



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 7 October 2015

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE
20th Meeting 2015, Session 4

CONVENER

*Jim Eadie (Edinburgh Southern) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

James Dornan (Glasgow Cathcart) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Mike MacKenzie (Highlands and Islands) (SNP)

*Siobhan McMahon (Central Scotland) (Lab)

*David Stewart (Highlands and Islands) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Derek Mackay (Minister for Transport and Islands)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Adam Smith Room (CR5)

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 7 October 2015

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Jim Eadie): Good morning. I welcome everyone to the 20th meeting in 2015 of the Infrastructure and Capital Investment Committee. Everyone present is reminded to switch off mobile phones, as they affect the broadcasting system. As meeting papers are provided in digital format, you may see tablets being used during the meeting. Apologies have been received from James Dornan.

Agenda item 1 is a decision on taking business in private. The committee will decide whether to take items 3 and 4, consideration of the committee's approach to the proposed private tenancies bill and its scrutiny of the draft budget 2016-17, in private. Are members agreed?

Members *indicated agreement.*

Transport Update

10:00

The Convener: Under item 2, the committee will receive an update from the Minister for Transport and Islands, Derek Mackay, on current transport projects and policy issues. I welcome the minister, as well as Aidan Grisewood, director of rail, and Michelle Rennie, director of major transport infrastructure projects at the Scottish Government. I invite the minister to make an opening statement.

The Minister for Transport and Islands (Derek Mackay): I have a comprehensive opening statement.

The Convener: Two minutes will be fine.

Derek Mackay: I am sure that it will lead to questions, anyway. I will share the progress that has been made on transport and our contribution to the Government's objective of sustainable economic growth.

First, I am sure that we are all delighted to see the opening of the Borders railway, the longest domestic railway to be constructed for more than 100 years. Since its opening, thousands of passengers have travelled on the new Borders railway line to the extent that ScotRail is adding extra carriages to some of its trains.

The Winchburgh tunnel reopened on Monday 27 July after a six-week closure of the line to passenger services, as planned by the Edinburgh to Glasgow rail improvement programme team. That was the most significant piece of engineering work on the Edinburgh to Glasgow railway line since the Victorian era, and it happened against the backdrop of the largest investment in the road programme that Scotland has ever seen.

The main construction works on the Aberdeen western peripheral route officially got under way in February this year, after the First Minister took part in the ground-breaking ceremony. The next phase of works on the A93 is expected to be completed by November, with utility companies diverting their services, clearing the way for the main AWPR works.

This summer, a major milestone was reached by the £500 million M8/M73/M74 motorway improvements project, when the new rail bridge, weighing in excess of 2,000 tonnes, slid into its final position over what will become the new section of the M8 motorway, to join the existing Cutty Sark rail bridge at Bargeddie near Glasgow.

The Forth replacement crossing is being built on time and under budget. The deck lifting has now started.

Back in May, the traffic lights at Pulpit Rock were finally removed for the first time in more than 30 years. The viaduct, which now carries traffic over the shores of Loch Lomond, is a remarkable engineering achievement.

The First Minister recently launched Scotland's economic strategy, which is the overarching framework for a Scotland based on prosperity, fairness and participation. Transport of course plays its part in all four priorities.

On innovation, we have been making progress on technology in areas such as the hydrogen and fuel cell sector. We are a key funder of the Aberdeen hydrogen bus project, which has established Europe's largest fleet of hydrogen-fuelled buses, supported by a state-of-the-art green hydrogen production and refuelling facility.

We are working with a range of transport partners on integrated transport and smart ticketing. We will have further opportunities with procurement and franchise arrangements in the future.

On internationalisation, we are working with our airports and our airline sector to improve Scotland's aviation connectivity. We have a team Scotland approach here, which has achieved some remarkable success.

On inclusive growth, we are spending more than £1 billion on public transport and other sustainable transport options, which involves providing people with access to the transport system.

The new ScotRail passenger rail franchise operates more than 2,270 train services each day, delivering 93 million passenger journeys per year, and it is the single biggest contract let by Scottish ministers, worth a total value of more than £7 billion over the 10 years. Members are well aware of the commitments to significant improvements and innovation as part of the rail franchise, involving improved services, trains and facilities. It will also lever in improved smart technology.

Since 2007, we have invested more than £15 billion in transport, including in roads, railways and ferry networks. Six new ferries have been introduced in CalMac Ferries services, which is an investment of more than £100 million. A third hybrid vessel is currently under construction on the Clyde and two large ferries are out to tender for delivery in 2017-18. Members will be mindful of the debate that we had in the Parliament yesterday on island communities, in which we discussed issues such as timetables, the roll-out of the road equivalent tariff, the extension of the air discount scheme and progress on aviation.

We are steadily increasing investment in low-carbon, sustainable and active travel, delivering on

our manifesto commitment. As I said in a letter to the committee, the national transport strategy of 2006 set out a framework for transport in Scotland in the period up to 2026. It set out a transport vision, high-level objectives and key strategic outcomes. That document is being refreshed, in partnership with the Convention of Scottish Local Authorities, and the work is to be complete by Christmas.

There are a range of infrastructure projects, on which I am happy to take questions.

Finally, I would like to celebrate—as we all would—the fact that, this summer, the Forth bridge was officially recognised by the United Nations Educational, Scientific and Cultural Organization as a world heritage site. That has been supported by Transport Scotland.

I could go on longer, but I see that I am testing your patience, convener, so I will draw my remarks to a close and open up to questions.

The Convener: Thank you.

I will kick off with questions on high-speed rail. The Scottish Government is engaging with the High Speed Two company and officials at the United Kingdom Department for Transport on the development of a UK high-speed rail network. In early September, Transport Scotland announced that a report that has been jointly commissioned by the UK and Scottish Governments on high-speed rail route options to Scotland will be completed by the end of the year. Are you still on track—pardon the pun—to meet that publication deadline? Without breaching the embargo, can you give us a flavour of the themes that are emerging from that piece of work?

Derek Mackay: No, I cannot give you a flavour because, exactly as you describe, it is an emerging piece of work, so it would be inappropriate and premature to do that. However, we are on track to have that piece of work complete in that timescale, and it should put the Cabinet Secretary for Infrastructure, Investment and Cities in a position to say more next year. Once we have information on the high-level costings, route options and other details, I am sure that we will be happy to share that more widely. That piece of work by the Department for Transport and Transport Scotland is on track.

The Convener: If you are not able or willing to share with us the content of that work—I am sure that it is more likely to be the former than the latter—can you say a little more on the process that the Government will engage in as the plans for an Anglo-Scottish high-speed rail line are developed?

Derek Mackay: A lot of decisions and work will be needed as a result of the joint study. The future

issues will be matters such as route options, costings and everything else that lies behind that, such as how the route is paid for and how it might progress. All of that will emerge from the joint study. On this issue, it is important for Transport Scotland and the Scottish Government to work in partnership with the UK Government's Department for Transport and its experts.

We do not accept that it would be good enough for high-speed rail to physically go to the north of England and not come to Scotland. That is the high-level principle—we want it to physically extend to Scotland. You could go on to ask about the Edinburgh and Glasgow connections. We have said that we want both cities to be connected. Again, that is a high-level principle that we want to achieve. How that is achieved can be determined only once we have the joint study. As I said, that will set out the options and the high-level costs and then serious negotiations will follow on how the project is to be structured and delivered, how it is to be paid for and what it would look like. Of course, it would be a hugely expensive yet worthwhile infrastructure investment that would reduce journey times to London in a way that makes rail travel more competitive and useful for getting to London than, for example, air travel.

There is a lot in this and it is a big issue, with a lot of work to be done. I am not being obtuse about sharing information from an emerging study. We have to allow the space for the report to be concluded and to keep working in partnership with the UK Government in the spirit that we have done to try to take forward the matter in a constructive manner. I am not withholding anything from the committee; it is just that it is genuinely an on-going piece of work.

The Convener: I presume that Scottish Government officials have done some indicative work on the level of investment that is required to extend high-speed rail to Scotland.

Derek Mackay: Any details or figures would be premature, because the current piece of work will inform that. It will give high-level figures and route options that will lead to further discussions; anything else is a rough guesstimate. We know that it is feasible to have high-speed rail coming to Scotland, but the more technical and detailed issues are being investigated and appraised.

The Convener: You might not be in a position to share that work with us today and I accept that that discrete piece of work is on-going, but my question was whether the Scottish Government has done any early preparatory work on what the costs would be, even if you are not able to share those. Has that work been done?

Derek Mackay: Michelle Rennie or—given that, although it is about major projects, it is about

railways—Aidan Grisewood might want to say a bit about that.

Aidan Grisewood (Scottish Government): That work is being taken forward by High Speed Two Ltd. The commission is from the DFT and Transport Scotland. As the minister said, there is not a definitive point. That is the whole point of the on-going, emerging work. As we get towards the end of the year, we will get to a point when we can crystallise a number. Given the long timescales for things as big as high-speed rail, even that number will inevitably be indicative. It would be at a point of maturity associated with the level of detail that the business case had got to at that point. However, we cannot share anything at this point. There has not been any definitive indicative number that we could use at this point.

The Convener: I am not sure whether that is a yes or a no on whether the work has been done.

Derek Mackay: The Scottish Government does not have an indicative figure.

The Convener: Can I also assume that you are not yet in a position to tell us whether the financing route would be the traditional capital expenditure route or the non-profit-distributing model? Is it correct that that will be determined at a later stage?

Derek Mackay: That is correct.

The Convener: Is there anything that you want to put on the record at this stage about the Edinburgh to Glasgow high-speed railway, which you mentioned?

Derek Mackay: The aspiration is for both cities to enjoy the physical benefits of high-speed rail should it come to Scotland. Therefore, we have looked at the connections between the cities and at how high-speed rail could connect to both. However, it is clear that there would be no sense in progressing with that until we have a decision on the wider high-speed rail issue, so I cannot report anything further on that. Everything will be informed by the current joint study.

The Convener: So we can expect further details on that proposed scheme at the same time as the study is published or at a later stage.

Derek Mackay: Yes. Decisions about the Edinburgh to Glasgow connection would flow from the decisions of the joint study and any discussions that we have with the UK Government.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): Good morning, minister. I would like to focus on Network Rail. The Office of Rail and Road has raised concerns about Network Rail's performance in Scotland and its impact on passenger services. How is Transport Scotland

working with Network Rail and Abellio to improve that performance?

Derek Mackay: We have regular meetings with Network Rail and Abellio ScotRail. One of the innovations in Scottish rail is the connection—the new deep alliance—that brings Network Rail and ScotRail together. That is good for accountability and the ability to make decisions on investments, and I hope that that will pay dividends in the months and years to come.

The ORR's criticism of Network Rail is valid. Network Rail has been in some difficulty across the UK with some of the projects that it has been delivering. We want even greater accountability and transparency and, indeed, greater devolution of Network Rail to Scotland to get on and make decisions that we would like to be taken closer to home. If there is any breach or departure from what we as a Government would expect, there are regulatory matters, just as there are franchise agreements when it comes to Abellio ScotRail, and we hold Network Rail to account for any discrepancy or impact on service.

10:15

Despite the criticism, there has been progress on the Winchburgh tunnel. That was a major piece of engineering work, which will make a difference to the Edinburgh to Glasgow improvement programme. It is vital. There are success stories, but there have been concerns about Network Rail's wider performance and the continuing costs of some of its projects. We monitor the situation closely.

I should comment on what is happening south of the border. There are a number of reviews of the rail sector and Network Rail by the UK Government. We will monitor those closely, but all our rail commitments in Scotland will be kept. There will be no impact on our current programme. That said, we are watching performance closely and are very mindful of the experience south of the border, where the investment programme is having to go back to basics because of some of the disruptive issues there. That is not the case in Scotland.

Adam Ingram: Monitoring by Transport Scotland is one thing; engagement by it is another. I understand that the UK Government has asked Nicola Shaw, the chief executive of High Speed One Ltd, to review the operation of Network Rail UK-wide. What involvement has Transport Scotland had in that review and what impact would any changes to Network Rail's structure of ownership have on Scotland?

Derek Mackay: Ministers, not just officials, will have engagement this week when the Cabinet Secretary for Infrastructure, Investment and Cities

and I meet Nicola Shaw. That will be helpful. Of course, officials engage with the Department for Transport on any wider review, sharing our expertise, our experience and the issues that we consider pertinent to Scotland.

It will be of interest to the committee to know that, on this occasion, we do not think it good enough to have only London-based reviews and Westminster-based control; we see merit in further devolution of Network Rail to the Scottish Government and Parliament so that we can make decisions for ourselves about how it does its business. For example, the current review is considering potential privatisation of Network Rail. The Scottish Government would not support that, so it is a good example of how we might like to do things differently with Network Rail in a Scottish context.

There is regular engagement, involvement and participation with Network Rail but the broader the accountability we have, the better. That is why I say again that the new alliance that we have has empowered Scotland to get on with investment and operational decisions in the rail sector. We will participate in any review and watch closely the outcome of the reviews as it is relayed through the Department for Transport to Transport Scotland. Scottish ministers regularly make contact with UK ministers on all transport matters.

I hope that that answers Mr Ingram's questions.

Adam Ingram: I am pleased to hear that. Perhaps we might get some feedback from the meeting in due course.

Network Rail is currently reviewing its control period 4 capital investment programme. Does that have any implications for the development of the rail network in Scotland?

Derek Mackay: To be clear, there is no impact on the current control period. The commitments and enhancements that we have programmed for are not impacted by the decisions south of the border but, of course, there are wider financial issues, such as the spending review and the financial pressures that all Government departments are under. However, in essence, the answer is no. We are carrying on with our rail commitments as described for the current control period and will participate in any continuing review from Network Rail.

Siobhan McMahon (Central Scotland) (Lab): You mentioned in your opening statement the refresh of the national transport strategy. Last month, you wrote to the convener to let the committee know about the plans for that. From that, we understand that the review will be carried out in conjunction with COSLA, as you said, but that it will be limited in scope and consider only two aspects of strategy. Why have you limited the

scope in such a way, given that the strategy has not been updated in nine years?

Derek Mackay: That is a good question. As it happens, there was no plan for a refresh or review at all and I, as minister, thought that it was a good time to have one not only because I was a relatively new minister but because the strategy required a refresh.

The scope is limited by necessity, not just time constraints. The Parliament and whoever the next minister may be may wish to consider a more in-depth review of the national transport strategy during the next parliamentary session, and that would be their right.

Neither the Scottish Government's high-level objectives nor the transport strategy as a whole has changed, and the infrastructure investment plan is not proposed to change. With all that in mind, the world has moved on since the last publication, so I felt that there was an opportunity to update the strategy. We are not revisiting the fundamentals or the major investment plan, as that work has been done. We are ensuring that the strategy is up to date, has clarity around responsibility and reflects today's society and transport issues.

That is why I felt that a refresh was more appropriate than a comprehensive review. I am doing it in partnership with COSLA. It has an ambitious timescale—that is civil service code for, "That's really difficult." I have given the instruction that I want it complete for Christmas. It will be up to date, refreshed and clear on transport responsibilities, and it will capture current progress.

You are absolutely right that there is an opportunity to revisit the strategy more comprehensively in the future, if any Government or Parliament wishes to do so. That would probably unlock all the consultative mechanisms that one would probably want to deploy for a wholesale review. This is not a wholesale review—I have been clear about that. It is purely a refresh, which, I would argue, is much needed.

Siobhan McMahon: I presume that the refresh is not going out to consultation because of the time limits and the fact that it is not touching anything fundamental—the fundamental things will remain the same.

Derek Mackay: Exactly. When I was planning minister I had the pleasure and joy of undertaking a consultation on the national planning framework, which went through parliamentary and public scrutiny and was a full, comprehensive consultation. If the strategy refresh went through the same process it would raise expectations. The beauty of this approach is that if a comprehensive review is conducted in the next parliamentary

session, it could be done in tandem with the consultation on national planning framework 4. Synergies could come from doing that.

I would not want you to think that there is no consultation for the current exercise, because there is. There is involvement with our democratically elected councils through COSLA and engagement through the national transport strategy stakeholder group. There will be other sectoral opportunities. For example, when I hold the active travel summit, which is imminent, I will raise the national transport strategy. There is an opportunity to engage, but the refresh is more of an update than a revisiting of the fundamental issues.

Siobhan McMahon: What role will the stakeholder group play in the process and who will make up that group?

Derek Mackay: I am happy to share the stakeholder group's composition and remit, if that will be of assistance to the committee. Its role is to advise, support and, in a sense, challenge what we propose through the national transport strategy. Its membership is wide ranging, from across the transport sector. It will engage with the strategy and I propose that COSLA will engage as well.

The Government outlines what we are doing through the infrastructure investment plan, so it is clear what our transport investment plans are and what our general strategy is. That is communicated through the Government's economic strategy, as well. However, an area of weakness that has existed hitherto is clarity of local transport responsibility.

Take the example of gaps in service in bus provision. I want people to be clear how that issue can be resolved. The national transport strategy can do that. I will not necessarily be changing the law or changing Government priorities, but I will be making it clear where responsibility rests. That is why it does not need more consultation. However, more clarity is certainly needed.

I hope that I have explained more of the engagement. There will be engagement through the stakeholder group, and I will share its membership composition with the committee.

Alex Johnstone (North East Scotland) (Con): Excuse me if I jump around a bit, minister but I need to cover a few subjects.

The first is air passenger duty. The programme for government says that you are consulting with aviation stakeholders on how best to reduce air passenger duty, should the relevant powers be transferred to the Scottish Parliament. How will any such reduction in APD work and what might be its impact on Scottish tax receipts?

Derek Mackay: The commitment that we have made publicly is that we want to reduce the burden of APD in Scotland by 50 per cent in the first instance, then abolish it when resources allow. The exact mechanics of how we implement the reduction will be a matter for the Government to consider, but it will do so through the new stakeholder group that we have established that brings together airlines, airports, other business interests and environmental representatives. We will look at the structure of the proposed reduction and come back with the administration.

The implementation date of April 2018 has been shared with the stakeholder group and other interested parties. We will move towards infrastructure for the implementation date, with the high-level objective being a 50 per cent reduction of APD leading to a total abolition of it, as resources allow. Beyond that, I cannot say any more because it has not been determined. We will do that in engagement with the new stakeholder group.

Alex Johnstone: Surely you have an estimate of the impact on tax receipts of a 50 per cent or 100 per cent reduction in APD.

Derek Mackay: The earlier estimates came from the work done for “Scotland’s Future”. I do not want to do it off the top of my head, but we did have a rough cost estimate. From memory, I think that the total amount generated from APD was around £200 million, so a 50 per cent reduction would be £100 million. However, please allow me to check the facts and come back to the committee with them.

Alex Johnstone: Indeed. That work is a couple of years old now and I am sure that the figures might have changed, so it would be useful to have an update.

Derek Mackay: Exactly.

Alex Johnstone: The next subject that I want to cover is the issue of the A90 Laurencekirk junction. The local member for that area, Nigel Don, and I have been working for some time to push the issue back on to the committee’s agenda and to push it up your agenda, minister. When it was last mentioned in Parliament during a debate, you gave some encouragement. Can you provide a progress report on the development of a grade-separated junction at the A90-A937 at Laurencekirk, including how it might be funded and when you expect the work to take place?

Derek Mackay: Mr Johnstone is absolutely right that he and other members have been pushing the issue towards me. I wish that the UK Government would pass some extra resources to me to match the aspirations of Conservative members.

Alex Johnstone: It was announced this week that another £500 million is coming.

Derek Mackay: I will believe that when I see it.

The Convener: Mr Johnstone has influence with the UK Government.

Derek Mackay: We will see how that fits in with the overall spending exchange. I am delighted to hear that Mr Johnstone has that influence and I look forward to receiving further resources to assist with our capital programme.

However, Mr Johnstone has made a serious point about a serious issue. The Laurencekirk junction is on my radar as a priority piece of work that we would like to be able to undertake. The current position is that I had a meeting with interested parties—the local authorities and the private sector—and we have made progress on the technical solutions. We can continue to move forward on that basis.

Funding is the critical issue and I do not have an answer to that as yet although I have established a co-ordination group to look at how people can contribute towards a junction that would involve local authorities, Transport Scotland and, potentially, the private sector. A Laurencekirk junction would also unlock economic opportunity and address development constraints. It is not just as simple as asking whether the Government can find the cash, although I wish that we could do it as simply as that.

We are looking at trying to innovate and get contributions from partners such as the private sector and the local authorities. That might be done by the way of developer contributions, but I do not want the funding package to be so complex that it cannot reach completion or even the beginning of construction. I am continuing to work on the issue and have established a stakeholder group, and we will look at the costings.

Mr Johnstone is well aware of the substantial financial commitments that we have made to the road network including, for example, the A9, which has had substantial investment in dualling, among other commitments. However, I repeat that it is a priority to see how we can progress the Laurencekirk junction. The co-ordination group will look at how it can be financed, and work is under way on that.

10:30

Alex Johnstone: I welcome the fact that you are probably the first transport minister in 10 years who has taken the matter as seriously as you do. However, there is a danger that that raises people’s expectations and work needs to be done to ensure that those expectations are fulfilled.

My next question concerns the subject that you touched on a moment ago. Could you give us an update on the M8 completion project, the A9 dualling and the construction of the AWPR? You have covered those issues, to some extent. Is there anything that you want to add?

Derek Mackay: I would add only that all those projects are going well. When work appears on the ground, people see things happening and believe that the work is under way; that is the good side of disruptive works. The downside of that multibillion pound investment in the road network, including the Queensferry crossing, the A9 and the motorway bundle that you mention, is that it will cause some disruption. I apologise for that disruption but I am sure that everyone will agree that the investment is worth while and that the long-term benefits of improved infrastructure and journey times and reduced congestion will be well worth it.

Progress towards the completion dates of the projects and the work that is being done is satisfactory. I do not want to add anything specific, but I am happy to answer questions.

Alex Johnstone: On the impact on the ground, I have already written to you about a couple of cases that have been brought to my attention. The public relations work that was carried out in conjunction with the Forth bridge project is something of an exemplar. Can you assure me that the same standard will be achieved for the construction work on the AWPR?

Derek Mackay: Yes, I can. I expect the highest levels of community engagement and showcasing through exhibits and consultation on the work that has been undertaken.

Mr Johnstone is right. He challenged me by asking whether it was the case that we were closing down communication and consultation on the road works on the A9. I checked with officials and found that that was not the case. I am happy to convey the message that we fully expect the full consultation, engagement, showcasing and exhibitions that we have seen in previous successful Transport Scotland projects. Full co-ordination of that continues and, if local communities are not seeing that happen, I want to know about it.

Alex Johnstone: The AWPR was recently reclassified by the Office of National Statistics as being under public sector control, and that has since been highlighted by Audit Scotland. In July, the Scottish Government said that that would have no implications for the cost or the project timetable, and that you would seek to have the project reclassified as being under private sector control. Can you provide an update on progress?

Are you confident that the project remains on time and on budget?

Derek Mackay: Yes, I am totally confident that the project remains on time and on budget. That will be the most important matter for businesses and residents in the area. The Cabinet Secretary for Finance, Constitution and Economy continues to engage with people on the wider matter of the accountancy exercise, and I am sure that he will report to Parliament any changes that arise as a consequence of the discussions.

Work on the current programme will continue unaffected, being delivered on budget and on time.

Siobhan McMahon: On the M8 completion project, you will be aware that a lot of work is being done on the Raith interchange at the moment and that average speed cameras are in place to enforce the 50mph speed limit. Do you have any figures for the number of people who have been fined for not obeying that limit? I appreciate that you will not have those figures with you today. However, a lot of people are working on the road at the moment and, as a local member, I am interested to know whether, in the interests of safety, people are obeying the signs.

Derek Mackay: That is a fair point. We all welcome the investment that will improve the capacity of the M8, the M73 and the M74. They are all worthwhile projects, but they are also all live road works, and, of course, there are safety concerns at any site through which 100,000 vehicles are passing. Safety is never compromised, and average speed cameras have been successfully deployed in other parts of the country to manage driver behaviour and keep the road safety risks to a minimum.

Once I have some information on the deployment of the cameras, I will be happy to share it with the committee, but the high-level commitment around safety continues to be maintained. At some point in the future, I will be happy to give a fuller report on the progress of those works.

The Convener: I wish to ask you about active travel, an issue that you have taken a close interest in since you became transport minister. You have mentioned the active travel summit. It is now five years since the original version of the cycling action plan for Scotland was published. Currently, 2.6 per cent of journeys to work and 1.7 per cent of journeys to school are made by bike. There are five years to go to meet the vision of 10 per cent of everyday journeys being undertaken by bike by 2020. Does that strike you as being, to use civil-servicespeak, an ambitious target, or is it one that you can achieve with the appropriate commitment and investment?

Derek Mackay: It is a particularly ambitious vision rather than a target. The next iteration of the cycling action plan will be published at the end of 2016. As you have mentioned, there has been a great deal of action around infrastructure spend and behaviour change programmes, such as those around community links, cycling and walking paths, the bikeability Scotland scheme and training within schools.

There are the financial commitments that I have made as transport minister, too. We had record investment in the last financial year, and within this financial year I have committed to increasing on that record investment. I know that that has been welcomed, although many people within the active transport community will want us to do much more. The active travel summit will bring together local authority partners, so I can impress upon them the priority that Government believes should be attached to active travel, as well as the other schemes that Government is supporting.

This week I had the pleasure of opening the new route 78 on the national cycle network, which goes through the Highlands. It is a particularly beautiful route. It goes through the Great Glen, and part of the route is separated. I know that much of the walking and cycling community, particularly the cycling community, will want more separated routes.

On road design, when we design new roads and infrastructure, we think about pedestrians and cyclists, too. It is not just the active travel budget that matters; it is also about the cross-portfolio interventions that we can make. I had a meeting with other ministers, particularly those who have responsibility for health and sport, specifically on active travel, so as to focus on what other Government departments can do with walking and cycling strategies. It is not just about money, but a range of interventions should allow us to achieve that vision.

There is evidence of culture change elsewhere in the world where there has been a rapid uptake in active travel, particularly cycling, when the right interventions have been made. I know that there is much more work to be done in partnership with local authorities and other stakeholders, and I will continue to attach a high priority to that as the Minister for Transport and Islands.

The Convener: Can you provide an update on the implementation of the national walking strategy?

Derek Mackay: The walking delivery forum will convene for the first time in November 2015, and officials will work closely with Paths for All to support the delivery of the strategy that has been outlined. I understand that the forum will be chaired by the Cabinet Secretary for Health,

Wellbeing and Sport because of its involvement in the national physical activity implementation plan.

The Convener: How is the success of the strategy's implementation going to be monitored and reported on?

Derek Mackay: I will have to come back to you with more detail on that. Health colleagues are leading on the issue, but I imagine that there will be full monitoring of it, which can be reported back to the committee. As regards the cycling action plan and the engagement of Transport Scotland and my officials, we will certainly play a strong part in that wider strategy.

David Stewart (Highlands and Islands) (Lab): I will ask a few questions about the Borders railway. I echo your earlier comments and welcome the opening of the railway. I was monitoring the media comments and the comments from the public, which were positive, and the line has been well used.

Before I focus on the specifics, I note that the project had cross-party support and that you were in effect winding back some of the Beeching cuts. You will know that, across Scotland, there are rail lines that were there in Beeching's day but are no longer used. Have you considered reopening other old rail lines as part of a longer-term project, and not necessarily just for passengers?

I am keen on looking at freight-only lines. You will know that, during the committee's freight inquiry, we went to Rotterdam to look at the freight-only railway line that was developed from Rotterdam to Germany, which I think from memory cost around €4 billion. I am not suggesting that you should spend that amount of money in the next few weeks. That was a world record-breaking project that received considerable European funding, which, as you know, I have a particular interest in. Do you have any plans to reopen old lines that were cut by Beeching?

Derek Mackay: Mr Stewart would be as excited as I would be at the prospect of reopening lines that were closed through that process. He might not know that my home town of Renfrew is the largest town in Scotland without a railway station, although it has a railway line. It used to have far more railway lines—it even had one that went to Paisley, as well as lines to Glasgow. That is just one example of many communities that could benefit from rail extension.

Rail is a success story in this country, is it not? There is increasing patronage and improving access and connectivity, and rail is contributing to the environmental agenda and reducing emissions, so of course the Government would be keen to extend rail lines. The Borders line is an example of a line that could go further, but that is a question of availability of resources. The overall

cost of rail is approximately 75 per cent subsidised and the infrastructure costs are significant, so the issue comes down to the availability of finances.

We are constantly asked whether the Borders line can be extended. We will keep an eye on and monitor the feasibility and current usage and will consider regularly a range of bids to enhance the rail infrastructure. The main issue is the availability of resources.

The Government has made substantial commitments on rail investment. Mr Stewart will be familiar with our commitments on the Highland main line and the Aberdeen to Inverness line in the current control period. We have further work to do on the electrification strategy and other programmes. We have a bold and imaginative—I do not want to use the term “ambitious”, because you would read too much into that—plan for rail investment.

Reopening closed lines would be nice to do, but we would need to have the necessary resources available. I think that members of all parties could agree on that—even Alex Johnstone and the Conservatives, although they would rush to privatise a line no sooner than we had reopened it. At that point, we might disagree, but there is now cross-party support for rail in Scotland that I am not sure existed some years ago.

David Stewart: I do not necessarily need an answer on this, but I flag up the importance of freight-only lines. As you know, trans-European transport network funding was used for the Rotterdam line, and I have advocated greater use of that funding for many years, because I do not believe that we are using the full amount of European funding that is available. To be frank, successive Governments need to look at that. Getting freight off our roads and on to rail is crucial, and having point-to-point freight-only lines is crucial to that.

Derek Mackay: I looked closely at the committee’s freight inquiry. That is why we are doing more work on freight generally and on waterborne and rail freight in particular. In the response that I made on the Government’s behalf to the committee’s report, I said that one really good application is under way. It is subject to planning and other considerations but, if it comes off, it will be a particularly good way of showcasing what can be done through rail freight. Where we can, we will take through the recommendations that the committee made.

David Stewart: I am conscious of the time, so I will turn to the Borders line specifically. Although it is an excellent project, there has been feedback from customers about overcrowding, particularly at peak times when services have had only two carriages. Are you emphasising to the operator the

importance of meeting its contractual obligation to provide sufficient capacity, so that we do not have unhappy and dissatisfied customers on this excellent line?

10:45

Derek Mackay: Yes. I have been closely involved with this, and some of the figures that are in the public domain—for example, the fact that approximately 56,000 journeys were undertaken to and from the seven new stations in the first two weeks—are impressive. That figure has risen to 126,000 over the first month. It has been said that there is unprecedented interest in the railway. Of course the interest is unprecedented—after all, the railway was not there before—but the figures have gone above the more positive estimates.

The simple answer to your question is yes. I have impressed upon the operator the need for extra carriages, which have been deployed to address demand. In some cases, the number of carriages servicing the stations has been doubled. Other work can be done on peak times, such as publishing timetables that indicate which departures have been busier than others to let, say, occasional travellers know the busiest times.

In the future, there will be even more rolling stock with the deployment of the Hitachi trains and the other enhancements that are outlined in the franchise. As for the immediate day-to-day operation of the Borders railway, which has been widely welcomed, I have impressed upon the operator the expectation that demand will be addressed, and it has been able to address that in large measure.

David Stewart: How much pressure are you putting on Abellio to tackle overcrowding and capacity problems on key lines? For example, passengers on the Edinburgh to Glasgow line, which most of us regularly use, are greatly dissatisfied with the overcrowding at peak times. What are you doing about what is an important issue in Scottish rail?

Derek Mackay: That is a fair question, but the same instant fix will not work, because we are now talking about the national issue of the availability of rolling stock. That is exactly why in the franchise agreement we have committed to new trains. Because of that agreement, we will have for the first time not only new trains but more trains in the years to come. The agreement will bring 70 new Hitachi trains as well as the deployment of other trains.

Moreover, the new trains, particularly for the Edinburgh to Glasgow route that Mr Stewart referred to, will have more seats. Having more trains and more seats will improve capacity on the rail network, particularly at the peak-time

pinchpoints that the member rightly highlighted. We will have up to 50 per cent more seats at peak times on central belt routes from December 2018. We cannot simply magic up the trains now, but I am sure that members will appreciate that the investment plans and the franchise agreement will address the issue substantively.

We are future proofing the situation for further increases in demand and patronage on the railways. That gives all the more reason for us to see the EGIP through, because it is about deploying the new trains and electrification, as well as station enhancements. After all, work needs to be done on platforms to ensure that they can take the trains. It takes time to bring all that together, and I am sure that we will continue to support the railway sector in that.

Mike MacKenzie (Highlands and Islands) (SNP): Good morning, minister. I am sure that you will not mind me as an islander saying that I very much welcome your indication of continuing investment in new ferries. Although it comes in for a lot of criticism—sometimes, perhaps, with some merit—CalMac still has an affectionate place in the heart of highlanders and islanders. The red, white and black vessels ploughing through our stormy seas often bring a wee smile to our faces when we see them. Even their names—for example, the Hallaig and the Lochinvar, which are the new hybrid ferries—have resonance; as a young man, my father worked on the previous Lochinvar, and the Hallaig was named after Sorley MacLean's great poem. We very much welcome that investment.

You have overseen the successful roll-out of RET. Given all that and the forthcoming islands bill—you mentioned yesterday's debate in Parliament—I would paraphrase a previous Prime Minister, Harold Macmillan, in saying that islanders have never had it so good.

That brings me to my question. Will you provide an update on the procurement of the next Clyde and Hebrides ferry services contract?

Derek Mackay: I knew that there had to be a but and a difficult point with that compliment. In the islands debate in the chamber yesterday, I was accused of being animated when I talked about ferries. That was Mike MacKenzie's version of being animated in an islander style.

The issue is important. The procurement has to be conducted in accordance with the law and the regulations, but I want more than that: I want it to be conducted with confidence. I established the independent procurement reference panel so that other people can engage with the wider process.

Irrespective of whichever of the two bidders is successful, the vessels will remain in public ownership, and the timetables and fares will be set

by the Scottish Government. Even the branding that goes through our waters, which Mike MacKenzie described, is owned by the Scottish Government through our agencies. All that will remain the same.

We are going through the tendering process, which is due to be completed by the end of May next year. That is a complex exercise. There are two bidders, which have been named: CalMac Ferries Ltd and Serco Caledonian Ferries Ltd. The bids will be analysed as we go through the different iterations of the initial invitation to tender, the interim invitation to tender, which is due later in the autumn, and the final invitation to tender, which is due to be issued in December. The panel that I mentioned, which has a range of representation, will be involved.

If it is possible to make the announcement before the end of May, I will do so—I know that other members have asked about that—but we have to go through a complex procurement exercise in a coherent and fully compliant way and report back in due course. Members will be aware that the weighting has focused on quality and cost and that there were discussions over the summer months with the trade unions to give them a degree of certainty and satisfaction.

I hope that that was a useful update on the procurement exercise.

Mike MacKenzie: I am sure that a lot of islanders will find that reassuring. Will you explain a bit more about the procurement reference panel, which you mentioned? What is its function and composition?

Derek Mackay: A range of stakeholders are involved in the panel. Local authorities, an island users group and trade union representation are involved. Its function is to give an extra layer of oversight, but I assure members that the decision on the outcome of the tender rests with ministers. That decision cannot be shared in whole or in part with any other party; it will be for ministers. The panel is to have oversight and an understanding of the processes that we are going through and to see the initial invitation to tender, the interim invitation to tender and the final invitation to tender. It will be involved all the way through the process and has committed to publishing its meeting information and findings.

David Stewart: I will ask a specific question about CalMac, which I share Mr MacKenzie's admiration of. Does the minister have a rough idea of how much compensation CalMac has paid to passengers for delays since 2012?

Derek Mackay: I do not have that figure to hand, but I am sure that you have asked parliamentary questions about the wider payments figure and issues that relate to penalties to

CalMac. I am happy to report back to the committee on that, as I do not have the figure to hand.

David Stewart: As you probably know, I asked a question about that last month. The answer is £305,758. That very large sum has been paid under the European Union passenger rights regulations. Under the new tender, will the figure reduce or increase?

Derek Mackay: The figure is too unpredictable—I do not think that it can reasonably be predicted, because it is down to a range of factors, such as disrupted ferries.

David Stewart: Were you surprised by your answer to my parliamentary question?

Derek Mackay: Not necessarily, because the nature of ferry services is that they can be disrupted. That might relate to the weather or there could be a technical fault. Another issue was the industrial action over the summer. Different factors can play into why a service is not delivered. The situation is highly unpredictable.

Of course, any minister—and any member—would want services to be totally reliable, to operate 100 per cent of the time and never to have to pay out compensation. CalMac also has to recompense the Government under the arrangements if there is non-delivery of a service. It is a complex matter. The aspiration is to keep disruption to an absolute minimum and to have every sailing work perfectly, but many factors do not allow that to happen.

David Stewart: Does that £305,000 come out of CalMac's budget or does the Government compensate it for the amount that it pays out?

Derek Mackay: The financial arrangements and service agreements with CalMac or any other franchise operator are complex. If there is non-compliance, the Government has the ability to negotiate and hear the case on why something happened or simply to take payment—or a share of that payment—from the operator. Equally, if we vary the contract or the provision of services, such as I have done and propose to do with the enhanced timetable for the Clyde and Hebrides ferry services contract, that costs the Government—in this case through Transport Scotland—and we would pay back CalMac.

As I discovered on inheriting the transport brief, the matter is complex, as I have said. We are focused on delivering a service, supporting our customers and minimising any disruption. We have to be reasonable about that. I would not propose to change the penalty mechanism; I do not think that Mr Stewart is suggesting that, either.

David Stewart: Is there anything specific in the new contract about compensation payments?

Derek Mackay: The current arrangements will continue.

David Stewart: I am conscious of the time, convener, so will the minister get back to the committee to confirm how much of the £305,000 has been compensated for by the Scottish Government and how much has been delivered from CalMac's budget?

Derek Mackay: I am happy to share more detail on that and come back to the member and the committee. However, I put the figure in the wider context of the overall transport budget and the investment in ferry services, which is more than £1 billion since 2007.

Siobhan McMahon: In your opening statement, you mentioned the smart ticketing system, which is obviously a feature of the new ScotRail franchise and will, I hope, be part of the Clyde and Hebrides ferry services contract, too. What more information do you have about that development and its roll-out Scotland-wide?

Derek Mackay: Again, that is a complex matter. All Governments, ministers and members have aspired to have smart ticketing and one device or card that could work across a range of transport modes. I hold that aspiration, too. The Government has a commitment to fulfil that pledge. I have been particularly active on the issue. My aspiration is that any smart and integrated ticketing scheme will be cross-modal, cross-operator, cross-boundary and national. If you think that anything that I have said so far is ambitious, that is even more so.

Private operators—in the bus community, for example—will want to guard commercially sensitive information and so might not share those aspirations. However, Abellio ScotRail has from its other operations expertise on smart and integrated ticketing. Some bus operators also have such systems: Lothian Buses has a smart device on which you can have the timetable and the cost of the service and through which you can—I think—even make payment. We are moving towards using the technology that exists in today's world. We can achieve it. If I can sort out the mechanics and bring everyone to the table, we will, I hope, be able to say more about the scheme in the national transport strategy.

I have met the Confederation of Passenger Transport—the bus community—because I think that it has the most to do on this front. I could say that it has the furthest to travel, but that would be a terrible pun. We can compel action on the issue through the franchise for rail, which we have done, and through the ferry franchise, which we will do, so it is about making that connection with buses. I have said to the bus community, which is a mixture of private sector and public sector, that I

prefer a voluntary approach. However, if need be, I could use legislation, conditions of grant through our funding schemes to the bus community or other mechanisms to compel everyone to participate.

11:00

It is a high ambition to have a national scheme across all modes of transport, across boundaries and across the private and public sectors. Most people now use smart devices, so the system does not need to involve cards, which many people think are old fashioned. We are looking to the future and trying to future proof. It is a huge task, but I am focused on trying to deliver a scheme and on overcoming the barriers by using all the levers that the Government has at its disposal.

There has been progress around the Government's entitlement card for national concessionary travel. Abellio ScotRail is working on its solution, and the Glasgow subway has its new smart card. Some bus operators have smart technology, as I have described. My task is to pull all that together cohesively so that it is as simple as possible for the travelling public and passengers, who just want one scheme rather than many different schemes. I have commissioned work with officials and I have an imminent meeting with Abellio ScotRail and the bus industry, because I think that that is one of the best connections that can be made. I will happily report on progress.

Siobhan McMahon: I accept that it is a complicated challenge and I wish you well with it. Many people, including members of Parliament, want such a scheme to happen. I accept that you are doing a lot of work on the matter, but when would you like to see it at least start—not completed and across Scotland—perhaps through a pilot somewhere?

Derek Mackay: I could give you a pilot tomorrow, but I do not think that that would be good enough. There are loads of examples of really good practice, but my problem is that they are too siloed and isolated. They may work for some passengers in some parts of the country. Lothian Buses is a good example on the bus network, but nothing happens when people get off the bus and on to a train. It is about joining up journeys: that is where the work has to be undertaken. For that reason, I cannot give a timescale yet. There are commitments around the the Scottish fulfilment service. I have gone beyond the previous commitment in the principles that I have outlined. If I can get the active participation of the bus community—I think that I now have it—I believe that I can make progress.

I am not being shifty in not setting a timescale. The reason why I have not is that, if I was to give a timescale, I would be making up a date. After six months I could report back to the committee on my progress. Right now, active discussions are under way that will align the ambitious plans that Abellio ScotRail has for its technology with the bus community and what I can expect from it. It will all be brought together through Transport Scotland. I am clear that individual schemes are not good enough any more; we have to bring everything together and integrate it, just as we want to integrate transport itself.

The Convener: Thank you for the offer to come back to the committee in six months on that issue. We will have to ensure that we align that with the period before we go into dissolution.

Adam Ingram: Ryanair recently announced its summer 2016 schedule, which includes new routes from Edinburgh and Glasgow airports but no new routes from Prestwick airport. Given what might be regarded as a limited commitment from Ryanair, which is the only airline that operates scheduled flights from Prestwick airport, are you confident that the airport can return to profitability within a reasonable timescale?

Derek Mackay: There are a number of issues there. Because of my constituency interest at Glasgow airport, Keith Brown, the Cabinet Secretary for Infrastructure, Investment and Cities, leads on Prestwick airport. However, I can say that a new five-year plan is being worked on. Ryanair has maintained its commitment to Glasgow Prestwick airport. That commitment is not just to passenger flights but to its maintenance, repair and overhaul facility, which is welcome. That helps to make the point that the issues at Prestwick airport are not just about passenger numbers. There are air freight issues and the potential for the spaceport, on which the airport is taking forward a positive bid. With regard to our commercial deal with Prestwick, we are focusing on supporting the airport—not to disadvantage any other Scottish airport—not only in terms of passenger growth but more widely. Ryanair has maintained its commitment to Prestwick, and the current review of the business plan should inspire confidence in the airport's future.

Adam Ingram: On business development, the senior management team at Prestwick airport recently stepped down and permanent replacements are still to be appointed. Can you provide an update on that? How do you expect their appointment to develop the business at Prestwick and move it forward to profitability?

Derek Mackay: Members will be aware that Richard Jenner has been appointed as the interim chief executive officer, and there will be a recruitment process. Adam Ingram makes a good

point about the need to ensure that the board has the skills, capacity and expertise to work with the business community to expand the offer at Prestwick airport. It is expected that the people who are appointed will be able to deliver on that aspiration. When we embark on the recruitment exercise, we will look at the variety of people and their skills base, expertise and business acumen. We are increasingly confident that the people will be in place for the period going forward.

Adam Ingram: The previous senior managers completed their tenure at the end of September. For how long, do you anticipate, will the interim manager, Richard Jenner, be in position prior to the appointment of a permanent management team?

Derek Mackay: Keith Brown has closer day-to-day involvement in such matters, so that question is more for him. In addition, I have a constituency interest, as I mentioned, and I would not want to prejudice the recruitment process. If members want further information on timescales, I am happy to have Keith Brown write to them.

From everything that I have seen, I am certainly more confident about the direction of travel of the board and management of Prestwick airport. I understand from those involved, as they review the business plan, that there are plenty of reasons to be positive. There are also other bids, and there are live discussions under way on the commercial nature of the airport.

David Stewart: I want to ask you a few questions on buses, minister, and to bring in the wider issue of air pollution. You will be well aware from the good work by Friends of the Earth that there are concerns that approximately 3.5 million people are dying prematurely because of air pollution. We are all concerned about the scandal around Volkswagen's cheating software, and we know that the bulk of the pollution comes from road traffic.

Work that has been carried out by *The Herald* has shown that the level of nitrogen dioxide in Hope Street in Glasgow is 62 per cent above the European legal limit. The Department for Environment, Food and Rural Affairs has argued that pre-2015 diesel cars, lorries and buses should be banned from key cities including London and Leeds, and it is clear that there are similar problems in Scotland.

What is your view, with regard to reviewing and consulting on the powers of local authorities in the operation of bus markets, on the possibility of introducing an element of conditionality to ensure that buses in urban areas—I am not talking about long-distance routes—should be non-diesel? I can flag up a good example. On a visit to Stagecoach in Inverness, I saw that the company has a fleet of

green buses that run on electricity, and I applaud the work that it has done. What is your view on that general issue?

We have to look at integrated planning: there is no point having one policy in transport when we find that the national health service is under strain because of the great problem of air pollution. Frankly we are not doing enough about diesel pollution, in particular in our cities.

Derek Mackay: That is a valid point. There is a range of work around decarbonising the transport network, and Government departments are working with each other. National planning framework 3—which David Stewart was involved in scrutinising—runs across portfolios with a focus on the decarbonisation agenda.

On roads, for example, we are looking to decarbonise the network completely by 2050, which will mean moving to electric vehicles. On that front, a number of charging points for electric vehicles are now in place throughout the country, and we are trying to stimulate support in that direction.

I will stay on the subject of vehicles for a moment. The VW issue greatly concerns the Scottish Government, and we have written to the UK Government to request that a task force be convened so that we can take a cross-Government approach to the issue, because the UK Government will have powers around enforcement that we do not have. A variety of issues have been exposed as a consequence of the emissions exposé.

On road traffic, local authorities can take a degree of action right now in areas such as quality bus partnerships and quality contracts for buses. Local authorities are already empowered to make decisions that are right for them at the most local level, including decisions on the quality of air and vehicles and on emissions.

To support that work further, the Government has consulted on its air quality strategy, which will allow us to make further decisions on low-emissions zones to address issues such as those that David Stewart has raised.

On aviation, further work can be done on technology and around ensuring that flights are full rather than empty. On a practical note, the UK Government has more of a role with the Civil Aviation Authority, but there are ways in which aeroplanes can become cleaner.

The Government has made a commitment to encourage more people on to public transport, which is supported—as I mentioned in my opening remarks—by more than £1 billion every year.

On the transition from older diesel buses to new technology, the Government is, through the

Scottish green bus fund and the bus investment fund, and by looking at how we incentivise companies using the bus service operators grant, encouraging the bus community to move to cleaner, greener, newer buses. Aberdeen, which has hydrogen buses, is a good example. A week or two ago at an event in Parliament I saw examples of the new electric buses that may be deployed in Scotland.

With our limited funding, we are trying to encourage public and private providers to move to cleaner greener forms of energy. With regard to the regulatory power, local authorities can act now and could do even more following publication of the air quality strategy.

David Stewart: I agree that we need to get people using public transport, but let me play devil's advocate. Someone might be waiting for a bus on Hope Street in Glasgow, but there is no point in their getting on that bus if it is a diesel pollutant that is causing air pollution. The minister will not have in his head the number of diesel buses in urban Scotland, but it is clear that we need to take action similar to the introduction of the smoking ban.

The minister probably did not listen to Radio 4 yesterday afternoon, on which there was an interesting debate about the use of diesel in our cities. One of the commentators—I am not necessarily saying that this is my position—drew a comparison with the smoking ban and said that he saw no case for diesel-powered lorries or buses in our cities in the future, because of the effect that they are having on our health service.

Such a move would be radical, but it is clear that we need to do more. With regard to conditionality in funding for buses, can you do more to try to ensure that buses in our cities—I am not talking about long-distance routes—are not diesel powered in the future?

Derek Mackay: There is a different way to approach that question, but before I come to that point I note that, if Mr Stewart was listening to Radio 4 yesterday afternoon, that explains why he was not in the Scottish Parliament chamber for the islands debate, which was where I expected to see him. There are, of course, choices—

David Stewart: I did not realise that the minister had become the Labour chief whip. If he wants that job, I am sure that it would be open to him.

Derek Mackay: There are some jobs that I may aspire to in Government, but I have never thought of that one. I will leave it there.

On the serious issue of emissions, there is another way into the issue through funding that does not necessarily involve simply banning diesel vehicles from certain areas. We are trying to

incentivise the funding package to allow for and support cleaner, greener buses, and there are European regulations that stipulate which buses are allowed on our roads.

In addition, we have been encouraging operators to move to hydrogen or electric vehicles and other forms of greener transport, and there are powers to restrict the type of vehicles in certain parts because of their emissions and pollutants. A good example of that is in cities or areas where pollution has had a health impact or where air quality is a particular issue. Those powers exist and will be strengthened as a consequence of the Government consultation that I referenced earlier.

There is a careful balancing act to be done. I entirely accept the health issue that pollutants cause, but I also know that, if we were disproportionate in our approach or did not work in partnership with the bus community and it simply pulled a number of routes, that would leave people exposed in a different way. We must get more progress on the issue, but not in a way that undermines people's quality of life, accessibility or connectivity as an indirect, unintended consequence.

11:15

David Stewart: This is my final point. I ask the minister to look at an article that appeared in *The Sunday Times* about the use of emissions cameras. I do not know whether the minister has come across such things. The emissions detection and reporting—EDAR—system uses devices that are a bit like speed cameras but which, instead of measuring speed, measure emissions. They have been introduced throughout Europe and the Department for Environment, Food and Rural Affairs has been looking at them. In Hope Street—to use that example again—we could have cameras that measured the emissions from individual buses, lorries and cars. There are currently other systems that measure pollutants, but that new system is designed specifically to measure diesel pollution and I encourage the minister to look at using it in Scotland.

Derek Mackay: Okay.

Adam Ingram: Correct me if I am wrong, minister, but, in your opening remarks, you mentioned that you intend to launch a consultation with a view to introducing new legislation on local bus markets. You will be aware, from my correspondence with you, that there are a number of issues with private operators operating socially necessary routes. We have required interventions from the passenger transport authorities to subsidise routes. Are you looking at that area going forward?

Derek Mackay: Predating some of that, I was willing to work with Iain Gray on his proposed bus bill. It was largely misunderstood—it is not fair that Iain Gray is largely misunderstood—but I said that I would work with Iain Gray, as Mr Stewart knows because he facilitated a meeting to work on some of the issues that he has raised. Iain Gray has decided not to continue with his bill, but I have put the bus community very much on alert that, if I feel that it is not delivering what we expect, we may take action in the future.

In the meantime, I propose an immediate change to how operators engage with local authorities. I will imminently—well, later this month—lay before Parliament a change to the regulations so that there will be more time for engagement between operators and local authorities when they are changing bus routes through the registration process. I will also revise the guidance on how that will be done. That is the first action.

We are also looking at how we can improve quality contracts. We can bundle routes, have more control over routes and support quality bus partnerships, which there should be more of in Scotland. There are no quality contracts in Scotland, but there are some quality bus partnerships. It is about strengthening what is there at the moment and tightening up on operators' engagement with local authorities. I have made it clear to the Confederation of Passenger Transport—the bus operators—that I expect it to do its bit.

Mr Ingram is right to say that, where there is a gap in service and a social need, local authorities or regional transport partnerships can intervene. That is not a nice thing to do; it is their essential function. However, some of them need to be reminded of that, which is why it will feature in the national transport strategy. That will ensure that people are not left isolated in a mixed market of bus provision.

Mike MacKenzie: You recently announced a review of the office and role of the Scottish road works commissioner. Why do you think that such a review is necessary? How do you hope to see the commissioner's role developing?

Derek Mackay: I felt that with the opportunity to appoint a new road works commissioner came the opportunity to look at how the post and role could be improved. Given the commissioner's role as arbiter, regulator, enforcer and keeper of the road works register, I think that there is much that can be done on this matter, and I am taking the opportunity to look again at the role and to find out whether we can do better, improve co-ordination and perhaps even strengthen the powers and give the commissioner a stronger role. The review will

also look at the relationship with Transport Scotland.

We will have a new commissioner, and they will do their work. At the same time, we will conduct a review to find out how we can do better, because I am of the view that we can probably do more with the role.

Mike MacKenzie: I am sure that all of us who use the roads will have observed that road traffic has reached a new peak and that there have been more delays to trips as a result of congestion. What is Transport Scotland doing to reduce travel demand and combat congestion?

Derek Mackay: The massive investment programme will, in improving the roads infrastructure, address some of the capacity issues and the pinchpoints. Some of that will be about prioritising public transport, making it a more attractive option and encouraging active travel. There is a range of other Government initiatives such as car sharing—after all, having fewer cars on the roads will also help—as well as the travel plans through the local authorities.

However, the resulting road works will cause some disruption. As I said in my introduction, it is regrettable that congestion will occur as a consequence of major investment, but I think that, without compromising on safety, we will be able to adapt some of the work programme or routes if pinchpoints or extra demands on the system emerge.

Traffic Scotland also provides information on congestion on the road network, and during my last appearance before the committee, I celebrated the fact that it had more than 80,000 Twitter followers. I can report to the committee that it now has more than 90,000. I have only 9,000 for my ministerial account, which is a bit of a controversy in itself. The fact is that there is a lot of information out there, and Traffic Scotland is trying to provide real-time information on where the congestion is.

The long-term investment plans will help with capacity on our roads but, our commitment to new roads aside, I am well aware of members' concern about the legacy of repairs to and the condition of the existing roads infrastructure. I should point out that we spend more than £0.25 billion every year on maintaining trunk roads and motorways. We have to look at the M73, the M74, the M8, the AWPR work and the completed M74 missing link as major steps forward in addressing congestion in a strategic way, but encouraging people to use public transport is another way forward.

My final comment about congestion is that people should pay more attention to the transport advice that is given. Road incidents and collisions as a result of driver behaviour also cause

congestion, and drivers should be mindful of the advice that is offered by Transport Scotland. Of course, winter brings its own challenges with regard to transport disruption, and I assure all members that we are very much under way with the full range of winter preparations. Indeed, I understand that I will be making a statement to Parliament fairly soon on those preparations.

Mike MacKenzie: Thank you for that very comprehensive answer.

The Convener: As members have no further questions, I thank the minister for his evidence this morning and for his commitment to updating the committee on a range of issues, including the establishment of a stakeholder group to support the national transport strategy; progress on major trunk road projects; the active travel summit and the national walking strategy; the smart ticketing scheme; compensation to CalMac passengers; and the impact on tax receipts of reducing and possibly abolishing air passenger duty when that power comes to the Parliament. The minister also offered to liaise with his colleague, the cabinet secretary Mr Brown, to ensure that we get an update on the appointment of a new senior management team at Glasgow Prestwick airport.

Once again, minister, I thank you and your officials for attending.

We now move into private session.

11:25

Meeting continued in private until 11:38.

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