential for a significant democratic deficit.

The bill and the consultation paper explain that a system of weighted votes will be used under which a majority of elected members will always be required to decide on such issues, so that danger is minimised. However, I return to the point that—depending on how the boundaries are chosen and on the final form of representation and weighted votes for councils—coalitions that are based on territorial politics could emerge inside regions. A coalition of councils plus outside interests that are represented on an RTP might frustrate a more strategic approach.

If we accept—as I do—that we need stronger regional governance, we must have the right political structures to deliver it. Some ways in which the debate is proceeding place hurdles in the way of that. We need to be a bit simpler and more transparent about how political decision making in the regions will work, if the structures are to deliver the improvements in policy making and implementation for which we hope.

Michael McMahon: You talked about the co-ordination and management of strategies. I am interested in your views on whether the establishment of the Scottish road works commissioner and the Scottish road works register will have an impact on the co-ordination and management of road works.

Iain Docherty: I am not sure whether that will have much of an impact in the short term. I am not an expert on such issues, so whatever I say will be conjecture. My view is that the establishment of the register and the fact that a named commissioner will manage it and act as a point of contact for queries on it are good things—they will provide transparency and make the system more accountable to those who use the roads and streets and to those who may be subject to financial penalty under the bill if their actions are deemed to cause problems. The register's establishment and having a defined individual to manage it who is accountable through the parliamentary system are positive developments.

Michael McMahon: You spoke about the impact on RTPs of powers that are given to local authorities. The bill will give local authorities powers to change the time of road works and to deal with various aspects of how road works are conducted and their standards. Do you have an assessment of whether those powers will be effective?

Iain Docherty: My comments on that are mostly personal opinion. When the bill's general thrust is about moving the level of decision making up to where it is most suited—to the regional or national agency level, rather than the local authority level—it is a bit curious that different standards and different decision-making levels could be introduced.

I understand local authorities' arguments that they are best placed to manage local issues and that they can respond most efficiently and quickly to the short-term pressures that road works are often under, but that is a policy choice. Particularly in the central area of Scotland, which has many local authorities, it does not make sense to fragment responsibility and standards to that level. It might be better to conserve as much consistency in the application of policy as we can.

Michael McMahon: We have heard in evidence that only 10 per cent of congestion in Scotland is a

result of road works. Do you concur with that assessment? Doubt exists about the validity of the statistics, but is that the ballpark figure?

Iain Docherty: Studies from throughout the UK have come up with figures that are relatively consistent with that one, so it seems reasonable. It would be useful to broaden the debate about the strategies that the new institutions that the bill will create might seek to develop. The focus on congestion as the problem that we must solve is a political and policy choice that is not always as appropriate as we think it is. Congestion has economic and social costs, but we should seek to take other action, such as reducing the level of car use or achieving modal shift. Reduction in congestion is difficult to measure and deciding how to appraise its impacts is often a technical choice. The policy should not always be to direct the most attention and resources towards congestion. The wider point is that the bill should bring about less focus on congestion and more focus on outputs such as modal shift or environmental indicators than is the case at present.

Michael McMahon: So is the bill using a hammer to crack a nut? Will it achieve any of those broader aims?

Iain Docherty: I am not sure that road works and their effect on congestion should be a policy priority. I understand why people are frustrated when their daily journeys are affected by road works and when the same road is continually dug up by different contractors. People want a more systematic approach to the management of the road space. Such an approach would be good practice and would improve the quality of life, but we should concentrate on the more important issues—which include those that relate to congestion relief, as well as to the transport system's outputs—rather than on the relatively marginal impact on congestion that better road works management will have.

Bruce Crawford: The bill will allow for a number of management schemes for concessionary fares. Whatever we say today, it will not make much difference, given that the Minister for Transport will make a statement on the issue tomorrow. However, given our present knowledge, which management system do you support and why?

Iain Docherty: The management system should be based on the journeys that people want to make and the journeys that make the biggest difference to people's lives. To date, the most effective concessionary fares scheme is probably that in Strathclyde, which has remained more or less intact since the demise of Strathclyde Regional Council. That scheme overcomes many of the boundary issues that are faced when a number of small local authorities are involved.

Given that people often want to make journeys across arbitrary boundaries, it is important that the notion of the seamless journey is made real for them. When people get on a bus, they want to know how much it will cost them and whether they will get to their destination on time. The management of a concessionary fares scheme must at least be regional, to ensure that it reflects the locus within which people live their lives and the journeys that they make.

The Executive strongly supports a national concessionary fares scheme, but we are unsure how many additional journeys would be made from one end of the country to the other if a national scheme was in place. However, I understand the political arguments for such a scheme. The other arguments are about having a simplified system and reducing the transaction costs of running different concessionary fares systems throughout the country. A national scheme may make sense, but it would probably make a fairly marginal difference to people's journey patterns and quality of life. Most journeys are relatively local and are made frequently. For most people, the important issue is being able to access the services that they need and live their lives at that level.

Bruce Crawford: I understand the arguments that you make. However, for people living in Inverness, it is not easy to access the major conurbations, for example. Should the concessionary fares scheme be extended to allow people to travel from Inverness or Stranraer to the main conurbations?

Iain Docherty: The question is whether concessionary fares at national level will enable people to make journeys that they do not feel able to make at the moment and will improve their quality of life. I am not sure how much that will be the case for people who depend on concessionary fares. People might find welcome additional opportunities for lifelong education and so on. However, any concessionary fares system is only as good as the transport network on which it is built. Unless we get the balance right between the revenue subsidy of fares and having infrastructure and services that give people the opportunity to go to places to which they are seeking to journey, the scheme will probably be less efficient than it might be. There is always a balancing act between the amount of effort and resource that is invested in managing the network, to ensure that it offers the opportunities that people want, and the pricing that enables them to make journeys once the system is in place.

Bruce Crawford: We have taken evidence on the Welsh experience of concessionary fares. Do you think that there are lessons from that experience that we can learn and apply in

Scotland successfully? We have also received a considerable amount of evidence on ferry services and whether individuals who use ferries to the islands should receive the same concession, so that they can make necessary journeys. What are your views on those two issues?

Iain Docherty: I am not particularly up to date on the Welsh experience, so I would like to pass on the first question. Anything that I said in answer to it would be conjectural.

On ferries, there is always an interesting argument about a two-way street. If we encourage people to travel out of remote communities, especially island communities, and to service their needs elsewhere, subsidised by public money, that will always have a knock-on effect on the level of service provision at local level at the remote end of the journey link. If we decide to subsidise ferry links to the extent that has been suggested, we must be careful about the economic impact that that will have on people who do not want to travel from the islands or other remote communities to consume services.

In a way, the argument is similar to the one about increased car use in rural communities, which gives people much greater flexibility in accessing services that they want, when they want them. The problem is that, at very local level, small community services are put at risk, because their catchment is affected. Rather than subsidising journeys so that people can move around, we might be wise to examine how people access services and how we can intervene to increase accessibility. We should ensure that public money is targeted on providing services where they can be accessed, instead of making it easier for people to move around to consume the same things. It might be better for us to broaden out the debate from the subsidy of fares through a concessionary fares scheme to the subsidy of other lifeline or marginal local services.

Bruce Crawford: That is a very interesting point.

Paul Martin (Glasgow Springburn) (Lab): We have heard the bus operators express concerns about the level of subsidy that is available for concessionary fares. Do you have views on that issue? Is the current subsidy sufficient?

Iain Docherty: It is difficult for those of us who are observers on the outside, where data are not readily available, to make a judgment on that issue. The words "commercial confidentiality" always appear when we start to make inquiries about the real numbers. I understand bus operators' nervousness about concessionary fares, especially if their introduction leads to the abstraction and subsidising of passengers who would normally pay fares to take the buses.

Clearly, that is an issue for the bus companies. The information that would enable me to make a suitably objective comment on whether bus operators' concerns are justified is not available to me.

Paul Martin: Is it difficult to obtain that information because of commercial confidentiality? Have you tried to obtain it?

Iain Docherty: I have not tried recently to obtain information on the issue. However, because of the way in which the bus industry has been structured since deregulation, it can often be difficult to get financial or patronage information from individual operators. The same is increasingly true for the privatised rail industry. Even the statistics collected at the Scotland or the Great Britain levels suffer to some extent because bus operators are private companies operating in a deregulated environment and that information is commercially valuable to them. I can understand why the operators are hesitant to give out that information, but that hesitancy can cause some problems in analysing the way in which the market operates at any particular time.

15:00

The Convener: That brings us to the end of questions to you. I thank you for your evidence to the committee this afternoon; it was—as usual—informative and well thought out.

We proceed with the second panel. It gives me great pleasure to welcome to the committee Professor David Begg, who is the chair of the Commission for Integrated Transport. It is probably fair to say that he has been a well-known and, at times, provocative figure on transport issues for many years through his roles with the Commission for Integrated Transport, the Strategic Rail Authority, the Robert Gordon University and as a former colleague of mine on Lothian Regional Council, the body that led the regional transport strategy for the Lothians. Welcome to the committee. I invite you to make some introductory remarks, after which we will go to questions.

Professor David Begg (Commission for Integrated Transport): I thank the committee for inviting me here and getting me back to Scotland for Christmas earlier than would otherwise have been the case. I am delighted to be here.

We are here only because the former regions were wound up—that is why the Transport (Scotland) Bill is being put on the statute book. The abolition of the regions in 1996 created a vacuum in strategic transport planning that has not yet been filled.

Bruce Crawford: It is good to see you here, David. It will be interesting to see how we go about

filling that vacuum. Throughout your submission, you say things such as:

“The Commission would have wanted to see the proposals go further, ensuring significant powers being transferred to regional bodies”;

and,

“CfIT would hope to see the establishment of strong regional bodies”.

We have heard evidence from Iain Docherty about models 1, 2 and 3, and, from your submission, I would say that you argue strongly that we should have gone for model 3. Why? Will you also tell us about the structure that you would use to deliver model 3?

Professor Begg: If we were to start with a blank bit of paper and try to come up with a regional government structure that was right for delivering on transport, that structure would be based firmly on travel-to-work areas. Iain Docherty was right to say that that would probably mean splitting up authority areas such as Fife because the travel-to-work flows are different in the north of Fife and the south of Fife.

I would stand back from the issue. When we talk about transport, we always make the mistake of thinking about the type of transport system we want and how we want it to impact on people's journeys. However, transport has much wider significance: it is critical for the future strength of our economy, for equality and for the environment. It is not enough just to create strong regional transport bodies that are based on travel-to-work areas. Those bodies must also have economic development and strategic planning powers. The danger is that we could create transport bodies that implement policies that are undermined by bodies that are responsible for running economic development or strategic planning.

It is difficult to top Wheatley. The Wheatley commission, which reported in 1969, spent three years undertaking in-depth robust research, after which it came up with a model for government in Scotland that was right for the 1970s. I suspect that things in Scotland have changed a bit since then and that its conclusions would need to be tweaked. That said, the Wheatley model is still the right one.

As always—indeed, it is the case in almost all of the countries that I have examined—what has happened is that politics have driven things, rather than their being driven by what is fundamentally right. I suspect that the Scottish Executive's difficulty is politics: it seems to be reluctant and unwilling to impose the structure that it wants on existing bodies, in particular the local authorities, which are, at times, reticent on the subject.

The lesson I have learned is that every government body that I visit wants more powers

and is reluctant to give up powers. That is true at Brussels, Westminster, the Scottish Parliament and local authority levels. I have known of community councils that would have taken control of nuclear weapons had they been given that option.

Although the Scottish Executive's proposal is a step in the right direction in that it makes an attempt to fill the vacuum, the Executive will have to return to the subject again in the future. Most of the new statutory partnerships will opt for the weaker model 1. Although they may prepare regional transport strategies, they will then scratch around looking for ways to implement them.

Bruce Crawford: I guess that you are arguing that, six years down the road post devolution, we need to examine the operation of the local government structure and to consider it more regionally. We are not there yet, so we need to ensure that what we have at the moment is fit for purpose, and we need to ensure effective delivery of transport projects and a strategy for Scotland. Of the three options, is option 3—which is the strongest—the best? We have heard in evidence that the joint board route might be the best route to success.

Professor Begg: Yes.

Bruce Crawford: That was a short answer. What about the funding mechanism for joint boards, given the constraints?

Professor Begg: I would go for joint boards and precept powers. If one looks back over the past 30 or 40 years, transport has been a bit of a Cinderella service, not only in Scotland but throughout the United Kingdom. We know the figures on the extent to which we have underinvested in transport.

As I said, I would prefer the joint board model with precept powers under which the joint board would determine the level of spend and precept the money from the constituent local authorities. Iain Docherty was right; that model is closest to the passenger transport executive model in England, except that PTEs do not have precept powers. I would go one stage further and give the joint boards those powers.

Bruce Crawford: That is interesting. You also raise an issue that no one else has so far raised with us. Will you expand on why you think it is reasonable for the last, strongest model to be given powers over the railways? In your submission, you say something that surprises me—indeed, you said something similar earlier in relation to the Sewel motion. You state:

“The Executive will not, however, assume powers to direct Network Rail to effect particular investments.”

Should that power be given to the Executive or should there be a more powerful regional set-up?

Professor Begg: I will unpick the question a little, if I may. You are right to want to investigate closely how we will finance the UK Railways Bill and how much of its cost the Executive will have to pick up in Scotland. There is certainly a need for much more transparency than there is at present.

The tale is complicated. Network Rail in Scotland will argue that it spends much more per kilometre of track in Scotland than it does in England, but that has a lot to do with big pieces of infrastructure such as the Forth and Tay rail bridges.

It is also possible to construct a case for track access charges that says that the ScotRail franchise pays fairly hefty track access charges in Scotland. I do not know whether the outcome is that Scotland is getting a fair deal, but the issue warrants a lot of further research.

The Westminster Government has gone a long way in devolving powers over railways, but a critical piece of the jigsaw is still missing—Network Rail. There is a persuasive case for a Scottish version of Network Rail. Such a body would provide transparency, tell us what is being paid and provide the opportunity to achieve a vertically integrated railway in Scotland, for which I have argued for some time.

If strong regional partnerships are to be created, under model 3 it would make sense to give them control over railway services that operate entirely within their areas, because that would help with integration. It does not make sense for regional partnerships to control roads and buses but not rail. If they also control rail, they will be able to get right the resource allocation between modes of transport. If you were to ask me whether resource allocation is right between different modes of transport in the UK, I would tell you that I am not sure. One reason why we do not ask that question often enough is that different agencies with different pots of money are responsible for different modes of transport.

Bruce Crawford: That brings us to an inevitable question, given the complicated nature of the matter. How can we best use the regional structure to achieve a significant modal shift?

Professor Begg: I am not sure that the regional structure is a panacea in itself. The regional bodies will certainly help to achieve proper integration between modes of transport but, as I said, we will make big strides forward only if we get land-use planning right. That is the way to achieve a big modal shift.

I will use the Borders railway, which is a case in point, as an example. I am delighted that the Borders railway is at last being taken seriously, but it has always seemed to me that it will work financially only if there is considerable

development of an appropriate density along the route. Some people who argue for the railway and are passionate about it are not prepared to agree to the land-use policy that will make it work. The creation of a strong regional transport partnership for the south-east of Scotland might help us to deliver projects such as the Borders railway, but without control of land-use planning, we will not see the big gains or the modal shift.

On modal shift, I have for some time been banging the drum about how wonderful the Länder system in Germany is. The area around Munich in Bavaria has everything to which we aspire. All modes of transport are controlled and regulated and public transport is priced to compete with the car. Levels of investment are made that we can only dream of. I took UK ministers there six months ago and my jaw dropped when the senior civil servant in Munich said, "There is one problem: we're spending more money on public transport every year but we're losing patronage." The reason is that there is no stick—there is no car restraint. Munich is BMW territory and one in six jobs is tied up with the car industry. The politicians are frightened to do anything that appears to be anti-car, which tells us what we already know: we can produce lots of carrots and make public transport wonderful but that will not achieve much on its own. It is like scissors that have only one blade: you need two blades, and the difficult blade for the politicians is the stick.

I understand where Iain Docherty was coming from in his answer to Bristow Muldoon's question about who should have the power to levy congestion charges. Iain said that if the south-east Scotland transport partnership had that power, congestion charging might not be pursued in Edinburgh, which would be a retrograde step. I agree with that, because congestion charging is a key measure in achieving modal shift. However, the principle is much more important. If we are talking about strong regional transport partnerships that have strategic control of roads, railways, buses, planning and economic development, we must include congestion charging.

Bruce Crawford: Thank you. I apologise to Fergus Ewing for nicking some of his questions from earlier.

15:15

The Convener: You suggested that responsibility for regional railway services should lie with the regional transport partnerships. In the west of Scotland, a large proportion of rail services reside wholly within the current SPT area and would be within the regional transport partnership. However, in other parts of Scotland there is a more mixed picture in which a larger proportion of

services cross regional boundaries. How would that affect the relationship between the partnerships and the franchise holder? What scope would there be for a significant change in responsibility, given that the franchise has recently been let to FirstGroup for the next seven years?

Professor Begg: You would have to unpick that. I do not know whether that could be done successfully or in a way that would not be challenged legally. I am starting with that blank bit of paper and saying, "This is what's best." However, if we consider railways in Scotland, it is amazing how many services fall within the proposed regional transport partnerships.

In the Highlands, for example, much of the railway there would fall within the boundaries of the Highlands and Islands regional transport partnership. People in the Highlands know best how to allocate public funds there; elected members know best what level of spend is appropriate for the railway line between Inverness and Kyle of Lochalsh and the line between Inverness and Wick. They are in a position to make such important strategic decisions.

I would like the Scottish Executive proposal to have included the creation of a genuine partnership between Parliament and the new regional transport partnerships. We are creating strong and powerful bodies, and I would like to have seen MSPs sitting on the partnerships.

The Convener: I have another question on rail powers. You will be aware that the current situation in Scotland is that the Executive has varying degrees of commitment to, or prioritisation of, a number of transport projects that have been led by a range of different bodies throughout Scotland, such as the Campaign for Borders Rail and Clackmannanshire Council. Will the regional transport partnerships be more able to deliver on such projects than the range of often very small organisations that currently try to take the lead on them? Finally, this might be going a bit beyond the bounds of the discussion, but would it be sensible for us to revisit the way Parliament deals with railways, in that it must introduce bills to promote new railway developments?

Professor Begg: One of the encouraging aspects of policy in Scotland since the Parliament was established is that there has been a substantial increase in transport spend, particularly in the past two to three years, which is welcome. As we all know, however, the problem is that it is not just about increasing spending, but about whether we can deliver. There is a big question about the capability of the delivery agencies in Scotland, although that is also true in England. I do not think that the delivery agencies will be able to develop the railway infrastructure in Scotland, which is why there is a need for new and strong statutory partnerships.

The Convener: On other aspects of public transport, particularly bus services, the committee has recently been carrying out a fair bit of work on the degree to which the Transport (Scotland) Act 2001 has not been used by local authorities—or groups of local authorities, through existing partnerships—to introduce statutory partnerships, quality contracts and so on. Would a benefit of the proposed organisations be that they are potentially more able to bring to bear their expertise to drive forward aspects of the 2001 act?

Professor Begg: That is possible, but Strathclyde Passenger Transport Executive has such capability and expertise; it has not, however, applied for a quality contract, nor have any of the six passenger transport executives in England. There are a number of reasons for that. The legislation has it just about right on quality contracts versus statutory quality partnerships. It is important that the option exists for local authorities if a bus company is seen to be failing—*[Interruption.]* Is that Alistair Darling on the phone to tell me that I am out of line?

I strike a note of caution, however. Why do we want quality contracts? I presume that we want them to make buses better and to get more people on buses. We were not in the past good at doing that under a regulated system; local authorities were not very good at running buses. I remember that sometimes, when I was in local government, we put new bus routes on in areas where people were shouting loudest, rather than where they were most needed.

I also direct members' attention to Belfast, which has a regulated state-owned bus and rail system that is haemorrhaging large numbers of passengers every year. The main reason why is that there is hardly any car restraint. There has been a twelvefold increase in the number of parking spaces in Belfast over the past 30 years. It is easy and cheap to park one's car there and buses cannot compete in that environment.

I am not saying that there is not a legitimate debate to be had on regulation versus deregulation—there is—but in terms of changing travel behaviour other policies are much more important, such as car restraint, decent urban density levels and so on.

The Convener: You had better be careful not to give the impression that you are speaking with the authority of Alistair Darling. Fergus Ewing might not let you leave this afternoon.

Professor Begg: I am not speaking with his authority. I should have stated that as a sort of health warning at the start.

Fergus Ewing: I apologise for the fact that I was not here at the beginning of your remarks. I had to go to another meeting.

In the section of your paper that deals with the financing of the RTPs, you suggest that the Scottish Executive should provide funding directly to RTPs in situations in which powers have been devolved from individual local authorities. Could you expand on that?

Professor Begg: When you were out of the room, I said that I prefer model 3, which involves the creation of strong regional transport partnerships. There are two ways in which that could happen: either the Scottish Executive and the Scottish Parliament say that that is what they want and prescribe it in legislation, or they create incentives for RTPs to be created. There are all sorts of ways in which local authorities can be incentivised to ensure that they would go for model 3.

I am impressed by what has happened in England. Before the heavy no vote in the north-east of England, England was headed down a regional route. However, the Government will still try to devolve more and more powers relating to regional budgets and regional development agencies. That is happening in shadow form. The Department for Transport is starting to work out how much it would spend in various regions and is allocating that amount of money to the regional development agencies and partnerships, which can determine how best to allocate funds—*[Interruption.]*

Bruce Crawford: That will be Alistair Darling on the phone now.

Fergus Ewing: Funding is one of the weaknesses of the bill; we have no clue as to how it is going to work. For example, Orkney Islands Council is extremely concerned that it will have to pay a contribution that might be more than two or three times its current contribution. Equally, other councils might benefit from the proposals and they will keep quiet. If there are to be strong regional transport partnerships, they must have a fair degree of financial independence. If they are too dependent on their constituent council members, they will be hampered from the start.

Secondly, will there be conflicts in respect of different populations of council areas and therefore in respect of the number of votes they will have—one, two, three or four—in RTPs' decision making? Do you see there being problems in securing a robust RTP model?

Professor Begg: I share your concern on finances. As I said, the way round that problem is to have a joint board format in which the regional transport partnerships can precept money from the constituent local authorities, which will give them autonomy and independence. Many people will not like that, because it will give what they might view as preferential treatment to transport.

However, I argue that the situation in Britain in the past was exactly the opposite; transport was treated in anything but a preferential way.

Voting rights are tricky. There are all sorts of difficulties and challenges. I can see the problems with the current proposal, in that a large urban authority that has a population base that is 30 times bigger than a small authority would have only four times the votes. I understand the principle behind the proposal—the aim is to ensure that the smaller areas have decent representation—but I suspect that it goes too far.

Michael McMahon: On road works, which I spoke to Dr Docherty about, you appear to be quite happy that the road works commissioner will not be particularly controversial at strategic level. At the practical level, do you have any concerns about the powers that the commissioner and local authorities will be given in respect of the reinstatement of roads and the condition of works?

Professor Begg: My starting point is that the way we have managed road works throughout the UK has been absolutely crazy—utilities companies have been able with complete impunity to dig up roads and cause levels of congestion that are unacceptable for many people. We would not do that with any other resource. A utility company would not phone up BAA and say, “Can we have the main runway at Edinburgh airport for the next month because a gas pipe needs repaired?” It would not happen. The more we charge the utilities companies for the economic costs they impose, the more quickly they will get in and out.

Serious debates have taken place on that issue at Cabinet level at Whitehall between the Department for Transport—the Department of the Environment, Transport and the Regions, as was—and the Department of Trade and Industry. The DTI always argues that to charge the utilities companies the true economic rent would push up our gas and electricity bills and our Sky television would cost more, but the Department for Transport produces figures that show how much it costs in terms of congestion.

On your question to Iain Docherty on how much congestion road works cause, Transport for London’s figures are that they contribute 15 per cent towards congestion. The Highways Agency for the UK states that the figure for the strategic motorway network is about 13 per cent. I suspect that the 10 per cent figure that has been quoted for Scotland is right, on the basis that Scotland has many more rural roads.

My problem is not with the creation of a road works commissioner—the more co-ordination the better—but it probably makes more sense to address the issue at regional level although, once again, what type of regional partnerships will we

have and how strong will they be? If the regional partnerships were strong, that would make a lot of sense. My problem is that I wonder whether we have sufficient leverage with the utilities companies, and whether the fines are high enough.

Michael McMahon: Let us accept the 10 per cent figure. We have received evidence that 5 per cent belongs to local government road works and 5 per cent is due to the utilities companies. Is there a danger that giving powers over road works to local authorities will skew the argument towards the utilities companies when there is an even share of responsibility?

Professor Begg: Yes. It could be argued that local authorities are poachers and gamekeepers.

Michael McMahon: Does their having powers to act as gamekeeper on the issue have an inherent danger?

Professor Begg: Yes. That will have to be watched closely, because a conflict could occur.

Michael McMahon: Could the road works commissioner ensure that local authorities take an even-handed attitude to utility companies?

15:30

Professor Begg: I understand that that is one reason for creating the post of commissioner.

Michael McMahon: So you are content that that will serve a purpose.

Professor Begg: I hope that it will.

Paul Martin: You have said that you want a national concessionary fares scheme with a national reimbursement formula. Will you elaborate on that?

Professor Begg: There is no doubt that the reimbursement formula for the Welsh concessionary travel scheme is different from that in Scotland. Iain Docherty said that he was unsure about the statistics or whether bus operators in Scotland were right to complain that the reimbursement formula left them worse off. If they are worse off, that is not right, because a concessionary travel scheme should leave operators no worse or better off.

Interestingly, it could be argued that the Welsh scheme has been too generous and has left bus operators a bit better off. However, that has produced a desired result. It has changed the economics of the bus industry in Wales and meant that private operators have invested much more and shown decent levels of patronage growth, not only among people who pay concessionary fares but among full-fare paying passengers.

If we do not create strong statutory regional partnerships, I prefer a national concessionary

scheme, because that is much less complex and is easier to administer and understand than 16 separate schemes.

Paul Martin: We discussed reimbursement of operators as part of our bus inquiry. Can we not expect something from the operators, given the other business that the concessionary fares scheme will attract? Operators would run a bus anyway—I am talking in simplistic terms; I know that that is not very economically accurate. If the operators are operating the system anyway, surely we cannot reimburse them exactly to the extent that is being sought.

Professor Begg: There is a balance to be struck. Few people understand how concessionary travel finances operate or understand the generation factor, which is critical in determining how much bus companies are paid. I suspect that the scheme in Scotland has not been generous to operators.

Paul Martin: Your submission makes quite a strong statement about the potential for operators to abuse the national scheme in Wales. Will you elaborate on that?

Professor Begg: The potential exists. That needs to be bottomed out and more research is needed. The allegation that some have made is that if bus operators depend heavily on revenue from concessionary travel and that represents a significant proportion of their income, they will be more inclined just to increase fares for full-fare paying passengers, which is in their economic interest. However, I place a health warning on that. We have been given that evidence, but we want to research it further.

Paul Martin: With Iain Docherty, I touched on extending the scheme to ferry services. The Scottish Youth Parliament has called for such an extension for young people. What are your views on that?

Professor Begg: I used to like the road-equivalent tariff, which was abolished during the Thatcher Government. The tariff meant that if, for example, someone took a lorry from an island of Scotland to the mainland, their ferry fare was equivalent to what the mileage cost would be if the travel was on land. That required a significant level of subsidy, but the concessionary travel scheme should apply to ferries.

Paul Martin: Would that have an economic impact on the islands?

Professor Begg: Yes. Iain Docherty is right that the cheaper we make transport, the easier it is for people to travel and therefore the more likely they are to bypass local facilities. However, the arguments that we apply to the islands should not be different from those that we apply to rural

communities on the mainland. If the arguments were different, we would not argue for cheaper motoring costs in rural areas.

The Convener: We have discussed a national concessionary scheme for bus travel and your views on such a scheme for ferry travel. Should we consider a national concessionary scheme for rail travel?

Professor Begg: In an ideal world, yes, but the matter comes back to cost and capacity. Fife Council was one of the first councils to introduce free rail travel and I remember trying to get on a train at Kirkcaldy to go to Aberdeen, but it was full of pensioners who were going from Kirkcaldy to Dundee to play bingo. I remember thinking that it would be much easier to have a bingo hall in Kirkcaldy than to have the pensioners travel to Dundee. I give a health warning about capacity issues and cost.

I support free travel for pensioners; it is an incredibly popular issue politically, but it would not be my first move on the concessionary travel front if I were a minister in the Scottish Executive. My first move would be to extend 50 per cent concessionary travel to excluded groups, to 16 to 18-year-olds who are in full-time education and to people who receive means-tested benefit. I understand the arguments for free travel for pensioners; the policy is popular, but it does not target the limited resources in the right way to tackle need. We have a problem when people who are not retired and who are on low incomes have to pay full fares—that undermines a key social inclusion objective.

Bruce Crawford: I want to wind back a little. When you were talking about roads, an issue struck me on which I would like to hear your view. At present, trunk roads in Scotland have premium units, which are put out to competition. Is it your argument that if we had strong regional transport authorities, they should take on board responsibility for trunk roads?

Professor Begg: Yes.

Bruce Crawford: Fine. That is simple.

The Convener: That brings us to the end of our questions. I thank David Begg for his evidence, which has been useful. I hope that we have let him go early enough to allow him to get all his Christmas presents in time.

Professor Begg: Thank you and good luck.

The Convener: I suspend the meeting for a few minutes before we take evidence from the Minister for Transport.

15:38

Meeting suspended.

15:43

On resuming—

The Convener: I welcome to the committee the Minister for Transport, Nicol Stephen, who is here to answer questions on the Transport (Scotland) Bill at stage 1. I also welcome the officials who are here in support of the minister. They are John Ewing, the head of the transport group; Jim Logie, a divisional solicitor with the Scottish Executive; Frazer Henderson, team leader for the bill team; and Richard Hadfield, policy officer with the bill team. I invite the minister to make any introductory remarks on the bill.

The Minister for Transport (Nicol Stephen): I am pleased to have this opportunity to discuss the Transport (Scotland) Bill with the Local Government and Transport Committee. The bill has already generated a good deal of interest and rightly so. Transport has a crucial bearing on Scotland's economy, the social well-being of all its communities, and on our environment, health and quality of life. Good transport is crucial to Scotland's future success.

We have ambitious plans for Scotland's transport. Next year, our transport budget will be substantial and will exceed £1 billion. Some 70 per cent of that will be spent on public transport to ensure that we develop a sustainable transport system. By 2008, the budget will have risen to around £1.4 billion. By comparison, in 1999 the transport budget was £330 million, of which only 50 per cent was spent on public transport projects. Such major new investment underlines the vital role of transport in growing the economy. That is recognised not only by the Executive, but by all political parties in the Parliament and we believe that that partnership approach is important.

The key issue now is delivery—as I have said before, it is our biggest challenge—and the Transport (Scotland) Bill is central to delivering on that challenge of transforming transport delivery in Scotland. I intend to ensure that we invest in new professional skills to build capacity for our major projects and to promote a more strategic approach to transport at all levels. We will do that through the creation of a new national transport agency to improve the delivery of transport by central Government. Under the bill, we propose to set up new statutory regional transport partnerships to help the planning and delivery of transport in a more strategic way at the regional level. For the first time, we will have in place those new organisations and, just as important, a new Scottish transport strategy, which will be supported at the regional level by new regional transport strategies.

In setting out the context for the bill's proposals, I want to bring the committee up to date on where

we are with the establishment of the national transport agency. Detailed work on the issue continues, but ministers have agreed the high-level functions that the agency should take on once it is established at the end of 2005. The primary focus of the transport agency will be the delivery of the Executive's £3 billion capital investment programme over the next decade. Therefore, its key responsibilities will be major transport infrastructure projects for rail, tram and trunk roads. The agency will also be responsible for the development and maintenance of our trunk-road network. In that way, it will be tasked with the management of Scotland's major transport infrastructure. Some important transport functions will remain with the Executive's transport group, but the agency and the Executive will work closely together alongside our other partners, including the new RTPs, to deliver the Executive's crucial transport commitments.

As the committee is aware, the proposed regional transport partnerships, which will be established under part 1 of the bill, had quite a long lead-in time. However, the proposed arrangements are broadly in line with what had been indicated and what was expected. Last year, we carried out an extensive consultation on the future of regional transport delivery structures. That culminated in a national transport conference at the Scottish Exhibition and Conference Centre last November. Based on that consultation, we announced our policy proposals in June in the white paper "Scotland's Transport Future: Proposals for Statutory Regional Transport Partnerships". Those proposals have since been developed into the detailed legislative proposals in the bill.

Although I have followed the committee's evidence-taking sessions with interest, I have also had my own discussions with the key organisations and individuals involved. I have met all the existing voluntary transport partnerships, the Convention of Scottish Local Authorities, Strathclyde Passenger Transport and a significant number of transport operators, councillors, business representatives and other interested individuals. Especially among those who were involved in the existing partnerships and in the delivery of regional and local transport, there was a strong level of support about the need to introduce a structure that was more formal and statutory in nature but which left many key decisions to the regional transport partnerships and their constituent councils.

In its discussions with witnesses, the committee has identified all the key issues—certainly, those that I have encountered in my discussions—and I welcome the opportunity to discuss with members some of the comments that have been made and the concerns that have been raised. Some of

those issues are the boundaries of the partnerships, the pros and cons of having one member per council on the partnerships, and the position of external members and their role in voting on certain sensitive issues. A further issue is the funding of the partnerships and requisition from the local authorities. I have always recognised the fact that that might not be welcomed by all the local authorities; nevertheless, there are no easy alternatives. Finally, our proposals for the west of Scotland and the future of SPT and SPT's rail functions have been the subject of considerable attention.

In respect of part 2, I am pleased that there seems to be broad agreement with our proposals to improve the co-ordination and quality of road works. It is clear, from my review of the evidence that has been presented to the committee, that the witnesses have recognised the importance of roads to Scotland's economy. Our roads need to be well managed and well maintained and kept open and free flowing wherever possible. That was also strongly recognised in the consultation exercise that we conducted last year. I welcome especially the strong support for the establishment of a statutory Scottish road works register and the requirement for all parties—utilities companies and road works authorities—to enter the relevant details on that register. When the register is complete, up to date and on a statutory basis, it will be valuable and will lead to better planning and more efficient delivery of local roads.

It is clear to me that there is support for a body through which overall national performance on road works can be monitored and improved. A number of influential organisations, including the national joint utilities group and COSLA, support the establishment of an independent commissioner. The committee has raised concerns about the adequacy of the resources that we are attaching to the post and about the fact that the commissioner will seek to achieve improvements by the utilities companies in a different way from that in which they will seek to achieve improvements by the road works authorities. Each of those parties performs a distinctly different duty; however, I would be happy to provide clarification, and I will listen to and, in due course, reflect on the further views of the committee.

In respect of concessionary travel, the provisions in the bill will provide the Scottish ministers with the power to run national concessionary travel schemes directly instead of according to the current model, whereby concessionary travel schemes are entirely a local authority responsibility. As members know, the introduction of national concessionary travel schemes is a partnership commitment. I will make

a parliamentary statement tomorrow about concessionary travel.

There are other provisions at the end of the bill, but they have received less attention. It would probably be best for me to stop rather than to go over every issue at this stage. I would be happy to assist the committee in its consideration of any of the issues in the bill and to answer any questions that members may have.

The Convener: Thank you for those introductory remarks. Before we begin our general questions, Bruce Crawford would like to know the degree to which you will be able to answer questions on the concessionary fares scheme, given that you will make a statement in Parliament tomorrow.

Bruce Crawford: We have taken a fair amount of evidence on the national concessionary fares scheme and I am sure that committee members have lots of questions on it. Before we begin the formal process of taking evidence from you, can you tell us how much you will be able to tell us ahead of tomorrow's statement? Your response will colour what we want to ask you about. If there are certain things that we want to discuss that you will not be in a position to discuss, there is no point in our wasting time on those things today. I would just like to understand where you are coming from.

Nicol Stephen: The details of our proposals are for Parliament tomorrow afternoon and it would be inappropriate for me to go into them just now. I am happy to take questions on the detail of what is proposed in the bill, although it is enabling legislation and it is not compulsory that we use the provisions. The only indication that I will give the committee ahead of tomorrow's announcement is that it is our intention to make use of the section in due course, rather than to operate through the 16 existing schemes. The section will be important for tomorrow's announcement, but I will wait until tomorrow afternoon to inform the whole Parliament of the detail.

The Convener: That is a sensible way in which to approach the issue. Members who want to ask questions about the detail of the proposals will have every opportunity to do so tomorrow afternoon. By the time the committee comes to conclude its stage 1 consideration of the bill, we will be aware of how the Executive intends to use the powers.

Nicol Stephen: That is correct. In due course, there will be a stage 1 debate on the bill and a stage 2 process. Members will have other opportunities to ask me questions.

Bruce Crawford: That is fair. However, tomorrow you will be making a statement and, because time will be limited, not all members of the committee will get a chance to put questions to

you and have them answered. Would you respond to a request from the committee for further information following tomorrow's statement, so that it can be exposed to scrutiny not just by the Parliament, but by the committee?

Nicol Stephen: Obviously I would respond to such a request, which the committee could make through the convener or co-ordinate in some other way. I would be happy to respond to questions in correspondence.

Fergus Ewing: I want to ask about regional transport partnerships. I am sure that you will not necessarily disagree that our difficulty is that the bill does not say what the powers, responsibilities and duties of the regional transport partnerships will be, except that they will be required to formulate a strategy within 12 months. We do not know how powerful the partnerships will be, despite the fact that the consultation paper envisaged three levels of powers—levels 1, 2 and 3, with level 3 being the level with the greatest powers, perhaps along the lines of those that are held by SPT. That has caused me genuine difficulty in reaching a view on whether the RTPs will be toothless tabbies or sabre-toothed tigers. You have indicated that the acid test—what counts—will be delivery. The RTPs must deliver, but can they make any real difference to delivery if they have only level 1 powers?

Nicol Stephen: Yes. Let us be clear about this. The current voluntary transport partnerships are helping to deliver. They deliver a range of projects throughout Scotland. One reason why we are promoting the establishment of statutory partnerships is the success of the voluntary partnerships in promoting and delivering projects.

In the SPT and west of Scotland transport partnership area, there is already a significant and powerful regional structure. Fergus Ewing knows about some of the projects to which the Highlands and Islands strategic transport partnership has given high priority. Funding has been made available in the Western Isles and in Shetland. HITRANS has also developed proposals for the public service obligation air network, funding for which has been provided by the Executive. We have worked in partnership not only with HITRANS but with the European Union, which has provided funding so that we can start to put some projects in place.

We can do more. I do not believe that any of the statutory partnerships will be involved only in delivering a regional transport strategy. The last thing I ever want in my political life is for organisations to produce documents that lie on the shelf and gather dust. That happens too often with documents in both planning and transport. This must be about delivery. One reason why we will kick-start partnerships with substantial capital

funding of £34 million per annum is to enable them to deliver capital projects from day one.

16:00

Fergus Ewing: I agree that the existing voluntary partnerships, including HITRANS, have been doing a good job. If that is the case and the proposed RTPs will have not dissimilar powers, that begs the question, "What is the point?"

Do you acknowledge that it is difficult for us to make a judgment on the bill, given that it does not spell out what powers and responsibilities RTPs will have? Before we proceed to stage 2, will you produce statutory instruments—in draft form, at least—that spell out those powers and responsibilities? Can you tell us today whether the RTPs will have powers over rail routes, for example, as I believe Professor Begg recommended?

I will pick a pertinent example in which many people will be interested. Should the RTPs be assigned the legal responsibilities and rights in relation to trunk road maintenance that BEAR Scotland and Amey Highways Ltd carry out and will RTPs be given responsibility for determining whether arrangements for the maintenance of trunk and non-trunk roads should be decided by the RTPs themselves rather than centrally by the Scottish Executive?

The Convener: That was about five questions.

Nicol Stephen: The question certainly covers a lot of ground. I will start at the beginning. I fully understand the committee's concern about the lack of detail in the bill. By stage 2, we will have made available draft regulations. Although I am always concerned when there is a lack of detail in a bill, sometimes there are good reasons for that. In the present case, there are good reasons. We want to give the RTPs the flexibility to have constitutions and sets of powers that are specific to their circumstances; in other words, we are not opting for a one-size-fits-all solution.

I am certain that the west of Scotland will have a powerful regional partnership that has significant public transport powers as well as some roads authority powers. In other parts of Scotland, there might not initially be a desire to transfer those powers from local authorities. However, it is interesting that there is already a suggestion that some authorities will consider such a transfer. We should not just assume that other parts of Scotland will opt for RTPs that have the lowest level of powers. Even if they do not go for RTPs that have stronger powers from day one, there will still be a healthy interest in developing RTPs that have stronger powers.

We will ensure that the regulations are made available. That deals with your first point; you

might have to prompt me on some of the other points that you made.

You asked why the RTPs should not just stay as voluntary partnerships. They should not do so because a number of the partnerships, together with COSLA and the transport operators, realise that the current voluntary arrangements are being stretched and that it would be helpful if progress were made on some of the schemes—whether those are park-and-ride schemes or bus priority measures—the delivery of which has been frustrated. If we could make such progress, we would give people in Scotland confidence that we will deliver new public transport projects effectively, on time and on budget.

The Convener: The other questions were about whether RTPs would be given powers over trunk roads and railways.

Nicol Stephen: On trunk roads, we have made it clear that we are willing to consider not only the transfer of powers from local authorities to the RTPs but, in due course, the transfer of powers from the Executive to the RTPs. The partnerships would have to make a case for that and it is unlikely that the powers would be transferred from day one. If proposals were made on trunk roads, ferries, air services or airports, we would give them serious consideration, provided that we believed that they would lead to benefits in transport delivery.

On rail powers, we have been consistent in saying that such powers should rest with Scottish ministers. That is reflected in the UK Railways Bill and in the proposals in the Transport (Scotland) Bill, as well as in the work that has been done on the Sewel motion for the Railways Bill. The intention is for powers over the ScotRail franchise and the rail infrastructure to be transferred to the Scottish ministers. However, if a regional transport partnership—the proposed west and south-west partnership, for example—wanted to take powers for the management of services, we would be willing to transfer powers to the partnership to give it responsibility for the development and management of the rail franchise and local rail services. If other parts of Scotland made similar proposals, we would consider them seriously.

Fergus Ewing: As I understand it, each RTP will have one councillor from each local authority within its boundaries. Does the minister feel comfortable with the fact that, just as the single transferable vote system of proportional representation is introduced for local government elections, he—a Liberal Democrat minister—is introducing a first-past-the-post system for representation on RTPs?

Nicol Stephen: I have given a lot of thought to that issue. It would be possible to have a larger

number of representatives from each authority, but another factor is the size of authorities and whether or not we should allow all authorities, no matter how big or small, to have an equal number of representatives on the regional transport partnerships. We could end up with very big regional transport partnerships, the boards of which would cease to be boards and would become like mini councils. If we were to limit the number of councillors per authority and perhaps allow larger authorities to elect more than one member but allow the smaller authorities only one member each, political balance might come only from the larger authorities.

I have also considered introducing a provision such as a duty on regional transport partnerships to have political balance in their structure and then leaving it to each partnership to decide how best to arrange that. However, that raises difficult issues about ensuring that a local authority's powers of requisition are fairly protected. Many local authorities are nervous that the executive—the ruling administration of whatever political colour—might lose control of its budget if a reasonable approach is not taken to requisition powers.

Having considered all those issues, I made the proposals that are in the bill, but they are not absolute. If sensible, constructive suggestions are made for how we can address some of the issues, I will consider them carefully, but I do not want to end up with huge regional transport partnerships with significant memberships. Outside representation on RTPs is important and we need to encourage it—it has been successful in the voluntary partnerships in which it has happened; however, the RTPs need to be able to make decisions and need to be of a size that will work, which suggests to me that the overall size of the membership must be kept sensible.

The Convener: Aside from the issue of the number of council members who will be on each partnership, a number of authorities—in particular Glasgow City Council—have made representations about the weighting of votes on the RTPs. In his evidence earlier this afternoon, Iain Docherty drew attention to the fact that a small part of Argyll and Bute would have one vote on the proposed west and south-west regional transport partnership, but the city of Glasgow, which has perhaps 20 or 30 times the population of Argyll and Bute, would have only four times the weighted vote. Do you feel that, in trying to give recognition to some of the smaller authorities, due recognition is not being given to the population of some of the larger authorities?

Nicol Stephen: I understand that argument, and exactly the opposite argument has been made to me by Shetland Islands Council and Orkney

Islands Council. They have small populations and they are extremely concerned about being outvoted on the proposed Highlands and Islands regional transport partnership by the mainland councils—Argyll and Bute Council and Highland Council. They believe that they should have some sort of blocking vote to ensure that nothing is imposed on the islands that their communities would not want to happen. They want a more significant vote than they are being offered, which is the reverse of the other argument.

We are not following the joint boards example. Having joint boards would mean that island communities in the Highlands and Islands area would be even more considerably outvoted. We are trying to offer a compromise solution and a balanced way forward. You are right to say that Glasgow and the other larger authorities, such as the City of Edinburgh Council, will not receive their full share of votes, but my view is that we do not want any authority to be dominant in any of the regional partnerships. We want a genuine partnership approach. I think that it is reasonable to offer the larger authorities up to four votes, which gives them significant power. It would have been difficult to convince the west of Scotland partnership to go for a one-authority-one-vote approach. I understand that and appreciate the point that you made in your question.

Giving Glasgow and the other large authorities four votes is a reasonable step that will help the consensus approach in the partnerships and will ensure that, although the larger authorities will have greater weight, they will not have dominance and will need to work with other local authorities in a consensual fashion. That is how the voluntary partnerships have been working. Few of them ever have a formal vote; they try to overcome their difficulties and reach joint agreements. That is how I would like the statutory regional transport partnerships to operate as well.

The Convener: As I understand it, SPT rarely has a formal vote on its main board. However, the representation on SPT takes account of the relative sizes of the various local authorities. If that has not caused a problem in SPT, why do you envisage it causing a problem elsewhere?

Nicol Stephen: SPT operates in that way because of the number of councillor representatives that it has. The authority is big and there are several representatives from Glasgow. Again, the number of weighted votes is something that I am willing to consider. If there is a sense of unfairness in that regard, I will consider that. However, as I say, there are arguments in both directions. While I am willing to consider allowing various regional transport partnerships to start off with different sets of powers, I would like to ensure that there is as much consistency as possible so

that the regional transport structure across Scotland is as easy to understand and as clear as possible. If there are different weighting systems, different voting systems, different financial systems, different constitutions and different approaches in various parts of Scotland, that would cause me concern. I want to try to protect the approach taken in the bill as far as possible without necessarily defending every last detail of it.

The Convener: Would it be better if local authorities or regional transport partnerships held the powers to introduce congestion charging? My second question is topical, given your announcement earlier today. Would it be better if local authorities or regional transport partnerships held the powers to control the tolled bridges?

Nicol Stephen: It would be fair if both of those issues were dealt with at the regional level. If that was something that the local authorities wanted to share through the regional transport partnerships, that would be appropriate.

On tolled bridges, the situation is not quite as straightforward as simply having a group of local authorities transferring the powers, because there are formal structures in relation to the Tay bridge and the Forth bridge and we would have to consider the future of the Forth Estuary Transport Authority, for example. I would be happy to liaise with the emerging regional transport partnerships on the second stage of the tolled bridges review that will now take place. I say “emerging” because, under the current plans, if the bill proceeds through the Parliament in the way in which I hope it will, the partnerships will not be formally constituted until spring 2006. However, the issues could be considered throughout 2005 as we develop our proposals.

If any regional partnership wants to examine congestion charging, they should get the issue on to their agenda as soon as possible next year while they are developing their thinking. For the moment, the position is clear, and that position will not change for the existing proposal. However, I should not say anything more about that because I will have to give formal consideration to that proposal if it comes to me in due course.

16:15

Bruce Crawford: All of us on the committee agree that transport is crucial to the growth of our economy and to enhancing inclusion. There will be no argument from any side about that. However, I am not sure that I am convinced about the means of getting there and some of the processes in which we are involved. I know that during the past 18 months, the Scottish Executive carried out research that examined models across Europe.

One of the models that it came up with was a strong region-based model.

I have also been very impressed by the way in which you are prepared to consider issues. We have you at a disadvantage because we have just taken evidence from Professor Begg and Iain Docherty, who gave some pretty compelling evidence about why they thought that model 3 in the consultation document might be a better model for delivery. David Begg's submission states:

"It is clear that the Scottish Executive's proposals, as they stand, fall short of what many observers had wished for."

Iain Docherty's submission says:

"However, the Bill's proposals (as they stand) fall well short of the kind of strong regional bodies highlighted"

by the Executive's research. Given your willingness to reconsider and the evidence that we took just before you came to the committee, would you consider going back and looking at some of that evidence before we get to stage 2 and the draft statutory instruments that you propose to bring to us, and reconsider whether model 3 might not be the one that will deliver the projects that we require in Scotland?

Nicol Stephen: I have always tried to work with the grain and with others such as COSLA, the local authorities and the existing partnerships. As I think was already mentioned, there was some reluctance to move from a voluntary structure to the proposed statutory structure. Initially, there was a strong element of nervousness about the implications of the statutory regional structure. Of course, that is different in the west because it already has SPT and wants to continue with that stronger structure.

When I went to speak to the south-east Scotland transport partnership at its recent gathering, I was surprised but encouraged that when there was a show of hands on which option would be best for their area, virtually everyone in the room, including the transport professionals and the elected representatives, supported model 3. I spoke informally to several councillors from the SESTRAN area, who told me that they believe that, although they will not go for model 3 initially, it will not be long before they move in that direction and want to transfer more powers. That seems to be the unanimous view of those involved in transport; I wonder whether there is still a degree of nervousness among others in local authorities who are not transport conveners or transport professionals at seeing local government powers moving to a new regional partnership.

That is why I am trying to do as much as I can to reassure people that the Executive will consider transferring some of its powers to the regional partnerships. It should not be seen as a threat to

local authorities. It is all about improving the delivery of transport in Scotland and making sure that some of the projects of real strategic or regional significance that are being neglected or are failing to deliver at the moment are tackled and delivered as quickly as possible.

It is down to all of us in this room, and those involved in the transport sector in general—including David Begg, transport operators and all the people who really believe in transport in Scotland—to go out there and sell the message powerfully that the transport partnerships have to be more than the current voluntary partnerships. There is a real opportunity here to build something significant for Scotland. The faster we can move, and the more we can develop the partnerships at an early stage, the greater the opportunity we have. If I were simply to say that, from today or from next month, this is the way that it is going to be, and if I were to dictate that from the centre, my fear would be that we would not get the spirit that is so important to making progress in Scotland on important transport issues.

Bruce Crawford: I am encouraged by that. You are obviously prepared to move on. I hope that, as this matter rolls on over the coming weeks, we may yet allow fortune to favour the brave.

I notice in the bill that the regional transport strategies will need to be in place within 12 months. Do you intend to do something similar for the national strategy? If not, why not?

Nicol Stephen: Yes. We intend to start the consultation on the national strategy early in 2005. We intend to give some guidance to the regional transport partnerships on their developing regional strategies to ensure that the regional strategies align with each other and align with the emerging national strategy, and we hope to have completed all of that work by the end of 2005 or early 2006, so that we have a national strategy in place at the same time.

Bruce Crawford: Do you intend to write a requirement for that into the bill in the same way that it is written into the bill for regional strategies?

Nicol Stephen: No. That is not currently a requirement in the bill, and we do not intend to write it into the bill. There are arguments either way on that, but the current proposal, as you know, is that it should not be in the bill. It is simply a ministerial policy decision that has been taken to have a national transport strategy.

David Mundell: Will you clarify section 1 of the bill? On reading it after hearing some of the evidence, I was not 100 per cent clear whether the intention of the bill is to divide the whole of Scotland into regions and therefore to require a regional transport partnership to cover every part of Scotland, or whether it would be possible for

areas of Scotland not to be covered by a regional transport partnership.

Nicol Stephen: The current intention is for the whole of Scotland to be covered by the regional transport partnerships, so that no area of Scotland would be left out.

David Mundell: You would agree that most people's interpretation of the word "partnership" would be that all the parties to that partnership would be in agreement to being in partnership, yet from your review of the evidence you will know that we have heard from Dumfries and Galloway Council that it considers that it is not appropriate for the council to be part of the west of Scotland partnership. That is partly a boundaries issue, on which you are consulting, but it partly goes to the heart of the bill, because if the council was not to be part of that partnership and if it was not to be part of the east of Scotland partnership, it would effectively have to be a partnership on its own. That is highlighted in Dr Docherty's evidence. Do you envisage it to be possible for a council to be a partnership on its own if that was what it saw as the most appropriate strategic position?

Nicol Stephen: I struggle with the logic of that. As you say, it is difficult to be a partnership of one, but I do not rule that out because I know that Dumfries and Galloway, which is now a single-tier authority area, was a regional council area. There are some strong arguments about the different regional interests in Dumfries and Galloway. It is obviously not a natural part of the west of Scotland travel-to-work area. There is not the same obvious connection that most of the other local authorities in the west of Scotland area have. That said, some might argue about the closeness of their links to Glasgow compared with some of the others. I do not rule out making one authority into a regional transport partnership on its own or even suggesting that it develop closer links with another authority.

That said, I have argued to Dumfries and Galloway that it would be a significant authority in the west of Scotland partnership. After all, it has already received significant benefits from being part of WESTRANS. Indeed, I have visited Dumfries to launch some of the transport initiatives that have been funded through that route and am certain that being part of a west of Scotland partnership would bring similar benefits to the area. However, I am not reaching a final decision today. We will examine the consultation responses very carefully and take the committee's views into consideration.

David Mundell: But you must accept that any decision to proceed along the single partnership authority route would have to be allowed for in the regulations that you will make. After all, you cannot have one and a half representatives on a board.

Nicol Stephen: Of course. We would have to allow for that in the detail of the bill and in the regulations. All that must await any final decision on the matter, but I do not rule anything out at this stage.

David Mundell: You said earlier that you envisaged the west of Scotland partnership having strong powers. You will appreciate that such a comment might reinforce concerns in Dumfries and Galloway.

Nicol Stephen: That brings us back to Bruce Crawford's question whether we should encourage—or indeed force—local authorities to transfer public transport powers to create stronger partnerships that would be able to tackle major transport issues at a regional level. However, some local authorities are protective of such powers and will be slow to transfer them. Obviously, in the west, the old Strathclyde Regional Council area—which is also the SPT area—is the only one where powers are already pooled and shared. The exception in that example is Dumfries and Galloway, which is not part of SPT but is a member of WESTRANS. If we forced it against its wishes to become a member of the west of Scotland partnership, we would effectively force it to transfer its public transport powers.

I understand all the arguments and believe that the partnership could bring benefits for Dumfries and Galloway for some of the reasons that Bruce Crawford highlighted earlier. I am certain that the partnership would ensure that a fair share of its resources and a considerable amount of its attention would be focused on Dumfries and Galloway and do not for one second believe that Dumfries and Galloway would be left out. Indeed, as it stands, the bill requires that all parts of a regional partnership area—including its more remote and peripheral parts—are taken into full consideration in developing the new regional transport strategy.

For all those reasons, I believe that Dumfries and Galloway's position would be well protected, but I realise that the authority is considerably concerned about its position. Instead of leaving an area entirely out of the regional transport partnership structure, I would prefer to allow a single authority to be its own regional transport partnership. That said, as you pointed out, we would need to think through the full implications of such a move.

David Mundell: I welcome the tone of your response. However we view the introduction of regional transport partnerships, it would be most unfortunate if the system began with an authority being forced into a partnership and to give up powers.

When your officials gave evidence, they suggested that partnerships were required to have

a statutory basis because local authorities had failed to work together to deliver strategic transport projects and indeed had to be compelled to do so. However, we have received little or no evidence of examples of local authorities, under the current voluntary arrangements, effectively blocking projects by failing to work together. Do you have any specific examples of a project not being delivered because we do not currently have the appropriate statutory framework?

16:30

Nicol Stephen: I could tell you about plenty of projects whose progress has been slow and other projects that have not been delivered years after we have announced financial support for them. I do not think that that is because of a failure of the local authorities to work together, however. I would not criticise the current arrangements or voluntary partnerships in that regard. I think that they have been a considerable success. As I mentioned earlier, it is to build on that success and strengthen the partnerships in a way that will drive delivery forward that we are suggesting the new statutory arrangements. On most transport projects that you can think of, it is frustratingly difficult to ensure quick delivery. Often, the project takes far longer than it was initially intended to. That is particularly so with regard to some of the rail projects, but it is also true of a number of park-and-ride projects, bus priority measures and so on in virtually every part of Scotland. We have to do more to speed up delivery and giving the new partnerships greater statutory strength is an important part of ensuring that we can deliver in the future.

Dr Jackson: You have already heard that we have had discussions with David Begg and Iain Docherty. David Begg said that the travel-to-work area should be a strong basis for any regional transport partnership. Would you care to comment on that and the concern that has been expressed previously, and today by Iain Docherty, about the proposed central Scotland and Tay partnership? You can imagine what I thought the other week when I saw the position that Stirling would be in, with three regional transport partnerships around it. I do not think that Stirling has strong connections with the Tay area, given that most of the commuters in the Stirling area go to Edinburgh or Glasgow. Iain Docherty suggested that it might be more suitable for Stirling to be involved in a partnership in the south-east of Scotland.

If, by arranging the regional transport partnerships on geographical lines, you find that there is a situation in which one council butts up against two areas in which it has strong involvement, what happens in terms of representation from that council?

Nicol Stephen: We decided on the boundary proposals on which we are consulting—I should emphasise that they are only proposals and that we have made no final decisions—after having consulted the authorities. We had the greatest difficulties in relation to the area of Scotland that does not currently have any voluntary partnership, which is Dundee and Angus, and in relation to the area around Clackmannanshire, Stirling and Perth. Fife is another area that clearly looks two ways—to Dundee and Edinburgh—and it is currently a member of SESTRAN. However, while Fife indicated that it wished to remain a member of SESTRAN, others suggested that they might be willing to enter into the proposed partnership that covers central Scotland and Tayside. We will carefully consider the representations that are made by councillors, transport operators, MSPs and other elected representatives and will try to make a decision that best reflects the interests of the area.

In terms of the journeys to work that people make every morning, the area around Stirling is always going to be one that looks in a number of directions. Obviously, a significant number of people who live in the area also work in the area, but many work in Edinburgh, Glasgow, Perth and—to a lesser extent, I accept—the Dundee area.

Perhaps that central and Tayside partnership would effectively have two or more than two travel-to-work areas within its boundaries and its regional strategy would have to address that. It is never as simple as any regional area having one travel-to-work area; there are always going to be some complex interactions. However, you can see that in the west and the east, there tends to be a focus on Glasgow and Edinburgh. It was by no means certain that the Borders would want to come into the south-east partnership, but it has decided that that is the best option for the area.

Iain Smith: Using the example of Fife, as I am wont to do, I am not necessarily in accord with some of the points that were made about Fife earlier in the meeting—

Nicol Stephen: Was that before I was sitting here?

Iain Smith: It was indeed. If Fife were to be in the south-east area partnership, decisions would still have to be made in the central and Tay area that would have an impact on Fife; likewise, decisions on transport issues in Fife might have an impact on the central and Tay area. Will the legislation allow for observer membership between partnerships so that, at the very least, Fife could be an observer member of the board for the central and Tay area to ensure that there is some consistency on both sides of the Tay bridge?

Nicol Stephen: That is a very good idea and it should be included as a firm proposal in the regulations. We always intended that there should be provision for observers. For example, the Executive might want to have an observer on all the regional partnerships so that we ensure that they co-ordinate with the national strategy and that we are aware of any cross-border issues. Equally, Fife should be represented on the partnership that covers Dundee, whatever that partnership is, because of the closeness between Dundee and north Fife.

I think that that has triggered a further question from Bruce Crawford.

Bruce Crawford: It is in relation to observer status. David Begg suggested that MSPs might serve as observers on the regional transport organisations. What does the minister think of that idea?

Nicol Stephen: Are you suggesting that they could be observers?

Bruce Crawford: The best status would probably be observer in the initial stages, but perhaps the role could grow.

Nicol Stephen: I am willing to consider any proposal that the committee makes. My only reservation is that the situation must be manageable and we must ensure that the partnership board is small, manageable and tight enough to be able to make decisions and to deliver the transport projects that we are talking about. I would be interested to know how we might limit the number of MSPs because there could be quite a significant number who would have an interest in the areas that we are talking about. I would be relaxed about the individuals who could serve as observers; a range of individuals could be involved.

Bruce Crawford: It could be limited to regional MSPs.

Nicol Stephen: We could do all sorts of things.

The Convener: The committee might want to nominate Fergus Ewing to serve on all of the regional partnerships to keep him busy.

Fergus Ewing: You do not get rid of me so easily as that.

The Convener: I have another question that might overlap with discussions on the Sewel motion on the UK Railways Bill. The existing rail passengers committees are being abolished and replaced with a UK rail passengers council. What ideas does the minister have about involving rail passengers and general public transport passengers regionally and nationally? Is there any intention of making proposals at stage 2 to establish passenger representation?

Nicol Stephen: I am quite clear that, in Scotland, passenger representation should continue to have an important role and that there should be some sort of Scottish passengers council. We will consider the best arrangements for achieving that. As the new powers pass to Scottish ministers, we will take the opportunity to make known our views on the proposed rail passengers council.

If we are serious about integrated transport, it is important that we do not end up having a rail passengers committee, a ferry passengers committee, a bus passengers committee and, in due course, a tram passengers committee. It is important that we ensure that there is a more integrated approach. I will examine those proposals carefully as we move forward. We do not have detailed proposals at present, but when we establish the agency and the regional partnerships, it is important that the voices of passengers and freight users are heard. We should not lose sight of the importance of freight to our transport strategy.

The Convener: Once the Executive has its new rail powers, what relationship do you envisage it having with the proposed UK rail passengers council?

John Ewing (Scottish Executive Enterprise, Transport and Lifelong Learning Department): The new rail passengers council will have an interest in rail passenger services in Scotland, so the Executive and the transport agency—and First ScotRail—will have to engage with it on delivery.

Paul Martin: I want to return to what the minister said about not wanting there to be separate committees for different modes of transport. What is wrong with having a passengers committee that is specific to rail users? Rail users are entitled to be focused on rail and to take part in a rail committee. Why should a member of a rail users committee be concerned about a strategic approach?

Nicol Stephen: There is nothing wrong with having individual committees, but I think that we need to link them together through some sort of Scottish passengers council, which could have representatives from individual committees. The set-up might not need to be as formal as that—it might be possible just to have an informal annual or biannual gathering to ensure that passengers can force the Executive and the Parliament to consider the issues that need to be tackled if we are to have more integrated transport in Scotland. That way, we would be able to make a powerful case to the transport operators to ensure better co-ordination of services.

There is still a long way to go on improving the integration of transport in Scotland, but the rail

franchise powers and the other rail powers that are coming to Scotland, together with the relationship that we are building with the bus operators, mean that we have some good opportunities. Transport and transport investment are now being given greater priority.

Paul Martin: We need to focus on the issue of formality. In relation to the set-up for passengers, you used the word "informal". Why should what I would say is the most important element of the transport system—the body that represents passengers—have an informal structure, when every other part of that system has a formal structure? Is it not necessary to have some bureaucracy to ensure that passengers are taken seriously in the process?

Nicol Stephen: I agree. The rail passengers committee that we are considering will be formal and the proposed ferry passengers committee will be formal. We just need to consider the appropriate level of bureaucracy and the best way of delivering some sort of Scottish passengers council, if that is what we believe is the best thing to do. As we move forward next year, we should consult on the formality of the set-up and find out what the existing committees believe is the best way of delivering representation for passengers. Because of your suggestion, I will undertake to do that. Alongside the development of our proposals for the agency and for the national strategy, we will consider the best arrangements for ensuring that passengers are at the centre of all that we do on transport.

The Convener: We will now move on to part 2 of the bill, on road works.

16:45

David Mundell: I would like to ask about the current situation with regard to the New Roads and Street Works Act 1991. Initially, when officials gave evidence, I was under the impression that there had been no prosecutions under the 1991 act in relation to road works management. However, I have subsequently discovered that there was one, in Banff, in connection with inadequate lighting.

What assurance can the minister give us that the measures in the bill will be any more effective in delivering a reduction in congestion-causing road works than the current, detailed provisions in the 1991 act, given that there has been only one prosecution under that act?

Nicol Stephen: I am certain that, if there are failures—and, currently, there are failures every week—the new powers will be much more widely used than the existing powers of prosecution are. When the civil penalties are used, that will provide the utility companies with a significant incentive to

improve their performance and ensure that road works are managed better, that reinstatements are of a higher quality and that we keep the roads open and the traffic flowing wherever possible. There will be a major improvement in the system. It is interesting that the new system has the backing not only of the local authorities but of the utility companies. There has been a remarkable degree of agreement and unity of purpose from the utility companies and local authorities that have been carefully considering the proposals.

David Mundell: From the evidence that we heard, I would say that the utility companies are rather keen on the new proposals because they are not the lane-charging measures that are being introduced in England and Wales. However, how are we going to ensure that the increased penalties will be enforced? We heard the suggestion that procurators fiscal did not regard such infringements as being particularly serious and that there was no indication that they would be regarded any more seriously in future.

Nicol Stephen: I am sure that they will be enforced because all the evidence shows that, when fixed penalties are introduced—for example, in relation to parking offences—the system operates in a far more comprehensive way than if the police and the procurator fiscal are given the task of enforcing penalties. The fact that we are strengthening the penalties for the more serious offences at the same time as we are introducing the fixed-penalty notices is likely to lead to significant improvements in the system. There would be little point in introducing the fixed-penalty notice system, the statutory register and the new Scottish road works commissioner—or the road works tsar, as he or she has already been termed in the media—if we do not expect that to result in a significant improvement in enforcement.

We want to encourage a far more effective enforcement system in respect of utility companies and their contractors. We should always remember that relatively few road works are carried out by the utility companies and that a lot of the problems are to do with the quality of work that is being delivered by contractors. That is why, along with the enforcement issue, we are also considering the issue of training and management. We want to work on the important issues of who is responsible for the road works, how the management of individual road works can be improved, the quality of the staff who work on them and so on.

David Mundell: I do not dispute that but, to return to the original point, a number of serious offences—not fixed-penalty offences—are already on the statute book. You are making the penalties more severe. How can you guarantee that that will be effective in the sense that people will be put

forward for prosecution and will actually be prosecuted when, over a significant period of time, there has been only one prosecution in relation to the existing offences?

Nicol Stephen: The fixed-penalty notices will be the responsibility of the local authorities in the first instance, although the road works commissioner will have a role to play. I am certain that the local authorities will act on their new responsibilities. I would be very surprised if the Society of Chief Officers of Transportation in Scotland and the respective authorities did not make significant use of the new powers at an early stage, once the bill is passed.

More serious infringements of the law, which lead to more serious prosecutions, might be dealt with following a referral by a local authority or the intervention of the road works commissioner. David Mundell addressed a question on that to the Solicitor General for Scotland, Elish Angiolini. I refer to the answer that she gave on 25 November. I am certain that the local authorities and the road works commissioner would draw the attention of the prosecuting authorities to those more serious offences, about which Parliament has made clear its concern. If the bill is passed in its present form, the severity of the penalties will increase. That will ensure that the Crown Office and Procurator Fiscal Service treats those matters with great seriousness and that, if there continue to be infringements in future, they will be handled appropriately by the Crown Office and procurators fiscal throughout Scotland.

Michael McMahon: It goes without saying that the bill's focus is on how to get the most integrated transport systems that we can in Scotland. The minister has already said that. However, in its evidence to us, the national joint utilities group said that in focusing so much on the vehicles on the roads, the bill may have lost sight of the fact that the routes themselves are the conduits along which many services are delivered. By giving local authorities the powers to change the timing of works and to act in relation to how the utility companies operate, the bill could prevent the utility companies from doing their job and could increase costs in other ways. What is your view on that? Do you think that the road works commissioner has a big job to do in that respect, to ensure that people are not hindered from doing their work so that the integrated transport systems that you want can function fully?

Nicol Stephen: As was said in our discussions on part 1 of the bill, some people—notably the utility companies and their representatives—might well argue in that direction. However, others might argue that, to get the new system right and to ensure that it works, has teeth and produces significant action, the role of the proposed road

works commissioner needs to be built up more and that the commissioner needs to have a more significant presence and more staff. We must also ensure that the local authorities are properly resourced and encouraged to make use of their new powers. That is partly why we are seeking to ensure that local authorities have the power to retain their administrative costs when they impose and deal with fixed-penalty notices.

As far as your question is concerned, we will always need to strike a balance. However, when most people travel around Scotland and see the road works in our towns and cities, they know that there is room for very significant improvement. Indeed, that is the very reason why the introduction of the road works register and the creation of the road works commissioner have found such wide support.

I should also emphasise that the proposals have received positive comments from the national joint utilities group. Given that a significant proportion of the proposals are targeted at improving the companies' performance, the current level of delivery and the quality of road works that are being carried out on their behalf, we will never reach a solution that they will feel wholly comfortable with. However, we are encouraged by the fact that after discussing the matter at great length we have arrived at an approach that the companies are at the very least willing to work with. If we can put the road works register on a statutory footing, give these new powers to the local authorities and establish the road works commissioner, we will be seen to have adopted powerful measures to tackle the problem of poor-quality road works.

As I have said, most people and businesses in Scotland feel that a great deal could be done to improve the quality of road works, to deal with people's frustration and anger and to tackle the damage that road works do to our economy. I accept your point that we want broadband and higher-quality modern communications systems, and I understand that Scottish Water has to carry out certain works if we are going to open up new development opportunities and meet environmental standards. However, issues such as the timing, management and pace of the work and the quality of reinstatement are not being tackled well enough.

Michael McMahon: I completely understand and concur with your comments. However, might such an approach not lead to difficulties for other Scottish Executive policies? For example, you mentioned broadband. Given that the bill seeks to give local authorities powers to delay utility companies' road works and other road works for up to three years, the minister with responsibility for rolling out broadband might chap your door and

say, "I can't deliver this policy on time because of this transport legislation." Do we have to address some cross-cutting issues to get the balance right?

Nicol Stephen: I do not think that what you have suggested will happen, because utility companies will retain their statutory and emergency powers. The assumption behind all our proposals is that those companies will continue to dig up our roads to access their services, because that work is necessary to deliver, improve and expand on those services. Broadband is a key example in that respect.

We are simply saying that when companies carry out that work they must take into account its impact on the road network, do it efficiently and complete it quickly. Moreover, the quality of reinstatement needs to improve. Too often we have suffered because roads have collapsed into potholes a matter of weeks after initial reinstatement works have been carried out.

Everyone, even the utilities, acknowledges that we have a problem. If we can turn the situation round, improve the quality of road works and monitor, manage and co-ordinate them better, that will benefit everyone in Scotland, including those companies.

Michael McMahon: Again, I appreciate that, but does that raise a contradiction? If utility companies' statutory obligations to deliver services can override the powers that are set out in the bill, what is the point of having those powers in the first place?

17:00

Nicol Stephen: The powers in the bill will make a difference. All I am saying is that the new powers that we will give local authorities and the commissioner are significant, but they will not sweep away the powers of utility companies. We want to ensure that the road works commissioner will be able to develop codes of practice, for example, and help to conciliate and arbitrate between local authorities and utility companies in difficult situations. I suppose that the best way of describing the existing position is that we are much more actively managing situations. There is too much of a hotch-potch and too little co-ordination. People do not think that they can take firm enough action if there is poor-quality reinstatement. We want to strengthen local authorities' powers, create the new position of road works commissioner and give new powers in that respect.

However, we recognise that utility companies will still need to carry out road works. If we were starting all over again in a different world at a different time, we might have wanted to separate

our roads from our utilities. In some parts of the world people have endeavoured to do that; for example, in some parts of Scotland it has been possible in new towns and new communities to have separate tracks alongside roads under which pipes and wires can be laid. However, in the main our telecommunications, sewerage, water, electricity and gas pipes and wires go under our roads. Therefore, we must continue to dig up our roads to maintain and improve those utilities. I do not think that anyone in Scotland believes that we currently have a good system for dealing with road works or that there is no room for significant improvement. The bill is intended to tackle such matters.

The Convener: Representatives of the utility companies perhaps gave the impression in their evidence that there is too much emphasis on the utility companies' impact on congestion and not enough on that of local authorities, which is partly what Michael McMahon was trying to say. Do you accept the suggestion that has been made to us that half of all congestion due to road works is due to road works that are initiated by the Executive or local authorities? On the half of congestion that is initiated by utilities, I think that around 60 per cent of all current capital investment in utilities comes through Scottish Water, which is a publicly owned organisation. Therefore, around 75 per cent of the congestion that relates to road works is initiated by the public sector.

Nicol Stephen: I understand the point that you are making. It is clear that a significant amount of road works in Scotland is carried out by local authorities and the Executive. However, the main purpose of those road works is to improve and resurface roads and to fill in potholes in the road network. Indeed, there is a duty on local authorities' roads authorities to manage and maintain all the roads in their area. Many local authorities would argue that they require more funding in order to be more active in managing local roads and to help to maintain and improve the quality of those roads. That is why I am pleased that we were able to allocate £60 million extra through grant-aided expenditure as part of the budget settlement to local authorities for that purpose, as COSLA requested. As I said and should repeat, I understand your argument. Indeed, I have a degree of sympathy with it. We must consider such issues as we move forward to stage 2 consideration of the bill.

We have proposed that there should be significant powers in the hands of the new road works commissioner to take action that involves the local authorities, but we have stepped back from and fallen short of giving powers to introduce fines and fixed-penalty notices for roads authorities or the Executive. There are issues around whether fining a public authority to take

money to another public authority is a sensible use of time and a sensible way forward.

You make a fair point about Scottish Water. The powers will be exercisable against it in its role as a utility company, but we need to examine all the implications across the whole public sector. I hope that the committee will play an important role in that work and produce its own ideas and proposals in response to the measures in the bill.

The Convener: While you rightly identify that the Executive and local authorities endeavour to complete road works to improve the road network swiftly, the utilities also say that they endeavour to complete work as swiftly as possible to meet the needs of their customers. While it is economically important for Scotland to have an efficient road system, I expect that the minister will agree that it is also important for Scotland to have efficiently working telecommunications, gas and electricity systems. What liaison is there within the Executive between you and the Minister for Enterprise and Lifelong Learning to ensure that we strike the right balance in ensuring that the road and utilities systems work effectively to support the development of our economy?

Nicol Stephen: That is an interesting point. As you know, I have been given responsibility for telecommunications and broadband within the transport portfolio. I have always thought that that is a sensible grouping of portfolio responsibilities, because communications should be seen in their widest sense. Roads communication, transport communication, broadband communication and telecommunication are all important for business and the economy. It is important that we grow our investment in those areas and commit to infrastructure improvements.

I understand your point about balance, but the primary aim of utility companies is to lay gas mains or introduce broadband connections or lay optical fibre underneath the road surface. Their primary concern is not the quality of the reinstatement of the road. Once the road has been reinstated, they do not have an on-going responsibility in the same way as local authorities do. There should be much greater pressure on the utility companies to carry out high-quality road works and reinstatement, and to resurface roads if necessary, rather than have sections of filled-in trenches. I could show you many good examples of that in my city, and I am sure that members around the table know of examples where road works have been carried out by utility companies and there are still significant problems with the road surface or pavement surface.

No one doubts that there is a significant opportunity for improvement. The issue is how we do it and impose these new duties and responsibilities in a responsible way that

recognises that electricity, gas, water, sewerage and telecommunications are all important for Scotland's economic future. We must not place too many additional burdens on those companies, which is why it is important that we have worked with the utility companies and their representative bodies in developing the proposals. We will never reach complete agreement, but we have a good level of agreement on the importance of the measures, which will impose new duties on local authorities as well as on utility companies.

The Convener: I have a final question before I bring in Bruce Crawford, who has been waiting beside me. The utilities also drew to our attention the fact that the vast majority of local authorities currently do not enter their own road works on the Scottish road works register. They also highlighted one area of good practice in West Lothian Council, which I am always pleased to praise. The utilities advise us—I have not double-checked it—that they and that council have a 100 per cent record of entering their road works on the road works register, and that there is also effective liaison with the utilities in that area. To what degree do you and the minister with responsibility for local government aim to drive best practice of that sort throughout local authorities in Scotland?

Nicol Stephen: We want to achieve that and we want to introduce codes of practice. The Scottish road works commissioner has an important role to play in that. I have just been helpfully provided from my right-hand side with the document, "Considerate Contractor Road Works Scheme Code of Practice", which delivers the

"Co-ordination of Roadworks in West Lothian".

That is a good example of what can be done with the local authority and the contractors in an area working together. We need to do more of that throughout Scotland.

You are right, convener, to mention that some authorities do not enter their own road works on the register. That is why I am hesitant to quote percentages or other figures. I could quote some percentages back in response to some of the figures that you and others have quoted, which tend to suggest that the overwhelming majority of road works in Scotland are carried out by the utilities companies. That is based on the current use of the register, however, and I am pretty convinced that it is inconsistently used across Scotland. That is why we need to invest in the register and to ensure that it works effectively, placing a duty not only on the utilities companies, but on local authorities to use it. That way, we will develop a better picture of the road works that are taking place and we will be able to achieve better co-ordination. It is difficult to co-ordinate road works if we do not let people know about them through the register.

Bruce Crawford: The phrase that we kept hearing from the utilities companies was “level playing field”—a desire for everyone to be treated the same. I understand the possible difficulties with one part of the public sector having to fine another part of the public sector. However, such a situation already exists with the Scottish Environment Protection Agency, for example, which has wide-ranging powers to fine other parts of the public sector. Such arrangements would therefore not be new if they were to be introduced in order to achieve a level playing field with regard to the public utilities.

If road works cause 10 per cent of congestion—5 per cent being carried out by local authorities and 5 per cent by utilities—and if a lot of that 5 per cent from utilities comes from Executive spend, I would hope that, the current legislative process aside, the Executive might be able to provide some additional guidance to local authorities, to non-departmental public bodies and to its own road works people, such as Amey Highways or BEAR Scotland, and that the requirement for the companies to register and to co-ordinate with one another could be built into their contracts. That way, change could be effected and major improvements could be achieved over a big section of Scotland’s road works without the need to cover that in the bill.

Nicol Stephen: That is a perfectly fair point. We should all endeavour to encourage such an approach, I hope with the Executive setting the first example through its management of the trunk road network and of the road works required on it. Each of us could encourage a code-of-practice approach in our respective areas at local authority level.

Much could be done in that respect, and a lot has been done. Most of us will have seen a significant change over the past 10 years or so, for example in the use of speed cameras to help reinforce safety around road works. There is also the enhanced use of lighting and coning. It is about the general efficiency of management. We now want to move on from there, ensuring that speed-activated signs can be used when significant road works are being carried out and always considering ways to improve the safety and quality of the management of road works.

We need to do more about the time of day when road works are carried out and about the quality of reinstatements in some cases. That means not only having codes of practice, but acting on them and ensuring that we have sufficiently well-qualified staff, who know what they are doing and who are able to carry out high-quality road works. It also means being tough where there are infringements or rogue contractors. I think that the utilities companies would welcome our flushing out

some of the problem areas, with poorer-performing contractors being targeted and the general standard of reinstatements being driven up throughout Scotland.

17:15

The Convener: That brings us to part 3 of the bill. We have discussed that the minister is unable to answer questions about the details of the concessionary scheme that will be announced to Parliament tomorrow, when members will have the opportunity to question him. I therefore invite members to ask more general questions about the powers in part 3.

Paul Martin: I will ask whether transport accessibility has been considered in preparation for your statement tomorrow. We have heard from several groups that represent those who have difficulty in accessing public transport. One comment from the Mobility and Access Committee for Scotland was that concessionary travel has no point if people cannot use transport. I appreciate that we cannot have details, but will you assure us that accessibility will be part of your statement?

Nicol Stephen: It is important that we take steps to give the journey from the home of an elderly or disabled person to a bus stop or railway station or directly to a shop or hospital—the local service that the older or disabled person is trying to access—greater attention than at present. We are starting to achieve that with our dial-a-taxi and dial-a-bus schemes—the demand-responsive transport schemes in which we are investing.

Initially, most of that investment was in demand-responsive transport in rural areas. A significant issue in rural Scotland is that a free bus scheme is all very well for those who can reach a bus stop and have a reliable service that passes close to their house, but those who are some distance from a bus service and cannot access it are trapped in their home. Examples of that exist in Scotland’s cities, which is why we are now—but only now—starting to roll out Executive-funded demand-responsive transport schemes in Scotland’s major cities. We will have to do more of that in future.

Tomorrow’s statement focuses mostly on the detail of the concessionary scheme, because it is important to deliver on that commitment and to make clear the scheme’s details. However, I give the member the absolute assurance that we are working to improve access to public transport for all elderly people and all disabled people. We recognise that some of those people cannot make easy use of any concessionary fare scheme because of their difficulty in reaching a bus stop and using a bus service.

Paul Martin: By the time that we reach stage 3, do you expect us to have satisfied the groups that

are involved that we will take action to deal with accessibility issues, or will those issues continue to be part of a public debate for many years?

Nicol Stephen: We will have to continue to invest more and to build the quality of service for disabled users. New issues will come along. For example, many disabled people now use electrically powered wheelchairs instead of traditional wheelchairs. Some trains that were adapted for wheelchair users cannot easily accept the new electrical wheelchairs, whose size and design are not necessarily consistent. Different shapes, sizes and weights are involved. We will have to work at that continually, as we must work at disability access across the board, whether in schools or hospitals.

Paul Martin: Can we be perfectly blunt? The organisation that made the representations to us—MACS—will visit the committee again after the bill has been passed and make the same statements unless a creative approach is adopted to satisfy once and for all some of that group's concerns about accessing the concessionary fares scheme.

Nicol Stephen: I ask Frazer Henderson to answer, because he is anxious to explain the current legislative position.

Frazer Henderson (Scottish Executive Enterprise, Transport and Lifelong Learning Department): A Disability Discrimination Bill is going through Westminster at the moment; it was introduced on 25 November. In that bill, there are provisions to remove the current exemption for providers of public transport. That means that providers of public transport will have to provide facilities for disability groups within their various bus and rail services. As you are probably aware, although bus, rail and taxi operators adopt good practice, that is not universal. The provisions in the bill try to make good practice universal. The consultation that the Department for Transport recently launched invites people to respond to that. I should explain that disability discrimination is a reserved matter.

Paul Martin: I hope that the Executive will reflect on that.

Nicol Stephen: We provide significant funding to the regional partnerships. Some of that funding has been used for new, low-floor, wheelchair-accessible vehicles, and I am sure that that will continue. We have to do more, but it will take time. Not all buses and coaches in Scotland will be wheelchair-accessible until around 2015—I do not have the exact dates in front of me, and the date is different for different types of vehicle. We will continue to work on that.

Paul Martin: The evidence that we have received from organisations such as MACS makes the case that, although they believe that that

should happen, they appreciate the challenges that the industry faces and want a more creative approach to overcoming some of those difficulties. We should reflect on the fact that concessionary travel means nothing to disabled people who face difficulties in accessing public transport in the first place.

Nicol Stephen: I will address that tomorrow in my statement. In the partnership agreement, there is a commitment to a concessionary scheme for the elderly and the disabled on the buses and a commitment to concessions on bus, rail and ferry services for younger people. There is also a third commitment, which is not mentioned so much but is, nevertheless, important, which is to review the current arrangements for disabled passengers and to produce proposals to improve those arrangements. I have not forgotten about that. We are moving forward on those proposals and will issue a statement on them sometime in 2005, having studied the issues and considered the proposals that MACS and others are putting to us. Although it is relatively new, MACS will have a central role to play in the development of our strategy; it was established by ministers to advise the Executive, so it is an important body. It will be a real opportunity for MACS to make a significant impact on public transport improvements.

The Convener: There are no further questions. Thank you very much for your attendance and participation this afternoon, minister. I also thank your officials, who had a remarkably easy time, because you took the whole burden. I wish all members of the committee, the minister and all the members of the public a good Christmas and a happy new year.

Nicol Stephen: Merry Christmas to you all.

Meeting closed at 17:23.

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