The Scottish Parliament
Pàrlamaid na h-Alba

Transport Committee

Stephen Flynn MSP

Cabinet Secretary for Economy, Tourism and Transport

19 November 2026

Dear Cabinet Secretary,

Pre-budget scrutiny 2027-28

Since its establishment, the Committee has consistently heard evidence that funding, finance and economic considerations are central to transport policy.

Decisions taken through the budget process affect transport infrastructure, many fares and the provision of transport services across Scotland.

The 2026-27 Scottish budget allocated almost £4bn in Scottish Government funds for transport. However, transport funding is complex and extends beyond direct Scottish Government expenditure. Investment is also provided through local government funding and private and commercial sources, including fare revenue.

This year, the Transport Committee agreed to focus its scrutiny on **road and rail development**. This encompasses new infrastructure projects, upgrades to facilities, and maintaining existing roads and rail networks.

Official Reports of the Committee's meetings of 30 September, 28 October and 4 November will undoubtedly be informative for you and your officials, providing detailed evidence on these issues.

However, the Committee has three main issues it wishes to raise ahead of the Scottish Government's budget. It asks you to:

- Reconsider the medium and long-term solutions for the A83 Rest and be Thankful to find resolutions which are less disruptive to residents, businesses and visitors in Argyll, and enjoy greater public support than Transport Scotland's current preferred options, which would mean four years of serious disruption as a result of one-way convoys**;**
- Confirm Scottish Government funding for the delivery of the Winchburgh station project in the upcoming budget, to allow this to get underway; and

Contact: Transport Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email: transport.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

- ensure that the roll-out of the £2 bus fare cap does not unintentionally harm the financial sustainability of rail services, and review whether the inclusion of intercity and airport bus services in the scheme is delivering the best value for money.

Attached below is a summary of the key points arising from the Committee's pre-budget evidence, together with the Committee's full recommendations, in relation to these points, and others.

The Committee is grateful to the witnesses who gave their time to share their thoughts and inform our pre-budget scrutiny.

The Committee looks forward to receiving your response to the recommendations in advance of your appearance before us to discuss the 2027-28 Transport Budget early in the New Year.

Yours sincerely,



Willie Rennie MSP
Convener

Pre-budget scrutiny by the Transport Committee of the Scottish Government's budget for 2027-28: road and rail development

Introduction and context

1. Each year, subject committees in the Scottish Parliament undertake pre-budget scrutiny in advance of the Scottish Government's budget for the forthcoming financial year.

2. The Transport Committee agreed to focus its pre-budget scrutiny on road and rail development. To inform this work, the Committee heard oral evidence at its meetings of 30 September, 28 October and 4 November 2026.

3. The meeting on 30 September looked more widely at procurement, while the meetings of 28 October and 4 November were specific pre-budget sessions, focused on rail and road development.

4. Witnesses attended from the following groups. The Committee's scrutiny focuses on the evidence provided by them:

30 September – procurement discussion

- Transport Scotland – Alison Irvine, John MacIntyre, Lawrence Shackman and Chris Wilcock
- Civil Engineering Contractors Association (CECA) Scotland – David Macdonald

28 October – campaigners for road and rail infrastructure

- The Rest and Be Thankful Campaign Group – John Gurr
- British Motorcyclists Federation (representing the Pothole Partnership) – Paul Morgan
- Moray Chamber of Commerce – Shan Saba
- West Highland Chamber of Commerce – Alastair Smith
- Dumfries & Galloway Chamber of Commerce – Jamie Shovelin
- Railfuture Scotland – Allison Cosgrove
- Winchburgh Developments Ltd – John Hamilton
- Campaign for North East Rail – Jordan Jack
- Newburgh Train Campaign – Nigel Mullan
- Rail Action Group, East of Scotland (RAGES) – Tom Thorburn

4 November – transport industry

- Asphalt Industry Alliance – David Giles

- Chartered Institution of Highways and Transportation Scotland – Scott Grant
- Railway Engineering Institution – Russell Jackson
- CECA Scotland – David Macdonald
- Rail Industry Association Scotland – Lee Pounder
- Scotrail – Joanne Maguire
- Network Rail Scotland – Liam Sumpter

Broader fiscal context

5. The Committee notes that the Scottish Spending Review 2026, published in January 2026, sets out plans for an increase in transport funding over the spending review period (2026-2029). Transport spending is projected to increase from £3,952 million in 2026-27 to £4,335 million in 2028-29, representing an increase of around 9.7 per cent in cash terms.

6. That said, the Committee also notes the broader challenges in the fiscal environment. The Finance and Public Administration Committee, in its *Pre-budget 2027-28 Report*, highlighted the "significant financial pressures facing the Scottish Government", including an anticipated fiscal gap of £2.624 billion in resource funding and £2.146 billion in capital funding by 2029-30. The Spending Review also forecasts decreases or smaller increases across a number of other portfolio areas, including justice, climate action and energy, and finance and local government.

The need to prioritise and protect investment in road and rail development

7. Campaigners for road and rail infrastructure giving evidence to the Committee emphasised the need for investment in network expansion, improved resilience to extreme weather events resulting from climate change, and ongoing maintenance. The Committee heard that transport investment does not just affect accessibility and mobility, but has significant economic, social, and environmental benefits.

8. These witnesses consistently argued that transport investment should be viewed as an enabler of wider positive economic, social and demographic outcomes. Rail examples such as the Borders Railway and the Levenmouth Rail Link, and new train stations at Reston and East Linton were cited as evidence that transport investment can increase economic activity, support housing growth, improve access to employment and services, and help retain and grow population. Conversely, the same witness panels argued that delays or failures to invest

contribute to economic underperformance, reduced business confidence, population decline, community isolation, safety concerns, and missed opportunities for future growth.

9. Alastair Smith from the West Highland Chamber of Commerce summed up the case, arguing:

   “Investment in infrastructure leads to investment in business, more jobs, better-paid jobs, better mental health for people in our areas and joining up the other multiple challenges that we all face. The benefit to the community is real and big.”

10. Other campaigners brought up specific examples of the benefits of investment, and problems when transport provision is not sufficient in the context of access to healthcare and education. Tom Thorburn from RAGES told the Committee about the benefit Borders Railway was having for both access to education for young people in the Borders, and the demographics of the area:

    “Young people came to us and said, ‘Please do something for us in the Scottish Borders ... such that we can get to university and come back home again.’ Not only has Reston station enabled that to happen; those youngsters have stayed with us in the Borders, whereas before there was an exodus.”

11. Allison Cosgrove from Railfuture Scotland also cited demographic, economic and social benefits as a result of East Linton Station reopening and encouraging “lots of young families... That keeps the school, the shops and the church open, and the cubs, scouts and guides, all the things that a village depends on.”

12. On investment into transport, witnesses from the transport industry highlighted both the rising costs of delivering transport projects and wider pressures on public finances. Lee Pounder of the Rail Industry Association Scotland referred to a civil engineering role in the roads sector being advertised at around £60,000 per year, which he suggested was £20,000 to £30,000 below salaries available for comparable roles in sectors such as energy. Scott Grant of the Chartered Institution of Highways and Transportation Scotland made similar observations, noting that competing sectors are often able to offer not only higher salaries but also greater certainty over future workloads because of clearer long-term investment pipelines.

13. Joanne Maguire, Managing Director of Scotrail, and Liam Sumpter, Managing Director of Network Rail Scotland, emphasised that investment in rail infrastructure and services must compete with other demands on public expenditure. Joanne Maguire highlighted the railway's wider economic contribution and the need to maximise value from limited public resources, while Liam Sumpter contended that more consistent, long-term investment

programmes could improve efficiency, support skills retention and reduce costs over time.

14. Acknowledging public appetite for more transport that works for people, Alison Irvine, Chief Executive of Transport Scotland discussed affordability and prioritisation of projects and investments. She stated:

    "Part of our role is to help ministers manage those levels of ambition and expectations and then align them with policy. That is often a difficult job."

15. While recognising the significant financial pressures facing the Scottish Government, recently highlighted in the Finance and Public Administration Committee pre-budget 2027-28 report, the Committee sees the value in investing in existing and new road and rail projects – which help realise social, demographic and economic benefits.

16. The Committee asks the Cabinet Secretary to explain how decisions on future road and rail development will be made over the coming years, given the challenging outlook for public expenditure.

17. The Committee notes evidence that higher salaries and greater certainty of work in other sectors, such as energy, are drawing skilled workers away from transport. The Committee asks the Scottish Government to set out how greater funding certainty and longer-term investment planning could support recruitment and retention in the transport sector.

A83 Rest and be Thankful

18. The Committee heard evidence in relation to a number of different trunk roads, with campaigns to improve infrastructure for the A75, A77, A82 and A96 all setting out cases for improvements in their areas.

19. The Committee had a similar discussion with John Gurr from the Rest and be Thankful Campaign Group. The Rest and be Thankful, the summit of the pass on the A83 trunk road between Arrochar and Inveraray, has suffered a significant number of closures due to landslips over recent years. When closed, the diversionary route via Crianlarich adds roughly 60 miles to each one-way trip.

20. To address issues with the A83 Rest and be Thankful, Transport Scotland is pursuing a three-pronged approach to this issue:

- **Short-term:** Since 2007, Transport Scotland has invested over £16 million in landslip mitigation works at the Rest and be Thankful and the provision of an alternate route (using a convoy) along the 'Old Military Road'. Work on these short-term measures continues.
- **Medium term:** Transport Scotland is also working on the development of larger scale medium-term project, principally an upgrade to the Old Military Road diversionary route to increase its resilience.
- **Long term:** Following a significant period of investigation and analysis, Transport Scotland announced its favoured option for a long-term solution to the issue of landslips at this location – a debris flow shelter and catch pit along the exposed section of the current route (known as the Access to Argyll project).

21. Transport Scotland's preferred solution would involve a period of around four years of major disruption, meaning one-way convoys on the Old Military Road and delays in busy periods, which campaigners describe as socially and economically damaging. The Committee heard that this proposed approach has attracted significant opposition and criticism from many local residents and elected representatives.

22. The Committee heard that the negative effects of this disruption were manifold, with economic, health and demographic challenges all cited. John Gurr told the Committee that Argyll was "one of the fastest-declining populations in Scotland. The working-age population has declined by 25 per cent over the past 10 years... People do not want to live somewhere with no connectivity to the rest of Scotland."

23. The Campaign Group has suggested an alternative approach to the medium- and long-term solutions, which they argue would maintain a two-way road during construction of the long-term solution. These have been worked on with Transport Scotland, at the direction of the previous Cabinet Secretary.

24. John Gurr told the Committee:

"Transport Scotland's proposals to fix this problem and the continuing road closures have been identified by our communities, businesses and elected representatives as being economically and socially catastrophic for Argyll. Transport Scotland has ignored our collective views, has not assessed the economic impact of the proposals and is ignoring the in-plain-sight solution that uses an existing forestry road that could easily provide a two-way solution and access into Argyll on Government-owned land."

25. The campaign group expects a decision from the Cabinet Secretary soon, on which route will be backed, when work will start, and its funding.

26. The Committee supports a resilient, long-term solution to problems faced in accessing Argyll via the A83 Rest and be Thankful.

27. However, the Committee finds it difficult to understand why Transport Scotland's current preferred option is being pursued over other options, despite the strong opposition of the local community and elected representatives, and apparently credible alternative options.

28. The Committee calls on the Scottish Government to set out its views on the other options which may result in a solution which is less disruptive to residents, businesses and visitors in Argyll, and back a solution which enjoys greater public support.

29. The Committee also asks Transport Scotland to set out how it assesses options for projects, including how stakeholder evidence is evaluated, how support and opposition to different options are measured, and how evidence is reflected in recommendations made to Ministers.

Winchburgh – need for a new station

30. The Committee heard evidence from campaign groups that have secured new rail services, and from others seeking new stations and enhanced rail connectivity.

31. Of the project proposals discussed during the evidence session on 28 October, the proposed station at Winchburgh appeared to have progressed furthest through the planning and approval process

32. Winchburgh is located in West Lothian on the main railway line between Edinburgh and Glasgow, which branches at Polmont to also serve Dunblane.

33. Planning permission for the construction of a significant housing-led development at Winchburgh was granted in 2012. Over 1,700 new houses are now occupied, with plans for 4,000 in total.

34. The approved masterplan included provision for a railway station, subject to a business case being agreed by the planning authority in consultation with Transport Scotland, and the necessary consents being secured.

35. Transport Scotland has granted the necessary consents, and West Lothian Council has granted planning permission for the development of the station. In their joint written submission, Winchburgh Development Ltd (WDL) and West Lothian Council stated:

    ""West Lothian Council (as co-promoter with WDL) submitted a funding application to the Scottish Government (addressed to the First Minister) to fund a total estimated expenditure of £24.7m on 17 November 2025."

36. John Hamilton of Winchburgh Developments Ltd told the Committee that Winchburgh was planned as a major strategic growth area. He argued that the station would support a rapidly growing community and provide sustainable transport links to Edinburgh and other destinations. Mr Hamilton stated that the project has a benefit-cost ratio of 12:1, indicating substantial anticipated economic and social benefits.

37. The Committee notes that the Scottish Government has stated in response to a written question that it "remains committed" to supporting delivery of the station. However, it has not yet committed funding through the annual budget process.

38. The Committee also heard that Winchburgh Developments Ltd is funding elements of the project, including design work and the construction of an overbridge. The principal remaining challenge appears to be securing funding for construction of the station itself.

39. Finally, transport industry witnesses contrasted the experiences of Winchburgh and Balgray. They highlighted Balgray station in East Renfrewshire as an example of a rail project that had been delivered ahead of schedule and within budget. Evidence suggested that early decision making, forward planning, strong collaboration with contractors, and clear project leadership had all contributed to its successful delivery. At Winchburgh, it was suggested that delays have increased costs and complexity of the work.

40. The Committee calls on the Scottish Government to financially support the Winchburgh station project in its upcoming budget, to allow this long-planned project to get underway.

41. The Committee asks the Scottish Government and Transport Scotland whether they share the positive assessment of the delivery of Balgray station set out in evidence to the Committee, and what lessons from that project could be applied to the development and delivery of other rail infrastructure projects.

Bus fare cap

42. The Committee asked Scotrail about the possible impact of the £2 bus fare cap on the number of passengers using Scotrail's services.

43. Extrapolating from the experience of the bus fare cap pilot in the Highlands, which Scotrail believes will result in a 12% annualised fall in rail passengers, costing it £750,000 a year, Joanne Maguire indicated that a comparable effect in Strathclyde could cost Scotrail around £20 million a year. However, Joanne Maguire also indicated that it is "early days" for the bus fare cap in Strathclyde, the cap does not appear to be having a significant impact at this stage, and Scotrail is focusing on what is within its control.

44. Ms Maguire also confirmed that no formal decisions have been made about Scotrail's budget for next year at this stage.

45. At its meeting on 11 November looking at bus services, Alison Irvine, Chief Executive of Transport Scotland told the Committee that the projected cost of a nationwide £2 bus fare cap in Scotland could be "not far shy of £400 million", based on the costs of the interim scheme. This is expected to be proportionately higher than in England because the Scottish interim scheme includes a wider range of services, particularly long-distance intercity coach routes and airport services that are generally excluded from the English scheme. Alison Irvine acknowledged that many long-distance routes are covered in Scotland and suggested that this was a major factor behind the higher costs. Margaret Roy, representing the Association of Transport Co-ordinating Officers, also raised concerns that substantial public funding was being used to subsidise commercially viable intercity services while many local bus services continued to face funding pressures.

46. The Committee calls on the Scottish Government ensure that the roll-out of the £2 bus fare cap does not unintentionally harm the financial sustainability of rail services. The Scottish Government should set out how it will monitor the impact of the policy on rail patronage and fare income and how any resulting loss of revenue to Scotrail will be addressed.

47. The Committee notes evidence that the inclusion of intercity coach and airport bus services within Scotland's £2 bus fare cap scheme is likely to contribute significantly to the scheme's higher cost when compared with equivalent schemes elsewhere in the UK. The Committee therefore calls on the Scottish Government to review whether such services

should continue to be included in the permanent national scheme and to assess whether applying different eligibility criteria could deliver better value for money, potentially allowing greater investment in local and lifeline bus services.

Pace of change, decision making and accountability

48. One common theme the Committee heard from witnesses seeking improvements to road and rail services was that projects take a long time to be realised.

49. Witnesses discussing completed projects had often been promoting them for many decades, and those seeking improvements often were not expecting imminent changes. Jordan Jack of the Campaign for North East Rail explained that they started their campaign in 2021 and "are looking at 10 years of nothing but studies" in their work advocating the return of rail to Fraserburgh and Peterhead.

50. Both Jordan Jack and Nigel Mullan of the Newburgh Train Campaign described the "glacial" speed of transport projects in Scotland, arguing that they take too long to progress from conception to delivery.

51. Road campaigners raised similar issues in relation to the A96, the A82 and the A75 and 77, where there had been long standing calls to improve roads, with little implementation. In relation to the A75 and 77, Jamie Shovelin told the Committee:

    "Some people just laugh because they cannot believe [work to get road improvements] is still going on and that we have been talking about it for years and nothing has happened, but there is frustration."

52. Evidence presented to the Committee from campaigners for road and rail infrastructure suggested that delays arise from complex governance arrangements, lengthy appraisal and planning processes, funding uncertainty and repeated reviews. They argued that many projects are now delayed more by the pace of decision making and funding than a lack of technical solutions.

53. Campaigners also highlighted the costs of these processes for communities, arguing that funding was often required for studies and consultants to answer questions whose answers, in some cases, should already have been known to the relevant authorities.

54. Transport industry witnesses attributed lengthy project timescales to a combination of factors, including the complexity of project development and

approval processes, the need for extensive planning and stakeholder engagement, delays in decision making, workforce and skills challenges, and pressures on public finances. Scott Grant from the chartered Institution of Highways and Transportation Scotland explained:

"infrastructure projects are generally complex in nature and require investigations to be carried out in order to understand the prevailing ground conditions and anything else that may affect the engineering of the scheme…there is consultation with members of the public and interested parties, and that can sometimes lead to delays if there is opposition…There is also a need for environmental compliance to ensure that schemes have as minimal an impact on the existing environment as possible."

55. Industry witnesses suggested that early decision making, a clear pipeline of investment and effective collaboration between stakeholders can help reduce delays and improve project delivery.

56. Alison Irvine, Chief Executive of Transport Scotland discussed the costs of doing business and agreed that the "amount of work involved on things like business cases and impact assessments and all the various necessary consents that we need to get in order to take forward an infrastructure project" will have an impact. On the pace of some developments (discussing Winchburgh specifically), Alison Irvine also highlighted "complexity around where accountability sits, where the responsibility for it lies", with multiple organisations in addition to Transport Scotland involved, including Scotrail, Network Rail, as well as the local authority and developer.

57. The Committee asks the Scottish Government, whether, in its view, the current arrangements for developing and delivering major road and rail infrastructure projects are achieving delivery within reasonable timescales. Where opportunities exist to accelerate progress, the Committee asks the Scottish Government to set out the specific reforms it intends to pursue, the likely impact of those reforms, and the timescales within which any improvements could be realised.

58. **The Committee calls on Transport Scotland to publish and maintain a clear, regularly updated and publicly accessible register of current major road and rail projects under consideration, development or construction. The register should include each project's current status, key development, approval and delivery milestones, any changes to anticipated timescales, annual budget allocations and any changes to estimated costs. This would improve transparency and enable Parliament, stakeholders and the public to track progress and scrutinise delivery.**

59. The Committee also recommends that where a project does not have a realistic prospect of progress in the foreseeable future, Transport Scotland should explicitly reference this, so that the public, stakeholders and Parliament are clear that a project is unlikely to progress at this time, and Transport Scotland should make this explicit to campaigners.

Maintenance and investment in road and rail

60. The Committee explored the tension between the need to maintain existing assets and the desire to invest in transformational new projects.

61. All witnesses generally agreed that a mixture of maintenance in existing and investment in new projects is needed. Maintenance is essential to preserve safety, reliability and value from existing assets, while targeted investment in new infrastructure is necessary where existing networks constrain economic growth, access to services and community sustainability.

62. The need to invest in road maintenance was put by Paul Morgan of the Pothole Partnership, who stated that there is a £3.1 billion maintenance backlog on trunk roads. He called on the Scottish Government to:

> "publish a five-year maintenance plan that clearly sets out the state of the roads at the moment, the standard that they need to be brought up to, how that is going to be achieved and the funding that is going to be allocated to that—what has been allocated now and what needs to be allocated in the future.
>
> As I said before, that sort of strategy needs to move towards prioritising preventative maintenance and actually improving repair standards, because, at the moment, I do not think that value for money is being delivered. In fact, it is more expensive to do emergency repairs all over the place than it is to do things according to a properly costed five-year plan."

63. Paul Morgan also stated that the Pothole Partnership recommends looking for a five-year warranty from those fixing the roads to ensure that if repairs fail, they will be fixed by the contractor free of charge.

64. David Giles from the Asphalt Industry Alliance, suggested that the Scottish Government's proposed £350 million Better Surfaces Fund would make "some difference". However, he and other industry witnesses emphasised that potholes are symptomatic of wider challenges in road maintenance. Evidence suggested that long-term, preventative maintenance programmes provide better value for

money than repeated patch repairs, and witnesses highlighted estimates indicating a substantial maintenance backlog on Scotland's local road network.

65. Industry witnesses highlighted significant challenges facing local authorities in maintaining Scotland's local road network. Scott Grant cited evidence from the Scottish Road Maintenance Condition Survey, suggesting that the cost of addressing roads requiring maintenance was approximately £2.2 billion, with around £333 million per year required simply to maintain roads in their current condition. Witnesses argued that many local authorities face difficulties sustaining long-term maintenance owing to budget pressures and competing priorities, and suggested that a greater focus on preventative maintenance could provide better long-term value for money. They also pointed to differences in organisational capacity and expertise across councils, with Scott Grant and David Macdonald suggesting that larger local authorities (expected under public service reforms) may be better able to pool specialist expertise, share resources, increase purchasing power and deliver larger maintenance programmes. It was argued that these efficiencies, combined with greater certainty over future funding, could improve councils' ability to plan and deliver road maintenance and reduce future backlogs.

66. In relation to rail, Jordan Jack from the Campaign for North East Rail also questioned whether maintenance work could be used as an opportunity to find more efficient ways to carry out investment in new or upgraded infrastructure more efficiently, when work is already being undertaken in an area. This point was also supported by Nigel Mullan from the Newburgh Train Campaign.

67. Transport Industry witnesses also echoed similar points. Liam Sumpter, Managing Director of Network Rail Scotland, highlighted the benefits of coordinating multiple activities during planned maintenance possessions. He explained that periods when sections of railway are closed can be used to undertake a range of maintenance, renewal and improvement works simultaneously, reducing the need for separate future closures. Evidence suggested that this approach can help minimise long-term disruption to passengers, make more effective use of staff and equipment, improve productivity and secure better value from available funding. Joanne Maguire, Managing Director of Scotrail, similarly emphasised the importance of ensuring that investment and maintenance activity is delivered as efficiently as possible.

68. These witnesses, and others from the transport industry, also spoke about the benefits of planned railway maintenance possessions and longer "blockades", arguing that they can provide engineers with extended access to the railway and allow larger volumes of work to be completed more efficiently. Lee Pounder, Chair of Rail Industry Association Scotland, told the Committee that work on the Fife

Circle Line that would have taken six months using evening access windows had been completed in 18 days through the use of a blockade. Witnesses suggested that such planned closures can improve productivity, reduce mobilisation and set-up costs and deliver better value for money than undertaking the same work through a series of shorter possessions. While acknowledging that blockades can cause short-term disruption to passengers, they argued that they can reduce the need for repeated closures and support the more efficient delivery of maintenance and renewal programmes. Panellists also highlighted the efficiencies of the electrification of rail, citing this as an example of good practice in delivery of these projects

69. Finally, Liam Sumpter, Managing Director of Network Rail Scotland, argued that maintenance and renewal programmes should become "boringly predictable", with investment planned and delivered consistently over the long term. He suggested that such an approach allows infrastructure managers and suppliers to plan effectively, retain specialist skills, invest with confidence and deliver better value for money. Evidence was given that a steady programme of maintenance and renewals can be more efficient than periods of fluctuating investment patterns and may help to reduce costs and improve the long-term reliability of the railway.

70. The Committee asks the Scottish Government to set out how the £350 million Better Surfaces Fund will support preventative maintenance and long-term improvements to road condition, and how this will be divided by local authority.

71. The Committee asks the Scottish Government what warranties it has in place with contractors employed to repair roads for when repairs fail, and what its views are in relation to the suggested greater use of “pothole guarantees” in Scotland.

72. The Committee asks the Scottish Government to set out how Transport Scotland ensures that maintenance, renewal and enhancement programmes are planned in a joined-up manner. In particular, the Committee seeks information on the steps taken to identify opportunities to combine maintenance works with wider infrastructure upgrades, thereby reducing overall costs, minimising disruption and improving value for money.

73. The Committee notes evidence that consistent, long-term maintenance programmes can improve productivity, support skills retention, provide greater certainty for supply chains and deliver better value for money. The Committee asks the Scottish Government and Transport Scotland to set out

how these considerations are reflected in decisions on future road and rail maintenance funding.

Transport Scotland

74. The Committee also sought views from road and rail campaign groups on their relationships with Transport Scotland. It further explored their views on the forthcoming public sector reforms, which will see Transport Scotland integrated into the core Scottish Government, rather than operating as a separate executive agency.

75. Generally, road and rail campaigners were positive about their engagement with Transport Scotland and described officials as accessible and willing to engage with stakeholders. However, many of these groups also expressed frustration at the pace of decision making and project delivery, with concerns raised about delays, the length of appraisal processes and a lack of clarity regarding timescales and next steps.

76. Shan Saba, Jamie Shovelin and Alastair Smith, representing respectively the Moray, Dumfries and Galloway, and West Highland Chambers of Commerce, all spoke of repeated meetings and round tables over many years with little tangible progress, citing a lack of clear timescales, accountability and next steps.

77. Several campaign groups argued that Transport Scotland's processes can place too great an emphasis on appraisal, consultation and procedural requirements, resulting in lengthy periods of analysis without clear decisions being taken. John Gurr from the Rest and Be Thankful Campaign Group argued that "the process is broken" and suggested that outcomes should be given greater priority.

78. In relation to rail, Nigel Mullan of the Newburgh Rail Campaign, argued that Transport Scotland had struggled to assess a relatively low-cost rail proposal involving a short modular platform and had subjected the project to excessive analysis. He described problems with what he called "STAG gatekeepers" [Scottish Transport Appraisal Guidance] and suggested that officials lacked specialist rail expertise.

79. Road and rail campaign groups generally saw the proposed integration of Transport Scotland into the Scottish Government as an opportunity to improve collaboration, accountability and decision making. However, these witnesses emphasised that structural reform alone would not address concerns about delivery unless it was accompanied by cultural and procedural change.

80. **The Committee asks the Scottish Government to set out how the integration of Transport Scotland into the core Scottish Government will improve the delivery of transport infrastructure projects. In particular, the Committee seeks information on any planned changes to decision-making processes, accountability arrangements, stakeholder engagement and project management intended to accelerate delivery and improve transparency.**

Scotrail Procurement

81. The Committee also asked Scotrail about the inclusion of Construcciones y Auxiliar de Ferrocarriles (CAF) as a shortlisted bidder as part of the procurement process for Scotrail's new suburban train fleet.

82. These questions were asked because CAF is included in a database maintained by the United Nations Human Rights Office relating to businesses operating in connection with Israeli settlements in the Occupied Palestinian Territory.

83. Scotrail told the Committee that it was undertaking its procurement exercise in line with its legal duties, under the Utilities Contracts (Scotland) Regulations 2016.

84. **The Committee asks the Scottish Government for its views on the operation of the Utilities Contracts (Scotland) Regulations 2016, including whether the regulations provide an appropriate framework for rail procurement exercises, taking appropriate account of ethical considerations, and whether it has any plans to review or update them.**