



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 3 December 2014

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE
28th Meeting 2014, Session 4

CONVENER

*Jim Eadie (Edinburgh Southern) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*James Dornan (Glasgow Cathcart) (SNP)

*Mary Fee (West Scotland) (Lab)

*Mark Griffin (Central Scotland) (Lab)

*Alex Johnstone (North East Scotland) (Con)

*Mike MacKenzie (Highlands and Islands) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Roy Brannen (Transport Scotland)

Keith Brown (Cabinet Secretary for Infrastructure, Investment and Cities)

Aidan Grisewood (Transport Scotland)

Derek Mackay (Minister for Transport and Islands)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 3 December 2014

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

Interests

The Deputy Convener (Adam Ingram):

Welcome to the 28th meeting in 2014 of the Infrastructure and Capital Investment Committee. I remind everyone to turn off their mobile phones, because they affect the broadcasting system. Some committee members might consult their tablets during the meeting, because committee papers are provided in digital format.

Under agenda item 1, I welcome James Dornan and Mike MacKenzie as new members of the committee and invite them to declare any relevant interests.

James Dornan (Glasgow Cathcart) (SNP): I refer members to my entry in the register of members' interests.

Mike MacKenzie (Highlands and Islands) (SNP): I have nothing to declare, other than what is in my entry in the register of members' interests.

The Deputy Convener: I take this opportunity to thank Gordon MacDonald for his worthwhile contribution to the work of this committee and to wish him well in his new committee.

Convener

10:01

The Deputy Convener: Under agenda item 2, I seek the agreement of the committee on the choice of convener. Only members of the Scottish National Party are eligible to be chosen as convener of the Infrastructure and Capital Investment Committee. I invite nominations for the position of convener.

Mike MacKenzie: I nominate Jim Eadie.

Jim Eadie was chosen as convener.

The Deputy Convener: I hand over the chair to Jim Eadie.

The Convener (Jim Eadie): I am delighted to take on the position of the convener of the Infrastructure and Capital Investment Committee and I look forward to working with our excellent clerking team and members across the committee to take forward our work programme.

Decision on Taking Business in Private

10:02

The Convener: Under agenda item 3, I seek the agreement of the committee to take item 6 in private. Do members agree to do that?

Members *indicated agreement.*

Transport

10:03

The Convener: The fourth item of business today is an evidence-taking session with the Cabinet Secretary for Infrastructure, Investment and Cities and the Minister for Transport and Islands, and their supporting officials, as part of a general update on transport matters.

I welcome Keith Brown, the Cabinet Secretary for Infrastructure, Investment and Cities; Derek Mackay, the Minister for Transport and Islands; Neil Langhorn, sustainable and active transport team leader; Roy Brannen, director of trunk roads and bus operations; Aidan Grisewood, director of rail at Transport Scotland; and—winning the prize for the longest job title—Stewart Leggett, strategic impacts manager in trunk roads and bus operations.

I will kick off the questions. What is the Scottish Government's view of the United Kingdom Government's decision to reprivatise the east coast rail franchise?

Keith Brown (Cabinet Secretary for Infrastructure, Investment and Cities): Congratulations on your appointment, convener. I am happy to answer your question, but would it be possible to make a short statement first?

The Convener: Yes, that would be fine.

Keith Brown: I look forward to working with you and with the committee, as we have done in the past. I am delighted to be here with Derek Mackay, our new Minister for Transport and Islands, and to provide a general update on transport matters. I hope that I will not forget to answer the question that you asked.

As members will know, our spending plans are focused on sustaining the economic recovery through investment. We intend to deliver more than £8 billion of investment over 2014-15 and 2015-16. That investment will support around 40,000 full-time equivalent jobs across Scotland, despite cuts of 26 per cent in real terms to our capital budgets between 2010-11 and 2015-16.

Continuing investment in transport connects regions and people to economic opportunity and, in so doing, contributes to national social cohesion and helps to reduce the disparity between the regions of Scotland. Our investment in Scotland's transport infrastructure through projects such as the Queensferry crossing and the dualling of the A9 between Perth and Inverness plays a key role in creating the best possible conditions for business success.

We continue to make excellent progress in delivering our infrastructure investment plan. The Queensferry crossing is currently more than 50 per cent complete and about 80 per cent of the contractor's procurement has been completed. It is on schedule to be delivered in 2016. We have secured a further £50 million in savings, which means that the 5-mile stretch of dual carriageway between Kincaig and Dalraddy on the A9 will be the first of the 12 dualling schemes to be brought forward. It is due to be completed in 2017, six months earlier than anticipated.

Construction is also under way to deliver significant improvements to the M8, M73 and M74. When the full programme is complete, road users can look forward to more than 80 miles of new road surface, which is the equivalent of around 200 football fields—for those who count the road surface in that way.

Other major transport projects are advancing as planned. Track laying has commenced on the Borders railway and is on target for completion by the end of 2014, and service commencement is on schedule for September 2015. On 5 November 2014, Network Rail announced the award of the £250 million Edinburgh to Glasgow improvement programme alliance contracts, which will deliver the Edinburgh to Glasgow electrification by December 2016. Contractors are on site and the first physical works—piling—are already under way.

On 28 October 2014, speed limits for HGVs on the A9 were increased from 40mph to 50mph on single-carriageway sections between Perth and Inverness. We are also making more improvements to the safety of the route—average speed cameras have been installed and are now operational between Dunblane and Inverness. We are keen to address issues on the northern section of the A9 as well. As part of the necessary statutory process for the Berriedale braes scheme, local people and road users were invited to a public exhibition in Berriedale on Wednesday 26 November following Transport Scotland's publication of the draft road orders to address the hairpin bend and steep hill.

Preparatory work on the Aberdeen bypass is nearing completion and full construction is due to start shortly. In early November, I announced the advertisement of £70 million-worth of subcontracts for the Aberdeen western peripheral route and the Balmedie to Tippetty section, which is now part of that project. That package totals around £221 million. Last week, I was delighted to announce that we have been able to bring the completion date forward to winter 2017. That is unprecedented. Since overcoming all the legal challenges back in October 2012, we have done all that we can to accelerate the procurement and

construction of the AWPR and Balmedie to Tippetty project.

Hard on the heels of that comes news that preparatory work for the Haudagain scheme is now under way. That will ensure that that improvement scheme is ready to go as soon as the AWPR is finished. The site work for the scheme is expected to be completed by the end of the year and draft road orders are expected next summer. In addition, construction work to remove a notorious bottleneck on the A96 at the Inveramsay bridge will start before the end of the year. All that forms an impressive package of transport infrastructure improvements that we are delivering for the north-east.

Alongside the transport infrastructure projects that I have mentioned, we are successfully taking forward many transport initiatives. The Scottish Government is committed to public transport and to our ambitious climate change target of reducing carbon emissions by 42 per cent by 2020. We have made further progress in those areas, for example through round 5 of the Scottish green bus fund, which saw the Scottish Government allocating £3.7 million towards the cost of purchasing another 83 low-carbon-emission buses.

I should also mention that there was news this week that Alexander Dennis in Falkirk has attracted a new contract worth about £300 million to build buses in Canada. I like to think that we have played a part in that through some of the contracts that Alexander Dennis has won in relation to the green bus fund.

The new allocation will bring the total number of low-carbon vehicles in Scotland's eco-friendly bus fleet to 209. The Scottish Government is committed to improving bus services in Scotland, which is why we will provide more than £3 million-worth of funding over the next two years under the second round of Transport Scotland's bus investment fund. Thirteen projects, including interchange hubs and community transport, will receive grants, which will help to improve the standard of bus services and increase patronage, thereby achieving greater modal shift.

The two rail franchises have now been awarded. The existing Caledonian sleeper service will be transformed—new rolling stock will be operational by 2018 and there will be locally sourced catering. The new ScotRail franchise will provide at least 80 new trains and 23 per cent more carriages across the network. New electric trains will be delivered for services between Edinburgh and Glasgow, and smart ticketing will be rolled out over the network. A dedicated mobilisation team in Transport Scotland has been put in place to ensure a smooth handover from First ScotRail to Abellio and Serco.

The Scottish Government also aims to get more people making active travel choices to improve their health and to benefit the environment by reducing greenhouse gases and pollutants. During this year and next, we will increase our expenditure on cycling and walking infrastructure by a further £27 million to deliver projects that promote active travel for everyday journeys. I recently unveiled the Scottish Government's long-term vision for active travel, which aims to encourage more people to walk and cycle for everyday shorter journeys. It focuses on areas such as infrastructure, transport integration, cultural and behaviour change, community ownership and planning. The vision was a collaborative effort between me and the active travel stakeholders.

That is a brief overview, convener. I hope that it is helpful to the committee.

You asked about our view of the UK Government's decision to reprivatise the east coast main line. That raised many eyebrows, because it was a successful service—I was going to say “franchise”, but it was directly operated—that returned substantial amounts of money to the Treasury and was well regarded by its users. However, despite the fact that the line comes into Scotland, that was a decision for the UK Government. We made sure that we were consulted, and we promoted the interests of people in Scotland who use those services.

The Convener: What input did the Scottish Government have to the specification for the new intercity east coast franchise?

Keith Brown: We asked to be consulted, which had not happened with previous franchises. Our response was to make sure that the existing services were maintained. Even though the successful bidder has been announced, it is quite hard to tell how successful we have been in securing the various things that we asked for, such as wi-fi, a good frequency of services and service improvements, because that level of detail is not available. We wanted to make sure that services continued to go through to Aberdeen; more services to Aberdeen was something that we perhaps hoped for. We are still waiting to find out how successful our representations to the UK Government have been; we will know when we see the final package of services. Aidan Grisewood might be able to give a more detailed answer, but from what we know so far, it seems that most of what we asked for has been accepted as part of the basic package. We will find out more in the coming weeks.

The Convener: Can you say anything more about how you intend to monitor progress on the delivery of those requirements and to ensure that the quality and frequency of the service on that

part of the east coast main line are as good as they should be?

Keith Brown: We have no role at all. Obviously, we can make representations and take up issues that users and other stakeholders bring to us, but the monitoring will be done by the UK Government. It is the UK Government's franchise and it will be responsible for monitoring it.

Aidan Grisewood (Transport Scotland): That is right. The roll-out of more frequent services, the quantum of extra services to Edinburgh, the number of four-hour services—which was one of the things that we made representations on—and the speed at which those are delivered will all be in the detail that we need to get from the Department for Transport. As part of that, there will be delivery milestones and the DFT will be responsible for making sure that the franchisee meets those milestones.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): Were significant features of the ScotRail franchise among the things that you asked the UK Government for? I am thinking of things such as payment of the living wage, the taking on of apprentices and no compulsory redundancies. Did you ask the UK Government to include those in the east coast franchise?

Keith Brown: I will ask the Minister for Transport and Islands to answer that question.

10:15

Derek Mackay (Minister for Transport and Islands): That is certainly something that we have been exploring as we unpick the successful bid, because some of the information that we have comes from the press release, which talks about training. However, we are yet to determine whether the decision of the UK Government's Department for Transport means that the workers in question will get the living wage. There is absolute clarity that our franchise includes the living wage, but we do not have that clarity yet from the outcome of the east coast franchise specification.

We know that the transport requirements that we listed as being important have largely been achieved but, of course, we need to see the full detail. We will always be ambitious and seek more for Scotland but, particularly in relation to employment matters, we do not have that detail. We were quite specific about the living wage, and we can expressly say that it is being delivered in our franchise, but it is not clear whether it will be delivered by the UK Government for the east coast route.

Alex Johnstone (North East Scotland) (Con): The success of rail travel in Scotland in recent

years has been quite spectacular. Looking at the figures in front of me, I see that in 2004-05 there were 64.2 million passengers but that by 2012-13—only nine years later—there were 83.25 million passengers. Has that increase in passenger numbers allowed you to secure a better deal for the taxpayer?

Keith Brown: It stands to reason that the increase has allowed us to do that. It is hard to be specific about how that has been achieved. I think that the latest figure is 86.3 million passengers—we have had some more figures since the last one that you mentioned. When people look to bid for the franchise, they take those passenger numbers into account because the fare box that they receive is part of their revenue. Obviously, that increase in numbers makes the franchise more attractive to bidders.

It would be quite hard to say exactly how much more attractive it has made the franchise to bidders, or to specify exactly how that has benefited the taxpayer. However, it obviously has benefited the taxpayer, given the healthy interest in the ScotRail franchise process and the exceptional deal that we managed to get, with substantial savings for the taxpayer in relation to the subsidy payments that we have to pay. There is a correlation between increased usage, the attractiveness of the franchise to bidders and the keenness of their bids.

Alex Johnstone: How will the performance of the new franchisee be monitored during the franchise? What penalties will be applied if it does not achieve the objectives of the franchise?

Keith Brown: You will know that, under the current regime, penalties can be applied in a number of ways, and there are a range of ways of monitoring the service. For example, the Office of Rail Regulation will look at things such as performance. I received—and now Derek Mackay will receive—monthly updates on performance and what the franchise holder has achieved in that area. We have had some exceptionally good months in the past couple of years. We have also had some issues, such as at the time of the Commonwealth games. We all knew that there was going to be an impact, but we configured train sets to make sure that we maximised availability in the areas with the biggest pressure.

We also have the service quality incentive regime—SQUIRE—which has criteria on cleanliness of rolling stock and how suitable it is for customers. There are a whole range of different monitoring processes, and within that there are penalties that can be applied.

My view in the past—Derek Mackay will take his own view—has been that penalties are often not a good solution because, if the ORR applies a

financial penalty, the money simply goes to the Treasury; it is taken out of the Scottish rail network. We would rather see remedies other than financial ones being applied. However, the financial penalties are there and they act as an incentive to the operator to ensure that they comply with what has been specified in the contract.

Derek Mackay or Aidan Grisewood might want to add to that.

Aidan Grisewood: That pretty much covers it.

Alex Johnstone: In your opening statement, cabinet secretary, you spoke about the replacement of rolling stock. Can you provide any additional information on the new and refurbished rolling stock that is due to be introduced during the new franchise period, including when the new trains will enter service and whether the rolling stock that they replace will be redeployed within ScotRail or knocked on to other franchises?

Keith Brown: You are right to point out that, within the rail industry across the UK, a cascade effect often happens in relation to rolling stock. Aidan Grisewood might want to come in on that point.

Aidan Grisewood: On the specifics, there is the new electric rolling stock that is tied in to the Edinburgh to Glasgow improvement programme. The first four trains will be manufactured in Japan at the beginning of next year. Thereafter, a further 76 units will be manufactured at the new Hitachi factory in Newton Aycliffe. There will be new electric rolling stock on the Edinburgh to Glasgow and the Stirling to Dunblane routes.

In addition, refurbished high-speed trains will come on stream at the end of 2018. That is also written into the contract. They will be fully refurbished internally, with new livery and extra luggage and cycle space and so on.

Alex Johnstone: I want to ask about rolling stock that might be displaced in Scotland. If it is at the end of its life, will it simply be scrapped? Will rolling stock that is still usable go into the marketplace and find itself being redeployed throughout the United Kingdom?

Aidan Grisewood: Yes. There will be an overall increase in capacity of well over 20 per cent across the network as a whole over 10 years. That is consistent with what you said about the passenger growth that we have seen, and we are encouraging that in the next franchise. However, with all the electrification that is going on, there will be a surplus of diesel rolling stock and, therefore, opportunities to cascade that to the rest of the UK network or beyond. That is the way in which the industry is structured through the rolling-stock operating companies.

Adam Ingram: Cabinet secretary, you will be aware of the committee's recent correspondence in relation to my request for improved train services in my constituency, particularly on the Glasgow to Kilmarnock and Dumfries line. Your response was that there will be an improvement in services, but we do not have clarity on that yet. Perhaps I could ask your successor when we are likely to have clarity on improvements, for example to the frequency of services, not just in my constituency but throughout Scotland.

Derek Mackay: I cannot give too much more encouragement other than to say that as part of the franchise there are, as you would expect, enhancements to the capacity of the service, ways of working and the quality of the service.

We will be looking further at the timetabling, in partnership, to see what amendments can be made, and any specific requests for improvements will be considered. We will continue to look at that and, before implementation, we will set out what the timetables will look like. I am sure that all correspondence and notes of interest on how timetables and routes can be improved will be taken forward and properly considered in a constructive partnership approach.

Adam Ingram: I am sure that my MSP colleagues will take that as an invitation to have some more asks for you.

Derek Mackay: It was not necessarily a bid for more asks; I was just saying that we are at the stage of discussing timetabling with the successful bidder.

Adam Ingram: Thank you for that.

A railway line in my constituency—the Glasgow to Stranraer line—qualifies for the great scenic railway scheme. Will you provide more information on that, including projected improvements in passenger numbers as part of the scheme?

Derek Mackay: We have a range of ideas to take forward on the scenic routes, including improved wi-fi, better design in respect of the views that can be seen from the trains and better facilities. On selected routes, there will be ambassadors, as well as Scottish produce in order to promote Scottish food and drink. The ambassadors will attend the VisitScotland tourism training course, and we hope to support specific lines. In addition, special steam services will operate on specified lines—particularly on the Borders route—in order to promote local attractions and grow tourism.

We will take advantage of the tourist offer in Scotland and integrate it with transport in a better way than we have done so far through the use of ambassadors, more information, Scottish produce and the promotion of a sense of place in

destinations as part of the travel network. That should encourage more people to use trains to take advantage of the tourism offer as well as for the transport function, which is of course the main reason for using trains. We will have better integration than we have had before.

Keith Brown: It is worth mentioning that we did not have to push the bidder on that. Abellio was very keen to go ahead with the scheme and it has fleshed out the detail. We encourage that type of thing anyway, but it was keen to promote the idea, which has been extremely well received in the areas through which the proposed great scenic railway services run.

The Borders route, which Derek Mackay mentioned, will be a new service, so there will be an increase in patronage in any event. The scheme, in combination with the other initiatives that we have mentioned, such as promoting the sleeper service with Scottish produce as a gateway to Scotland, is one of the best aspects of the new franchise.

Adam Ingram: The cabinet secretary knows that there have been concerns about passenger numbers on the line that I mentioned, and there is a need to build traffic. The marketing exercise—I presume that is what it is—along with an enhanced service should deliver results. How will that be evaluated?

Keith Brown: The line that you mentioned will be helped by the establishment of an active community rail partnership. It will be up to the partnership to decide how it takes those things forward, but it will act as the best promoter and marketer of the new service.

You are right to say that passenger numbers on that route have been a problem ever since the change in relation to the ferry port. The plan will add a new dimension and give people a different reason to travel on the line.

Derek Mackay or Aidan Grisewood may want to comment on the timing.

Aidan Grisewood: The detail on the refurbishment of the stock has still to be announced. The refurbishment will take quite a while, and we do not want to take out all the stock at the same time, so there will be a gradual roll-out across the routes that will become part of the great scenic railways offer. The marketing is starting in advance, but the process will start in 2015.

Adam Ingram: I look forward to perhaps taking a trip myself and reporting back.

Another feature of the ScotRail franchise is the availability of reduced fares for jobseekers. That is of particular interest to people in my constituency, which is perhaps a wee bit peripheral in its city region. Glasgow is the key job magnet for people

in the west of Scotland. How do you intend to take that initiative forward? The issue of whether fares are accessibly priced is not only about people seeking work; it is also about their ability to take a job.

Derek Mackay: There is a wider issue around the pricing of fares with regard to linking the price to the retail price index for peak and off-peak services and to RPI less 1 per cent for standard charging over the period.

You are correct—there is a reduction for jobseekers. The detail with regard to the eligibility process is yet to be determined, and we will work through that, but we are committed to providing such a discount as part of the franchise.

10:30

Keith Brown: There will also be the £5 advance fare between cities. It is a part of the wider equalities agenda that we make it as easy as possible for people to access jobs.

As Derek Mackay rightly says, we have worked over a number of years to bear down on price increases, which are an issue for people. In Scotland, we have substantially lower increases than have happened in the rest of the UK, and there will be real-terms cuts in some fares in the future, but we are well aware of the issue.

The bidder has acknowledged the aim by ensuring that those who are most likely to benefit—particularly jobseekers—will be able to get cheaper fares, which will also assist with modal shift. If it gets people into the habit of using public transport at the stage when they are just joining the jobs market, that is a good thing. It is an innovative thing.

The £5 fare between any Scottish cities will be an advance fare. I hesitate to compare it to the budget airlines, but people will have to make sure that they book in advance to take advantage of that fare. However, I am sure that it will be a huge bonus to people and very popular.

Adam Ingram: What criteria will you use to decide whether to exercise the option to extend the franchise by three years?

Derek Mackay: We will look at performance in the round and at all levels. We enter the franchise in good faith. The break option is there if there is a reason to break, for example if we are not satisfied with the performance for the customers of Scotland. We would look at a range of measurements to make that judgment, but we expect to fulfil the period of the franchise and will use the break option only if it is required and deemed necessary by the Government at the time. There is a lead-in period between that decision

being made and implementation. However, we enter the franchise in good faith.

The Convener: James Dornan has questions on the new Caledonian sleeper franchise.

James Dornan: I start by congratulating the cabinet secretary and the minister on their new portfolios.

I have several questions about the sleeper contract, but before I ask them I want to say that the way in which the contract reads suggests that it will be a good deal. I agree with Robert Samson from Passenger Focus who said that it looks like it will be a good deal for passengers.

The contract went to Serco and there are some issues around the company, so I think that we should deal with them. Serco entered a partnership with Inverloch Castle Management and Albert Roux to manage and operate the sleeper services. Can you explain who will be responsible for which aspects of the sleeper service?

Keith Brown: Serco has the contract, so it will bear responsibility for all aspects of the contract, even though it has agreements with the two organisations that you mentioned. We will hold Serco to account for delivery of all aspects of the contract.

James Dornan: So, the division of management will be decided by Serco.

Keith Brown: Yes.

James Dornan: A number of financial issues have been raised previously in relation to Serco. What guarantees do we have that Serco can hold to the contract, given the fact that it was suspended for six months from bidding for UK Government contracts?

Derek Mackay: We have sought financial reassurance around the company and its provision of services. At the moment we are satisfied with the reassurance that we have been given in relation to finances. If, for any reason, the franchise is not delivered, the Government has options in terms of being the operator of last resort, although we do not believe that that will be required. James Dornan has identified the financial challenges, but I have been reassured that those should not affect the forthcoming service.

James Dornan: Can you just clarify whether you have contingency plans in place?

Derek Mackay: Yes, of course we have contingency plans. Ultimately, there is the option of operator of last resort. There is a range of options. Your question was about Serco's financial capability and the risks at the moment, but we do

not believe that those will affect the Scottish franchise.

Keith Brown: We also have bonds and guarantees in place. As Derek Mackay said, we checked the financial standing of the operator—as we do with all operators—and we are satisfied with the assurances that we have had. In relation to the fact that Serco was barred from taking up contracts by the UK Government, that had stopped prior to this process coming to a conclusion. We could not have said, “You have recently been barred by the UK Government from taking up contracts so we cannot let you have this contract.” That bar had expired. At the stage when it won the contract, Serco was able to take up Government contracts.

If, as has been suggested by one or two people, we had said that Serco could not have the contract because we did not like its recent track record, it could have launched a complaint about that and sought compensation for its bidding and other costs. We were satisfied that, at the point at which the contract was let, it was not under the stricture that you mention.

James Dornan: I see that the UK Government and the Welsh Assembly both have contracts with Serco that have been awarded since that time, so that would explain that.

Keith Brown: Glasgow City Council has one, too.

James Dornan: Yes—but that contract is, to be fair, a longer-running contract.

The full business case highlighted risks associated with the locomotives that will be used by Serco to haul sleeper services. Can you offer an assurance that sleeper service reliability and punctuality will not be adversely affected by the introduction of those locomotives to the sleeper service?

Aidan Grisewood: We have sought that reassurance, and our own technical experts are looking at the locomotives that are being used, and the extent of the refurbishment, which gives us an assurance around the reliability and punctuality performance that we can expect from the franchise.

The Convener: I want to stick with the issue of the credibility of Serco, given that it is being investigated by the Serious Fraud Office and has had to pay more than £60 million to the UK Government and was banned from bidding for UK contracts for six months. Obviously, you would expect all of that to undermine public confidence in its ability to operate flagship services as part of the Scottish rail service. What further reassurance can you provide to the public that Serco is a company that is capable of delivering?

Keith Brown: First, Serco is now quite a different company. It has undergone some substantial changes and there has been quite a degree of contraction in terms of the contracts in which it is involved. The company has made statements about that. It is not for me to get involved in an on-going investigation.

We can ensure that the process that we have gone through is robust. We make checks on the financial standing of all the bidders. If we want to preclude an organisation from bidding on a contract, we must have good grounds that are robust and can stand up to challenge; there were no such grounds for precluding Serco from bidding for the sleeper contract. We have sought financial guarantees, which Aidan Grisewood can perhaps talk about in more detail. We require bidders to be insulated from the wider group in terms of their ability to run this contract.

Those are the assurances that we have. As I said, we continuously monitor the situation, but not because we are particularly concerned about Serco—we do that for all contractors. In the case of one franchise holder there was an issue in relation to the stock market, so we sought further reassurance about that. We seek reassurances—not only verbal but financial.

The Convener: I hear what you are saying and I am sure that people will be reassured that the Scottish Government has sought and received assurances from Serco, but the company is experiencing considerable financial difficulties, so it is right that the Scottish Government should do that. I think that the public would expect it do to that.

Finally, what contingency plans are in place if Serco were to withdraw from the franchise?

Keith Brown: A number of options are available to the Government. As we saw in relation to the east coast mainline, the Government is the operator of last resort. We have off-the-shelf companies that can be brought into being, and we would have to assemble the expertise to run a rail service. We do not believe that we are in that situation, but the contingency plans are clearly laid out in legislation and in practice by the UK Government. We are bound by the same legislation and have taken the same precautions. However, we do not believe that those are going to be necessary, because we believe that Serco can fulfil the contract.

The Convener: Thank you for that.

Mark Griffin (Central Scotland) (Lab): What engagement have ministers and Transport Scotland officials had with the High Speed Two Ltd and the UK Department for Transport on high-speed rail—in particular, on the feasibility of high-speed rail coming to Scotland?

Keith Brown: We have had a number of discussions over recent years. I have talked to, I think, three different secretaries of state to try to get dialogue on HS2, and I speak to the company itself. During those discussions, we have made it clear that there seems to be a tendency for UK ministers to talk about the benefits from high-speed rail that will come to Scotland, but we have made it clear that we want high-speed rail to come to Scotland, not just benefits that would be add-ons from high-speed rail south of the border. We have a relatively constructive dialogue and we await the outcome of the joint study that is being undertaken by HS2 and of which we are sighted. However, we have made it clear that we want high-speed rail to come to Scotland because that is where the real benefits will come in. I think that most of the parties in Parliament want that.

We have also made the point to HS2 that announcing add-ons and so on and going about the contract in a relatively piecemeal fashion is not best. There are many reasons to suggest that it would be more straightforward—to start a high-speed rail link from the north, from Edinburgh and Glasgow, to London. We do not have quite the same weight of issues that the south has, especially coming out of London. Also, it is not necessary to start a railway line of that type at one point and move from point A to point B; you can do it along the line, as we are doing in the Borders.

Those are the points that we have made to HS2. We are pleased that we have the dialogue with it that we asked for, but we await the outcome of the joint study.

Mark Griffin: What is the Scottish Government's view of the HS2 chairman's comments that upgrades of existing rail lines are much more likely than extension of HS2 to Scotland, and that the discussions between the two transport departments on high-speed rail are running behind schedule?

Keith Brown: David Higgins has to take his steer from the Department for Transport. The much more important issue behind that is the political one. If we can get from all the political parties buy-in to the principle that high-speed rail should come to Scotland, that will strengthen his hand. We have a lot of time for him, but he has to say what he has to say, given the political direction that he gets.

David Higgins is well aware of the situation in Scotland and the benefits that would accrue from high-speed rail; it is obvious to most people who think about it that the real benefits in economic regeneration and modal shift would accrue if the line came all the way to Scotland and we got sub-three-hour journey times from Edinburgh and

Glasgow to London. It might be possible to get that if we did some of the refurbishment that has been talked about—we will have to wait and see what the joint study says—but if we want real modal shift, high-speed rail has to come all the way to Scotland. The central belt of Scotland is the second most economically active area of the UK after the south-east of England, so there are real benefits to the rest of England and the rest of the UK if the link comes all the way here.

As I have said directly to the UK Government and others, we really want high-speed rail to come all the way to Scotland because that is what will bring the real benefits. However, the politicians will drive that—let us not pretend otherwise—and we all have to convince them that it should happen.

Mark Griffin: You mentioned central Scotland's economic activity. There have been plans for an Edinburgh to Glasgow high-speed rail line. Are you able to give us an update on the feasibility planning for that?

Keith Brown: We are examining that just now. As I have said previously to the committee, that line is predicated in large part on the idea that a high-speed rail link will come from the south. It would make sense to make that project part of a high-speed rail network—that fundamentally affects the suggested line's viability. We want more information from the UK Government before we take the possibility of high-speed rail between Edinburgh and Glasgow much further. I hope that the joint study that I mentioned will help us with that. A new direction from the UK Government, if it were to come out explicitly in favour of high-speed rail to Scotland, would also help.

Mark Griffin: If I remember correctly—I apologise if I am wrong—the budget line for high-speed rail has reduced from last year's budget. Are you able to tell the committee why that is the case?

10:45

Aidan Grisewood: Again, that is tied in with the minister's previous answer about waiting for the results of the joint study. The budget is for planning work. Obviously, the scale of the investment that would be needed to take high-speed rail forward would be in the hundreds of millions of pounds, rather than the few million pounds that you are talking about.

I think that the figure is down from about £4 million to £1 million or £2 million. Essentially, that is for planning work for the business case. We have talked about taking forward work subsequent to that, but we are waiting for the results of the joint study in order that we can give a fully informed picture on the options to ministers.

Derek Mackay: I will assist Mr Griffin on the Edinburgh to Glasgow question. There is, in any event, major investment through the Edinburgh to Glasgow improvement programme. Although it is not about high-speed rail, that improvement project will, nonetheless, be substantial. Any future investment in high-speed rail hangs on the joint study and the UK Government taking a view and a decision, and then there being a partnership decision. That answers the budget line question. There will be consequences for us. In respect of the UK position, high-speed rail is connected to the joint study.

Mike MacKenzie: Given the vast territory of the Highlands and Islands, I hope that you will indulge me slightly. I think that I am the only member here with an interest in that area.

Before I get to questions, I will take the opportunity to give ministers a bit of feedback. There is delight about the increased frequency of the rail service between Oban and Glasgow, which is the first significant improvement to that service for many years. People are really pleased about that.

I will make an observation before I ask the ministers for an update on the A83 and the Rest and Be Thankful. I remember that clearing the landslides seemed to take days in comparatively recent times, but it now seems to happen in a matter of hours. I know that people in the area are thankful for that. I ask the ministers for an update on that.

My heart used to sink and a frown would come over my face when I arrived at Pulpit Rock. After many years, my heart is uplifted and a smile comes to my face when I see the progress that has been made there. It would be interesting to hear exactly what progress there has been and when we can expect those works and the Crianlarich bypass to be completed. Can the minister provide updates?

Derek Mackay: A smile comes to my face when I hear about the challenges on the A83 and the Rest and Be Thankful. There is, of course, a significant challenge for the transport network from the impact of weather and landslides. The task force will continue to meet to look at the options that are available to us. A number of measures have, of course, been put in place to try to minimise disruption and to ensure that, when the route is blocked, it is reopened as quickly as possible.

Some of the short-term measures, such as netting and other physical approaches, have been very helpful. Perhaps Roy Brannen can cover the specifics that Mike MacKenzie asked for.

Roy Brannen (Transport Scotland): It is heartening to hear the feedback on the speed of

the response, because there is a massive team effort to keep the A83 open.

Our fantastic landscape and topography, and our climate and how we adapt to it mean that we simply cannot stop landslides occurring. We face an on-going battle not only at the Rest and Be Thankful, but across the whole of Scotland. As well as the A83, we have Glen Coe, Skye and many other locations.

Some years ago, we undertook a study that identified and risk assessed exactly where the high-risk areas are, so we have a good understanding of what we are faced with. The approach is really about hazard and risk reduction or mitigation. As members know, we undertook quite a detailed study at the Rest and Be Thankful that looked at a range of options to try to reduce the risk there, and the so-called red option was chosen, which involved using alpine netting to protect the debris flow channels and to reduce the risk of large boulders and large debris making their way to the road and having a significant impacts on traffic.

We have completed all 14 phases of that netting at the Rest. The last landslide there, at the end of October, was the biggest for some significant time. In our eyes, the netting worked as expected. It stopped the largest boulders that we have ever seen—some were the size of small cars—from making their way onto the road. What you saw in the pictures that were tweeted and communicated more widely was slurry: the mud and water that had made its way down to the carriageway.

The old military road is working very well in mitigating the impact on distance. The times vary depending on when you join the back of the queue, but removing that additional distance for travellers into Argyll and Bute is welcome.

We have a partnership approach with the local community, tourism bodies and all the stakeholders to ensure that we put across the key message, which is that Argyll and Bute is still open for business, even as we deal with incidents.

This year we will spend at the Rest and Be Thankful an additional £1 million on drainage, planting preparation works and additional monitoring. We are leading the way in the UK and the world on monitoring landslides and trying to identify landslide triggers earlier.

More widely, we are spending about £5 million on other sites down the A83, at Glen Kinglas, which is further west, and at Loch Shira and Cairndow, which some years ago was the scene of a landslide that nearly took out one of the houses. Further afield, part B of our study looked at improving some of the bends, at resurfacing, and at some other issues that have occurred over a number of years.

This year the minister announced the retrunking of a significant part of the trunk road from Kennacraig to Campbeltown, which shows commitment through the amount of investment that we are putting into the A83.

More widely, the A82 scheme is progressing at Pulpit Rock in Crianlarich. I do not have in front of me the exact date when Pulpit Rock is due to open, but I can provide that to the committee once I speak to my colleague Ainslie McLaughlin, who is director of major projects.

Mike MacKenzie: Thank you for that pretty comprehensive response. Moving a bit further north, a rumour seems to be emerging that the A9 average speed cameras might not be switched on. Can you give some clarity on that?

Derek Mackay: As a new minister, I saw that press coverage as well. I have checked the cameras and they are on and operational. It is as straightforward as that. We can go into the debate around the cameras, but they are absolutely operational.

Mike MacKenzie: Thank you for that. It might be worth covering some of the main issues that pertain to the cameras. Obviously there are people who are in favour of the cameras and those who are not. Will you sketch out the main arguments, please?

Derek Mackay: I am happy to go into the experience of the issue and turn to the experience of the cabinet secretary.

Keith Brown: The issue has changed over time. I am getting a lot of feedback to the effect that people feel that the A9 is a less stressful drive and they are more at ease on the road. There have been the expected small increases in journey times, but it is too early to say anything about some of the other aspects. We will have to wait and see what the safety camera partnership publishes—it publishes after three months.

I remain convinced that having the cameras is the right thing to do.

Evidence can never be totally conclusive, but we have said before, based on the evidence, that there could be a £4 million saving if we could eliminate two fatal or serious accidents a year. Apart from the personal cost to the individuals involved, which is huge, the cost of a fatal accident is about £2 million.

We had to install the cameras anyway because we had to put average speed cameras on parts of the road that were being dualled: we do that for the safety of the workforce. I mentioned in my opening statement that the first of those dualling schemes will start next year.

Recently a concern was expressed that traffic was going off the A9 to use other routes. That has not been borne out by evidence; we have seen a 5 per cent increase in use of the A9. Mike MacKenzie knows the route better than I do, but I cannot think of any shortcuts that would help to get you there faster.

Installing the cameras was the right thing to do. We have said that it is a pilot, so we will evaluate it over time, but it was the right thing to do in order to increase safety. It does not stop, hinder or delay by one day the dualling of the A9, which we will do as quickly as we can. I know that some people may express doubt about whether we are doing it as quickly as we can, but we said the same about the Aberdeen western peripheral route and we are doing that. We are also doing a number of other projects more quickly than was estimated. We will try to do the A9 as quickly as possible. I accept the point that has been raised by many people who are concerned about average speed cameras that the best solution is to dual the road. We are doing that and we will do it as quickly as we can.

Mike MacKenzie: I commend the Scottish Government on taking an evidence-based approach. I know that a number of constituents with whom I am in contact are actually quite happy with the situation.

With your indulgence, convener, I shall move on to my final question, which is about the Stornoway-Ullapool ferry route. I am sure that you will be aware that, due to the construction of the new linkspan, the ferry has to divert from that route and instead sail from Stornoway to Uig in Skye. The main concern at the moment seems to be that CalMac Ferries has not consulted as well as it might have done. Can you comment on that and give us some reassurance?

Keith Brown: It was right to decide to do the work. We will end up at the end of the process with a fantastic £43 million ferry that can take passengers and freight, and with improved port facilities in Stornoway and Ullapool. It was also right to do the work at this time, although I am aware of the criticism that there could have been earlier consultation, whether by CalMac Ferries or by Caledonian Maritime Assets Ltd. I have told both CalMac and CMAL that consultation should be done as early as possible as a matter of course. Perhaps the information came out before they were ready to finalise their plans to alleviate the impact of any changes that had to be made.

Mike MacKenzie: Once the new ferry is in operation, do you expect a greatly improved service and passenger experience?

Keith Brown: I have been on the new vessel and it is fantastic. People are keen to have the new service. There is no diminution of the current

service, of course, and we are serving both passengers and freight on that route.

The new ship will have vastly better fuel consumption figures, compared with the current figures for the combined passenger and freight services; it will be more efficient and more environmentally friendly. It is also an attractive vessel, so I know that people will notice it. People will have the chance to use the new service shortly, which shows that we are investing substantially in that route for people in the islands.

Alex Johnstone: If you will indulge me, ministers, I want to jump around a few of the road projects briefly. First, would it be possible to get an indication of the number of penalty notices that were issued in the first days and weeks after the A9 speed cameras were switched on?

Keith Brown: I tried to mention that earlier. We do not publish those figures, although the safety camera partnership will publish them for a set period—I think that it is a three-month period. Roy Brannen can tell us more about that. There is no provision for us to ask for an early snapshot of what happened in the first few days, but we should get that information fairly soon. There is a set process for doing that, and we are not going to deviate from it.

Roy Brannen: The safety camera partnerships own the data and are now operating the system. We installed it but the partnerships now look after it and manage and operate it on a daily basis. The partnerships will not release those figures, because it could bring into jeopardy the whole operation of the safety camera system. There is a meeting today of the road safety group, which Stewart Leggett chairs, and it will be working towards the dissemination of information on a quarterly basis, so by January the partnerships will have provided some kind of performance statistics on exactly what the system is doing.

Alex Johnstone: Please forgive me if you mentioned this earlier, cabinet secretary, but I got very excited when you gave us a completion date for the AWPR. Did you give us a similar date for the completion of the M8?

Keith Brown: No, I did not give you a date. We can come back to you with the dates, but there is no change to the previously published dates for that. If you have been there recently, you will have seen a huge amount of work going on. We have to go very deep at the Raith interchange, for example, because of ground conditions, but there are no delays to the programme.

11:00

Alex Johnstone: As I said, I am delighted that we now have progress and a potential completion

date for the AWPR. However, there are always people who have concerns about junctions and we are still looking for a conclusion for one junction that was improperly designed 30 years ago. Does the minister have any views on the local campaign and the concerns that there are about the junction at Stonehaven between the A90 and the fast link?

Keith Brown: No. That decision was made in 2005. I know that there is a local campaign for a different route and Nigel Don raised that in Parliament recently. I made it clear then that the last thing that we are going to do now is reopen the issue, because that would require new road orders to be made and, given the history, there could be a legal challenge—I do not know. It would mean a substantial delay and cost to the project, so we do not intend to deviate.

I had not heard concerns about the junction. The concerns that I have heard are more about the route that is being taken. If you want to pass on any concerns about the junction, I would be happy to look at them, but I have not had any expressed to me.

Alex Johnstone: I will take the opportunity to communicate on that.

On another subject, this week there has been further news about the UK Government's intentions to further improve the A1 north of Newcastle. As you know, a huge amount of work has been done to upgrade the A1 to the south to motorway and there is now effectively an east coast motorway network in the UK. Given that the UK Government has now committed to dualling a further section of the A1 north of Newcastle, is there an opportunity for the Scottish Government to work with the UK Government to complete the dualling between Edinburgh and Newcastle to give Edinburgh and the east of Scotland full access to that east coast motorway network?

Keith Brown: Even if we wanted to do that, that would not complete the dualling between Edinburgh and Newcastle. Even if the project that the UK Government announced this week goes ahead, it will not complete the dualling south of the border. The road will not be dualled to the border from the south.

The A1 is assessed regularly and it performs well. It is below the national average in terms of accidents per kilometre. We have said that we are willing to provide information to the UK Government about the road. We keep it under review but it serves its purpose just now.

We were told a year ago that the UK Government intended to dual the road to the border, but that seems to have changed now. It has taken a decision that will result in parts of the road being dualled. A substantial section of the road is dualled but not all of it. Given the road's

usage and the financial constraints that we are under, we do not have a plan to dual the A1 down to the border, just as the UK Government does not have a plan to dual it from the south to the border.

On Mr Johnstone's earlier question, spring 2017 is the completion date for the M8 bundle.

Alex Johnstone: Thank you.

Adam Ingram: In addition to those major trunk road projects, the strategic transport projects review laid out a number of other smaller-scale road improvements that would improve connectivity, reduce journey times and tackle congestion. The Maybole bypass in my constituency is notable and I know that it has been progressed so that, next summer, it will achieve shovel-ready status. Given your success at keeping the major projects to budget—even under budget—and on time, when will it be possible to advance some of those smaller projects? Is that on the cards? I am looking for a little encouragement for people that those projects will come on stream in the not-too-distant future.

Keith Brown: I know about the Maybole situation. Very heavy traffic sometimes goes through the main street and passes close to individuals on narrow pavements.

With the Maybole bypass and a number of other projects in which we think there is real merit, we have gone through the planning and the road order processes, as you described, in order to get them to the shovel-ready stage. We are not there yet with Maybole; from memory, there are planning issues to be resolved. When we get to the end of the process, if the road is ready for the upgrade, we still have to look to get the money to do that.

In the past, we have sometimes had consequential money, which has allowed us to progress projects that were a bit further behind. We will find out today whether there will be any consequentials, although I am a bit sceptical about that, given that Danny Alexander said on television the other night that the budget statement was really the detail of previous announcements.

As you rightly mention, the big projects are our priorities. Once the A9 and A96 projects are complete, we will end up with all Scotland's cities joined by motorway or dual carriageway, which is important strategically. However, there are other projects. I mentioned the Berriedale braes, and Maybole bypass is another. I do not know whether Mr Johnstone was referring to the Laurencekirk junction, but it has been mentioned before, although we think that there is an issue about the developer's contribution. Those projects depend on money becoming available. Given the background of a 26 per cent cut to our capital projects, we are increasingly having to look at

innovative project financing. In relation to the M8 bundle and the AWPR, we are tackling that by financing the projects through non-profit distributing trust.

Two things can help us to advance some of the less substantial projects, if I can put it that way. The first is if we happen to get money from consequentials or some unforeseen source, and the second is if we can figure out new ways to attract funding. We are constantly examining that—it is perhaps a bigger part of my current job, in terms of capital investment and infrastructure, than my previous one. We are looking at that, and we are well aware of projects such as the Maybole bypass, which you rightly mention, for which there is an awful lot of local support.

Mary Fee (West Scotland) (Lab): In June 2013, an updated version of the cycling action plan for Scotland was published. That included the shared vision for 10 per cent of everyday trips to be taken by bike by 2020. Are we on track to meet the target? What are the current and future plans to assist in meeting the target? Part of that is about changing behaviour, so perhaps you could talk a bit not just about the infrastructure programmes but about how you are making the required behavioural change.

Derek Mackay: That is a very important question. There must be a behavioural shift, so the issue is not just about infrastructure, although that is important.

The action plan has been updated and there is on-going work with local authorities. Employers' schemes related to active travel are also to be supported. The national walking and cycling network is a further infrastructure development this year. The planning process and the infrastructure to be delivered for the network have been prioritised. There has been a successful cycling summit, working in partnership with local authorities, as well as various pots of funding to support active travel. That package of measures should further progress active travel.

The shared vision is a longer-term one, but there must be a behavioural shift whereby people see it as more attractive to get out of the car and on to the bike or to walk, particularly on short journeys, where that can be achieved. Therefore, it is a mixture of infrastructure, behaviour and promotion.

Keith Brown: We also have the national walking strategy. As Mr Mackay mentioned, we had the first cycling summit last year, and I decided to cycle there—it was 17 miles and I have just about recovered. The summit was in Edinburgh, which has perhaps done more than any other city to try to improve infrastructure and behaviour, as well as to encourage cycling.

The other big thrust of our efforts is through schools. We are increasing training for children at school and, where we can, we are rolling out the idea that it should be on-the-road training. In the past, such training has taken place in playgrounds, which does not reflect the pressures of the road network.

If we can get people involved in cycling when they are school age, we hope that they will continue to cycle throughout their lives. We are doing further work along with my colleagues Alasdair Allan—and formerly Paul Wheelhouse—in relation to schools, and Shona Robison in relation to health. For the first time, there is cross-portfolio working going on to encourage that. We are also trying to change behaviours in urban areas where there is a large preponderance of students.

Infrastructure and behaviour go hand in hand. One reason why there is an inhibition on cycling to school is the fears of parents about the safety of children so, if we can improve cycle routes to schools enough to give parents additional reassurance, the infrastructural improvement can lead to changes in behaviour. It is right to say that we need the two things together.

In my constituency, there has been infrastructure work between Tillicoultry and Alva—a fantastic route has opened there—and we are expanding the national cycle network at Stirling. That will help to attract people to the country to cycle for recreational purposes, but it will also mean that people will see the opportunities for cycling and know that it is safe, which will change behaviour. For example, people might decide to take a cycling or active break, rather than some other form of break. The two things link well together.

Mary Fee: Are we on track to meet the 10 per cent target by 2020?

Keith Brown: You mentioned that it is a shared vision. The target is a shared aspiration. Achieving it is not just down to the Government, but is between the local authorities and all the agencies. It is true to say that what we expected to happen has happened, in that the early investment in behavioural change needs time to work through. We are still aiming for the 10 per cent by 2020, but the early work is hard work. We want to see real progress towards that shared ambition soon.

Mary Fee: In November, when you were transport minister, cabinet secretary, Transport Scotland published “A Long Term Vision for Active Travel in Scotland 2030”. At the time, you said that the document set out

“how we hope Scotland will look in 2030 if more people are walking and cycling for short, everyday journeys allowing us to reap the benefits of active travel.”

What is the status of that document and where does it fit in with the policies that are part of the cycling action plan and the national walking strategy?

Keith Brown: The cycling action plan and the national walking strategy stand on their own merits. The detail is in there to see how we can move forward.

My idea was to get all the stakeholders to think in the longer term—over a seven-year period, as this was last year—about what the achievement of their ideals would look like in 2020, given some of the examples that we are confronted with in, say, the Netherlands or Denmark. The idea behind that was to try and feed into the decisions that we take now in order to achieve that ideal. There was a great deal of emphasis on 20mph zones, not all of which are in our gift—it is up to local authorities to implement those, although the Government has been asked to make it easier to achieve that.

The 2030 document took some time to assemble. We had fantastic buy-in from stakeholders and, to get to the final version, everyone had to make a bit of a compromise. However, I think that it was a very good exercise for Transport Scotland and planning officials across the country, who can now see what they are trying to achieve and how things might look if we get planning by design right. The document does not undermine the walking plan or other targets.

Mary Fee: Is it your view that every strategy is complementary and they all fit together?

Keith Brown: The vision that we came up with helps to inform the strategy. It gives us a picture. Government officials—there are some here, so they can speak for themselves—are constantly working towards the next five or six years, looking at specific projects, and it perhaps helps them to have a long-term vision in mind as they work.

11:15

The Convener: The committee has considered sustainable and active travel as part of its scrutiny of the draft budget and the allocation of expenditure on areas that can be expected to impact on our carbon emissions and the attainment of our climate change targets. When the then Deputy First Minister Nicola Sturgeon came before the committee, I asked her about the perceived lack of clarity over how much money was being invested. It strikes me that if there is a good story to tell—and the Government says that it is doing more than ever before to invest in active travel—we are missing an opportunity to make people aware of that investment, given that a lot of the investment and expenditure are incorporated into different budget lines in the draft budget.

As you know, Sustrans is highly respected in this area. In its written submission to the committee on the draft budget, it said:

“At present, it is well-nigh impossible to accurately ascertain how much money will be directed towards active travel as the figure is so buried away within other funding pots. This situation must be resolved imminently.”

I have raised the issue in the chamber with the Cabinet Secretary for Finance, Constitution and Economy. I know that there is a willingness to try to provide further clarity, but we do not seem to be making the progress that stakeholders want.

Keith Brown: I will take that issue up with Sustrans. A member—I cannot remember which—asked either me or Mr Swinney a question in response to which we gave as clear as possible an account of where money was being spent. At the start, you mentioned sustainable and low-carbon transport. Perhaps the fact that they relate to different pots of money is where some of the confusion comes from—I accept that point.

I take your point on board, and I will check the response that was given previously, because as I recall it gave a clear account. For example, it will have noted that, in 2014-15 through to 2015-16, £34 million will be spent on sustainable and active travel, compared with the previous amount of £25 million, and that the total funding to support active travel in 2012-13 through to 2015-16 is likely to be around £100 million, although some of that depends on discussions and decisions about future transport funds and local authority grants. That is also a complicating factor, because the money that we give Sustrans often has to be match funded by local authorities.

If I can find the response that I referred to, I will provide it to the committee, and if you think that we have to travel further to make the position as clear as possible, I am happy to do so. Obviously, we are in the middle of the budget round just now, and I will pass your comments on to the Deputy First Minister.

The Convener: I want to move on to an issue that is close to the hearts of all Edinburgh MSPs: the Edinburgh trams. They are now up and running in the city, which we all welcome.

On 5 June, the First Minister announced that there would be a public inquiry into the trams project, and the then Deputy First Minister announced in November that that inquiry would be placed on a statutory footing. Clearly, there remain a number of questions that the public would like to be explored and answered through that inquiry, such as why the project incurred delays, why the cost is now considerably more than was originally budgeted for and why the tram project was unable to deliver the network that was originally envisaged when it was first mooted. Can you

provide an update on the inquiry into the project, including when you expect it to report and how much you expect it to cost?

Keith Brown: You are right to say that the latest information concerns Nicola Sturgeon’s decision to convert the inquiry to a statutory one. That goes back to our previous decision to hold a non-statutory inquiry, which we believed that that would be quicker and might not cost as much. However, from Lord Hardie’s early experiences, it was clear that some of the people to whom he wanted to speak would not appear without the backing of a statutory inquiry. It is not just a question of using legal force to get people to appear, but about giving assurances to people with regard to other legal action that might be taken.

As we have said, the inquiry will be properly independent. That means that the timescale and the costs will be determined by Lord Hardie, the head of the inquiry. All that I can say is that Lord Hardie is aware of the urgency with which people want the issue to be addressed, and he is making as much progress as he can in that regard. After all, we are talking about huge amounts of material—indeed, more than a decade’s worth—and many individuals are no longer on the scene or local to the area. You will understand how complex the inquiry is. All that I can say is that Lord Hardie is well aware of the need to undertake it as quickly as possible, but, having said that, I think that he will want to do it properly and efficiently.

The Convener: Can you say anything further about the cost at this stage?

Keith Brown: No. I genuinely cannot give you an estimate of the cost. We know of other inquiries that, for very different reasons, have become very expensive or have been delayed, but I take some comfort in the fact that Lord Hardie wants to deal with the inquiry as quickly as possible, while doing it in the right way.

The Convener: Thank you. Adam Ingram has a question about the Borders railway.

Adam Ingram: Cabinet secretary, do you have anything to add to your remarks about the Borders railway in your opening statement? Can you update us on progress and on whether the project remains on time and on budget?

Keith Brown: One thing that I would add is just how exciting a project it is. Mr Johnstone might appreciate this point given what has happened with the AWPR, but we probably did not understand exactly how sceptical local people were about the Borders project happening. Since then, people have seen the construction taking place on site, and enthusiasm and interest have grown. When I went down to see the phenomenal

track-laying machine, I noted the huge support for the project, and the intervention that the former First Minister made to ensure that we fully exploit its tourism potential has added to the interest and excitement. My responsibility was to ensure that the project proceeded as quickly as possible and that we stayed within the budget. Those things are happening, and we expect the laying of the track to be completed shortly.

Beyond that, the stations need to be constructed and the drivers need to be trained; after all, driver training is essential for any new route. Interest in and excitement about the project are now building and will come to a head in September next year. Indeed, even members of the Scottish Parliament who know the area are talking about their excitement at seeing trains return to the area for the first time in 40 years.

The project is complex, and a lot of work has gone into it. We all know that it has had a troubled history but it is very exciting and—to use an overused pun—well on track.

The Convener: James Dornan will ask about the Forth replacement crossing.

James Dornan: My question is similar to the previous one, cabinet secretary. Can you update us on progress on the construction of the Queensferry crossing and confirm whether the project remains on time and on budget? Are there any other comments that you would like to make?

Keith Brown: We are well under budget. I mentioned in my opening statement the recent £50 million reduction in the estimated cost, which takes us down to about £1.4 billion. When the project was tendered, the cost estimate was between £1.75 billion and £2.25 billion. The project is also on schedule; it has always been the case that the anticipated completion date would be December 2016.

People are now seeing the approach roads on either side taking shape, and, as with the other projects that we have discussed, I am regularly asked, “Is it almost ready to open?” If you cross the existing Forth road bridge, you will realise why it is not about to open—except, perhaps, to someone with the kind of special vehicle that James Bond used to have. However, people are seeing the towers going up and the progress with the approach roads. The programme goes back and forth—that is true of all big projects, especially when they involve building a bridge over a body of water—but the project is well under budget and on schedule to be completed in December 2016.

Alex Johnstone: I am delighted that the bridge is coming on and that the project has been a success, but in its early days, some of the prices that were being bandied about were so high and so wide of the mark that they might have

threatened its future. How did we manage to get that so wrong, and what have we learned from the changes to the costs of the project as it has gone along?

Keith Brown: That is an interesting question. When we began to see substantial reductions in the estimate, people’s views changed from, “This is too expensive” to “How are you getting it in so cheap? There must be some issue here.”

You are right. Back in 2005 or 2006, some in the media were commenting that the crossing would cost £5 billion or £6 billion, but some of the early work done by John Swinney and Stewart Stevenson before I was in post helped to get us a type of bridge that brought the price down. The costs also fell because of the nature of the project and because the Scottish Government had to pay for it essentially from current revenue and had to underwrite inflation and the risks associated with bad weather. We all know what has happened with inflation in recent years, and that has certainly helped. There has also been some very tight project management by Transport Scotland and others.

Those factors have genuinely contributed to driving down the price. When we look at where we might be able to reduce costs in other projects, we use the crossing as an example, but I should point out that it has certain distinctive elements such as the way in which Government has underwritten the inflation element. Had inflation been substantially higher, the Scottish Government would have had to take that cost on board. However, although some things are unique to the project, it has other very efficient elements. We have no reason to believe that the market misread the situation or that we had the wrong price from the start. We got a keen price; we made sure that we stuck to it; and where we could, we reduced it.

The Convener: Mary Fee has the final question.

Mary Fee: Winter is almost upon us and many people around the country will be bracing themselves for possible transport difficulties. In November, Transport Scotland launched its ready for winter campaign, and it has improved preparations for dealing with severe weather on the trunk road network. Are you satisfied that Transport Scotland, Network Rail and the bus operating companies are prepared for severe weather? Can you give us an update on the improvements that they have made to their preparations?

Derek Mackay: A range of improvements has been made. Preparation is key in winter; this morning, we had our first major frost and gritters were dispatched to deal with it. The partnership approach between the public sector, private

operators and—crucially, as Mary Fee knows—local authorities always assists in such matters.

The public information campaigns have been launched by the cabinet secretary; indeed, one such campaign was launched at SNO!zone in Braehead in my constituency. Information is also being presented in more ways that the travelling public wants to access such as various applications and Twitter; in fact, traffic Scotland has more than 60,000 followers on Twitter. In my first week in post, I visited the national traffic control centre to look at the multi-agency work to co-ordinate action on pressure points and incidents. Of course, we are not just talking about snow and ice; wind, rain and flooding, too, can cause major disruption.

All of that means more preparation. One of the first questions that I asked when I came into post was about our stock of salt, which I have learned is at a satisfactory level and, indeed, is higher now than it was before. We are making every effort to ensure that we are prepared, that the necessary information is out there, that we have updated our ways of working and that we are using new technology to ensure that more people can access information safely, including while they are travelling.

All of that leads me to conclude that we are satisfied with the plans that are in place. However, if there is a severe weather incident, we will have to be adept in dealing with it, and partners continue to work closely on forecasting and the approaches that we will take. The winter has been relatively mild so far—and long may that continue—but we will ensure that we are fully prepared for the period ahead. I hope that that answers the member's question.

Mary Fee: Thank you. A problem that we have had in the past has been the provision of real-time information. What improvements have been made in that respect?

Derek Mackay: Of course, people need to access information safely and as well as the Twitter feed and the website, there is also the radio. We can record things centrally and broadcast the hotspots and the difficulties that travellers might be experiencing. More up-to-date, live information is being disseminated than before, and a range of different sources can be used. There is, for example, increasing use of mobile apps, and we will put further investment into that area.

11:30

It is a mix of being prepared, having full cognisance of the warnings that have been issued, ensuring that all of our agencies understand what is going on in the transport networks across the

country and conveying that information through appropriate methods such as the internet or the media. It is also about using communication channels and taking a multi-agency approach at the control centres. We need to ensure that there are good direct lines of communication to the public.

I am not sure how old the radio broadcasting service is but I—and I understand the cabinet secretary, too—have volunteered to do a broadcast. We are certainly exploring any technology that can be used to ensure that all the real-time data or information that we have on what is happening, including weather forecasts and areas where various issues might arise, is out there for public consumption.

Mary Fee: Thank you.

Alex Johnstone: Whatever you do, minister, do not accept any last-minute invites to appear on "Newsnight".

Derek Mackay: I will take Mr Johnstone's advice on board.

The Convener: What is the nature of the broadcast that you and the cabinet secretary are recording?

Derek Mackay: I made that comment more in jest. The serious broadcasts are made daily. Our operators record traffic and travel information, including, I imagine, weather warnings, which can then be passed to commercial operators. We are simply volunteering our services to give information to the public through a broadcast should that be required. However, we have a permanent base that provides pre-recorded updates based on information or live updates, which can be sent to commercial radio operators to ensure that we have as much saturation of our warnings as possible.

The Convener: Thank you for that clarification.

Mark Griffin: Since the publication of the AECOM report, has there been any progress on the Glasgow airport surface access improvements and on some of the recommendations in that report?

Derek Mackay: During my period as Minister for Local Government and Planning, the Scottish Government signed up with the UK Government and local authorities to the city deal, which included a key project on surface access to Glasgow airport. In my current role, I will continue to meet representatives of the airport and our agencies to discuss how we take that project forward.

Essentially, it is up to the local authorities to determine how they take forward their city deal projects, which is what the surface access project

is. However, we will continue to work closely with Glasgow airport and any other partnership on the issue, and there will be further direct discussions with Glasgow airport.

Mark Griffin: With regard to one of the recommendations in the AECOM report, the previous minister's preferred option was the tram-train option. Can you comment on the feasibility of delivering that? Have you had any discussions with Network Rail on the matter? Given that the pilot project between Rotherham and Sheffield was delayed for a year and has been delayed again because of signalling issues between the tram and train networks, is such an option still deliverable?

Derek Mackay: I do not think that that was just the minister's view. If memory serves me correctly, the tram-train option came out top in the report and was seen as the best option.

Our officials will be happy to support the city deal partnership in taking forward the project, but I point out that the city deal is a funding package that essentially allows councils to take forward their own proposals, and access to Glasgow airport by rail is now a council proposal. We will be as supportive as we can be and we will study all the necessary information, but the project is no longer led by Transport Scotland or the Scottish Government. The city deal creates the conditions for empowering local authorities and giving them the financial freedom to get on with projects, and we will be as supportive as we can be.

The Convener: Do our panellists have any concluding remarks?

Keith Brown: I do not have any concluding remarks, convener, but Mr Mackay and I are happy to return to address any issues that are of concern to the committee.

The Convener: I thank the panellists not just for bringing a smile to Mike MacKenzie's face this morning, but for answering all our questions so fully.

11:35

Meeting suspended.

11:39

On resuming—

Subordinate Legislation

Notice of Potential Liability for Costs (Discharge Notice) (Scotland) Order 2014 (SSI 2014/313)

The Convener: Agenda item 5 is consideration of a negative Scottish statutory instrument. The purpose of the order is to prescribe under the Housing (Scotland) Act 2014 the form of notices of discharge of potential liability for costs, and it is issued under the Title Conditions (Scotland) Act 2003 and the Tenements (Scotland) Act 2004.

The committee will now consider any issues that it wishes to raise in reporting to Parliament on the instrument. As no motions to annul have been lodged, does the committee agree not to make any recommendations in relation to the instrument?

Members *indicated agreement.*

The Convener: That concludes the committee's public business. As agreed, we will now move into private session.

11:40

Meeting continued in private until 11:47.

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e-format first available
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