



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Wednesday 29 June 2016**

**Session 5**



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**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**2<sup>nd</sup> Meeting 2016, Session 5**

**CONVENER**

\*Edward Mountain (Highlands and Islands) (Con)

**DEPUTY CONVENER**

\*Gail Ross (Caithness, Sutherland and Ross) (SNP)

**COMMITTEE MEMBERS**

- \*Peter Chapman (North East Scotland) (Con)
- \*John Finnie (Highlands and Islands) (Green)
- \*Rhoda Grant (Highlands and Islands) (Lab)
- \*Jamie Greene (West Scotland) (Con)
- \*Emma Harper (South Scotland) (SNP)
- \*Richard Lyle (Uddingston and Bellshill) (SNP)
- \*John Mason (Glasgow Shettleston) (SNP)
- \*Mike Rumbles (North East Scotland) (LD)
- \*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

- Keith Brown (Cabinet Secretary for Economy, Jobs and Fair Work)
- David Climie (Transport Scotland)
- Fergus Ewing (Cabinet Secretary for Rural Economy and Connectivity)
- Graham Porteous (Transport Scotland)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

The James Clerk Maxwell Room (CR4)



## Scottish Parliament

### Rural Economy and Connectivity Committee

Wednesday 29 June 2016

*[The Convener opened the meeting at 10:09]*

#### Decision on Taking Business in Private

**The Convener (Edward Mountain):** I welcome everyone to the second meeting in 2016 of the Rural Economy and Connectivity Committee. Everyone is reminded to switch off their mobile phones, as they may affect the broadcasting system. As meeting papers are provided in digital format, tablets may be used during the meeting. We have received no apologies—all members of the committee are present.

Agenda item 1 is a decision on taking business in private. I seek the committee's agreement to take agenda item 4, and any future consideration of its work programme, in private. Is that agreed?

**Mike Rumbles (North East Scotland) (LD):** No. Before we agree to that, could you make clear the reasons for taking consideration of the work programme in private? I think that it is important that the public know why we take business in private.

**The Convener:** We want to consider the work programme in private because the important thing is to have a free discussion. Holding the discussion in private will allow us to identify without constraint what should be in our work programme. We will then be able to make that available for everyone to see exactly what we plan to do. Is that agreed?

**Members** *indicated agreement.*

## Rural Economy and Connectivity

10:10

**The Convener:** Agenda item 2 is evidence from the Cabinet Secretary for Rural Economy and Connectivity on the range of issues within his portfolio that relate to the committee's remit. We will ask the cabinet secretary to define his remit so that members of the committee understand exactly what their role and his role are. It is hoped that the session will provide the committee with an overview of the Scottish Government's key current and forthcoming projects, policy initiatives and developments.

I welcome Fergus Ewing, the Cabinet Secretary for Rural Economy and Connectivity, and his supporting officials from the Scottish Government: Donald Carmichael, the director of transport policy; David Barnes, the chief agricultural officer; and Trudy Nicolson, the acting deputy director of the connectivity, economy and data division.

I invite the cabinet secretary to make an opening statement.

**The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing):** Thank you, convener, and congratulations on your assumption of the important post of convener of the Rural Economy and Connectivity Committee. I welcome all the members of the committee, some of whom are new and some of whom are not at all new.

I am very pleased to appear before the committee as the new Cabinet Secretary for Rural Economy and Connectivity. When the First Minister appointed me, she urged me to drive forward the rural economy in Scotland. As someone who has represented for 17 years a constituency that, in geographical terms, is largely rural, I am absolutely determined to fulfil that role.

Rural Scotland is the home of many diverse small businesses, the source of so much of what we eat and drink, the foundation of our green energy revolution, and the cradle of much of the culture, the history and the landscape that are integral to how we as a country view ourselves and to how we are viewed by others who invest here, who are increasingly interested in investing in rural Scotland. It is important to say that rural Scotland is also the home of many from other countries, including European Union countries, and they are all most welcome.

My portfolio spans many of the key industries that make a difference to and are the backbone of the rural economy: agriculture, fishing, crofting, aquaculture, forestry, field sports, food and drink, and services that are vital to it—namely, transport and connectivity. I would like to begin by saying a

few words about the progress that has been made on the issue that has rightly occupied a great deal of my time over the first month of my tenure—common agricultural policy payments—after which I will deal separately with the outcome of the European Union referendum.

As I made clear in my parliamentary statement on the issue on 31 May, resolving the current CAP payment situation is my immediate, foremost priority, and I am pleased to be able to update members on our progress in fixing it. Balance payments worth more than £60 million went out over last weekend and further substantial payments were made yesterday and will be made today and tomorrow. I can now say that most farmers and crofters should have received most of their due payment, but anyone who is not in that position should already have received a substantial loan payment, unless they chose to opt out of the loan scheme or their claim was ineligible.

Payment performance this year has fallen short of the very high standards that the Government has delivered in recent years. We are learning lessons and will do a full review. However, the overriding current task is to get the last of the payments out to farmers and crofters. I have said that I will return to Parliament in the autumn to report on our progress on objectives for CAP payments, and I will also be happy to come back to the committee to discuss the lessons with you more fully and, crucially, to discuss what we will do to minimise the risk of this happening again.

10:15

I will say a word about the EU referendum. The European Union has provided and provides significant support to Scottish rural communities and it is a key market for the food and drink that we produce. In 2015, the majority of Scotland's overseas food and drink exports, worth £1.9 billion, went to the EU. When I attended the Royal Highland Show last Friday, I spoke to many, many people, and most were shocked by the referendum result. It creates greater uncertainty for Scotland's farmers and crofters, as it does for all other sectors of society.

However, we are still firmly in the EU and trade and business should continue as normal. We are determined that Scotland will continue, now and in the future, to be an attractive place to do business. For now, everything continues as normal in terms of the systems that are running. The CAP regime remains in place and payments continue to be made.

The First Minister is taking all possible steps and exploring all options to give effect to how people in Scotland voted and to secure our

continuing place in the EU. She has also made it clear that the Government must be fully and directly involved in all decisions about the next steps that the UK Government intends to take. Moreover, we will seek direct discussions with the EU institutions and its member states, and that work has begun.

On Monday, I attended the agriculture and fisheries council in Luxembourg. I met the French, German and Irish ministers and the EU agriculture commissioner, Phil Hogan, and I raised the concerns of the farming community in Scotland. I stressed that we are open for business and that we are working to protect Scotland's role in the EU. It is vital that other nations understand Scotland's position, and it is just as vital for our farming and food industry that we work quickly to safeguard the links and relationships that benefit them when it comes to trade.

I look forward to continuing to take part in vital work with the EU and to working closely with you, convener, and the committee as you take forward your work programme. Thank you.

**The Convener:** Thank you for that statement. We would like to ask you some questions, and I will start off. What proposals does the Scottish Government have to address the challenges of living in rural areas in Scotland?

**Fergus Ewing:** As we both know, convener, and as many other members of the committee know, living in rural Scotland, we enjoy many advantages. We live in beautiful landscapes; we have strong communities, community spirit and community activism; we have higher economic activity; and we generally have lower unemployment rates than cities. It is therefore no surprise that the various indices show that a great many people are very satisfied with rural living, but there are also many challenges.

There are many pockets of poverty and significant rural deprivation and there is a low-wage economy in some areas and some sectors—that is a feature of some sectors. Of course, we are working on those matters in partnership. Our support for the establishment of the rural parliament has allowed communities to identify key priorities. Indeed, I was able to engage with people behind the rural parliament at the Royal Highland Show.

We are investing more than £80 million in community-led local development across rural and coastal Scotland in order to build social and environmental capital through the implementation of local strategies. We are also working with stakeholders to review the fuel poverty action plan, including the fuel poverty eradication target. That will include recommendations from the rural poverty task force and working group, both of

which are due to report their findings by the end of this calendar year.

We will make the most of new devolved powers by extending the eligibility for winter fuel payments to families with children in respect of the highest care component of the disability living allowance, and we are exploring other ways to issue payments early for eligible householders who are off grid. That is a serious challenge for many people who live in rural Scotland. I know that many members, including Mr Mason and Ms Grant, have quite rightly raised those issues ad infinitum.

Those are just some of the issues; they are by no means all of them. That is not meant to be an exhaustive list.

There is definitely a curate's egg of a great many people who have terrific, fulfilled, busy and active lives with relative comfort, matched with a significant number of people who do not enjoy such lives. That is a real challenge for the rural economy. Working with colleagues who have primary responsibility for driving forward anti-poverty measures, we will, of course, be determined to challenge that.

**Peter Chapman (North East Scotland) (Con):**

We all know how difficult the past six months at least have been for the farming industry, not least because of the debacle with the information technology system, which has proved to be not fit for purpose. A scathing report by the Auditor General for Scotland highlighted poor management, poor overview, a conflict of interests and a system that has proved to be not fit for purpose. That has caused real problems.

I am pleased to hear that the balance payments are now going out. That was one of the big concerns. Obviously, the last bit of the payment was going to be the most difficult bit to achieve. It is great that that is now being done.

Is the cabinet secretary still confident that no EU fines will come down the road? We know that the deadline for paying 95 per cent of payments has been put back to 15 October. Are you confident that we can at least achieve that and that no possible EU fines are coming down the road for the Scottish Government?

**Fergus Ewing:** Mr Chapman makes a fair point. There have been very difficult times for farmers. There have rarely been times when all or almost all sectors of farming have had severe financial pressures, but that has been the case over the past period.

I am very pleased to say that, as at 28 June, payments have been initiated to more than 16,400 farmers and crofters and that, over the past week, we have injected a further £67 million into the rural

economy by making balance payments to more than 13,500 businesses that have received their first instalment.

That has been the number 1 priority since I came into the post. I said that on 31 May, and that is what has happened. I have sought to do everything in my power to take the matter by the scruff of the neck and get the money for 2015 out to the farmers. That has been the first priority. We have substantially achieved that, but I receive individual emails from farmers every day to which I reply myself. I also pass emails to David Barnes, who can answer any technical questions.

I am confident that the hundreds of people who are working throughout the country and busting a gut to get the payments out have really played a blinder for Scotland. I thank them for the terrific work that they have done to transform the system since I came into the post and to deliver a marvellous effort. I think that we all recognise that many people in those offices are of the farming community, whether they work on or have an interest in a farm or have relatives who do so, and they care passionately about doing that.

We have made great progress on penalties. It should be said that there has been a history of relatively modest penalties in the scheme of things at the Scottish and UK levels. In other words, it is not the case that no penalties have been incurred in relation to the administration of the payments; they have been incurred. It is fair to say that Scotland's record until this year was significantly better than those of other parts of the UK, but that has not been the case this year.

We will make a detailed statement on the matter when we come back to Parliament in the autumn, but I am very confident that the worst predictions of the Auditor General will not come to pass. I am happy to provide that assurance. Nevertheless, since we have not yet reached the deadline, for some purposes, of 30 June, I think that it would be better for us to postpone detailed consideration of the matter until after the recess. I do not know whether David Barnes wants to add anything or whether I have covered everything.

**The Convener:** Before we go any further, I remind committee members that, if they have any interests to declare, it would be useful if they briefly declared them. I am sure that Peter Chapman would want to declare that he has an interest in a farming partnership. Let us take it that that is now declared. However, I ask members to declare their interests if the matter comes up again.

**Peter Chapman:** Thank you, convener. I accept your rebuke. I should have said that I have an interest in a farming partnership. I also have a directorship of Aberdeen & Northern Marts and an

interest in a wind farm company. I apologise profusely—it slipped my mind to say that.

**Fergus Ewing:** Convener, if any member who has a farming interest is having difficulty with their common agricultural policy payments, they should contact me and I will do what I can to speed things up.

**The Convener:** Okay.

**Mike Rumbles:** Minister, you are quite right to reassure the farming and agricultural community that nothing will change over the next couple of years as far as subsidies and that sort of thing are concerned. However, in two years' time, when we leave the common agricultural policy, you are personally likely to have entire control over farm subsidies for the future. Can you say something that might reassure people about farming subsidies in the long term? Pig farming and dairy farming do not get subsidies and people in those sectors will be thinking that, with the freedom that you may now have, you might want to change the system. I know that it is a long way off, but what are your initial thoughts on the issue of our having total control over the money that goes out in subsidies?

**Fergus Ewing:** That is a fair question, and it was asked by the specialist journalists from *The Scottish Farmer* and so on on Friday, when the shock of the news was being felt by everybody. Let me make it absolutely clear that, in principle, the Scottish Government recognises the huge contribution that the financial support payments make to the rural economy as a whole and to farmers and crofters in particular. That is part of the existing system that we support, and we need to provide whatever reassurance we can to farmers and crofters—as well as to those in local authorities and others who are involved in the rural development programme, which is a massive programme running between 2014 and 2020—that we will continue to provide a ballast of financial support, as that has been a key part of supporting rural life. I give that in-principle commitment.

However, I cannot give any assurance about what we will receive from the UK Government, as I have no idea what the UK Government's view on the matter is. I believe that, prior to the referendum, the UK Government was asked whether there was a plan of any sort and, as far as I know, there was no plan B—unless B stands for the Christian name of an individual. We have been presented with no plan whatsoever by the UK Government.

I do not really want to go into the politics of the thing, though, because people who live in rural communities want to receive facts and assurance as quickly as possible. Those will be difficult to provide, because if the terminus a quo for

triggering article 50 will not be until October and since the Commission has indicated that there will be no informal talks if that position remains, it will simply be impossible for the Scottish Government to provide any more information in response to Mr Rumbles's question other than a clear statement of principle that we must continue to provide that ballast of economic support to the people who are the backbone of our countryside. I give that in-principle commitment. However, regrettably—because of circumstances that Mr Rumbles and I both deeply regret—we cannot go much further than that at this moment, although we will, of course, exert pressure on the UK Government to come up with answers quickly.

10:30

Lastly, the EU is a reserved responsibility, and the funding responsibility to fulfil the reserved function follows the nature of the fact that it is reserved. We lack the devolved capacity for the budgeting facility, which is entirely a reserved function. The EU recognises the UK as the member state, which speaks on agriculture and is responsible for finance. It is therefore for the UK Government to come up with clear proposals. As a matter of simple law, that is primarily the UK Government's responsibility and I urge it to do so as quickly as possible.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I want to pick up on the information technology aspects of the CAP payments that Peter Chapman raised. I should say that I, along with my wife, have a registered agricultural holding of a massive 3 acres and we receive no CAP payment, so it is not relevant to the discussion. I have said it on the record for anyone who is interested.

I spent three years lecturing on computer project management to postgraduates at Heriot-Watt University after retiring from 30 years in IT before being tapped on the shoulder to come here. I used two projects from the public sector in my course. One was the Scottish Qualifications Authority debacle of the late 1990s and early 2000s, and one was the London Ambulance Service project from 10 years earlier. It is quite clear that the public sector is not terribly good at big IT projects, and that is quite independent of political leadership. The private sector is not necessarily any better, by the way; we just do not hear about it and we probably do not want to.

Is there any opportunity for the Government to consider in the longer term setting up an expert panel to look at the generality of how we manage large IT projects? I know that the Auditor General is looking intensively at how the CAP payments project was managed, but there is fundamentally more to it than the Auditor General might be



covering. I encourage the minister to be positive in his response to me that we might do that and possibly create world leadership in what is a pervasive problem in the industry in which I used to make my living.

**Fergus Ewing:** I have no immediate plans to be involved in world leadership. I will be focusing on the CAP payment issues, at least in the short term.

Mr Stevenson is too modest to mention it, but he was involved in the implementation of a new IT system for a major bank in Scotland and was told to do it on budget and on time in a two-sentence remit, which he implemented. He is speaking from experience and it is a fair comment that Governments on both sides of all borders seem to find it difficult to implement IT systems on time and on budget. There are many reasons for that. I notice that, in her report on the CAP issue, the Auditor General said that she is preparing comments on wider and more general IT issues, which is welcome. I hope to engage with the Auditor General and colleagues from across the Government, so I will therefore respond to Mr Stevenson's question in the positive spirit that he mentioned.

There are, however, certain basics. One of the problems with IT systems is that the specification is not properly defined in the contracts, perhaps because it has not been thought through or for other reasons. Another problem is communication of the IT system to those who have to operate it. That is a particular problem in relation to agriculture, because the IT system is operated by people who are truly expert in the CAP system and the detail of how it operates but who are not IT experts.

In her report, the Auditor General identified that one of the particular problems was that people in the 17 area offices, three of which I visited and spoke to people at great length at, did not feel confident in the IT system and the solutions might not have been properly communicated to them. Those matters became evident to me during the first couple of days on the job and the steps that were taken to address that have had relative success. For example, people who can communicate how the IT should operate should be able to communicate that directly to the senior staff in the area offices. There are various ways to do that in management terms, but those steps have been taken, at my behest, since 20 May, when I was appointed to the role.

However, I entirely accept that Mr Stevenson made a useful suggestion and I will take back that specific suggestion to colleagues. If I may, I will report back in writing to the convener on what the official Government response is, because plainly it

cross-cuts a number of directorates, including this one.

**The Convener:** Stewart, I know that you are keen to come back in. You can if it is very quick.

**Stewart Stevenson:** It is quite quick.

**The Convener:** No—it needs to be very quick, because it is a big issue and there are a lot of questions stacking up round the table.

**Stewart Stevenson:** I will just suggest that the cabinet secretary has perhaps illustrated one of the issues, which is that you cannot complete the specification at the signing of the contract. It is just not possible. If you do, the project dies, because change is an essential part of projects. If there is no change, the project is going nowhere. The important thing is not so much to nail down the specification as to nail down the process for dealing with change. To quote Ovid,

“Parvum parvo magnus acervus erit”.

In other words, add a little to a little and there will be a big pile. That is from the “The Mythical Man-Month” by Professor Fred P Brooks, which was written 40 years ago. It is still valid.

**The Convener:** I think that we will take that as read and move on to a question from Emma Harper.

**Emma Harper (South Scotland) (SNP):** My question is related to what Mike Rumbles said about the EU. It may sound local to Dumfries and Galloway, but it has national implications. Last year, Dumfries and Galloway secured £5.6 million of EU rural development funding, which was the highest allocation in Scotland. Can the cabinet secretary talk about whether that may be the last EU money that the area receives? Also, has the UK Government provided any reassurance that it will replace the funding through the block grant?

**Fergus Ewing:** In a way, Emma Harper's question is just a variant of Mike Rumbles's question and the answer is the same. The payments that have been received—Emma mentioned the figure for Dumfries and Galloway—are plainly essential for the farming community in that part of Scotland, as I learned when I visited the Dumfries area office in the first week of my tenure. Incidentally, it covers an enormous swathe of Scotland—an enormous land area.

Of course it is essential that payments continue. If Emma Harper is suggesting that there will be no more payments, that is not correct. We are still in the EU and we are bound by the rules. That will be the case for at least two years plus whatever period elapses prior to the terminus a quo of the two years—the trigger—which may be in October, in which case we have a further two years in the EU from then. I would have thought that the date

of exit from the EU, if that is what the UK Government decides to trigger, would coincide with the financial year, but who knows? Nobody can be certain about what the UK Government will do in these matters, because it has not told us.

There will be a further couple of years when we are still in the EU, plus a little bit longer, at a minimum. It could be a lot longer if the trigger is not exercised for some time to come. Again, we do not know. This illustrates very clearly that Ms Harper has raised, on behalf of her constituents, a matter that is of extreme concern. There is a complete absence of clarity at the moment and it is useful that the proceedings of this committee can highlight the practical need to demonstrate to farmers in Dumfries and Galloway, as well as in the rest of Scotland and the UK, just how important it is for some real progress to be made by the UK Treasury in making some clear statement of intent. I expect that such a statement would have to be issued in the next few days. That is a personal view.

In other words, the questions that are being asked today in the committee are being asked everywhere in Scotland and everywhere throughout the UK, and no sector is more impacted than farming, because it is the area where the EU has pretty much total legislative responsibility for the administration of the payment system. It could be argued that other sectors of the economy are less directly affected, although they all rely on a single free market and free movement of people. The farming sector is different, as it relies almost entirely on EU payments for the revenue of people who work in it.

I am sure that many members, no matter what party they are in, share my concerns and believe that the lack of clarity should be dispelled and certainty should be brought forward in a clear statement from the Chancellor of the Exchequer as quickly as possible.

**The Convener:** This is an important subject. I am mindful of the time, but I will take one more question before I ask Mr Barnes a question myself. Peter Chapman can go next.

**Peter Chapman:** I want to follow up on my initial question. Although I have been very critical of the information technology system, I have never been critical of the people in the area offices, who I know have done their utmost to make the system work under very difficult circumstances. The criticism has never been directed at them.

Could the cabinet secretary say more at this stage about the process of learning lessons from the problems with the IT system, and can he give farmers a firm timetable for making the payments for 2016?

**Fergus Ewing:** As I have said, we recognise that there is an essential need to learn lessons and undertake a review. I have had a number of discussions with civil servants about that. We have, I think, made improvements to the management, control and reporting systems, and all of that will have to be looked at in detail in due course.

In addition, we need to learn lessons from the people who are most closely involved. When one wants to learn how to do things best, one should ask the people who are doing it at the coalface. In this case, there are several professional agents around the country who are employed by farmers to complete the necessary forms, first because the forms are complex and secondly because the consequences of making an error—even an inadvertent, obvious, innocent error—can be swingeing. It is essential that we learn from those who are involved in the process. There is an agents forum, and I will make arrangements to meet it to get the benefit of its advice and ensure that it provides input to the process.

I am bound to say that the response from the commissioner, Phil Hogan, has been exemplary. He has responded—in fact, I met him 30 minutes before I became cabinet secretary. He reassured us at that meeting that there would be good news to follow, and there was. He acted swiftly, which ironically shows how helpful and flexible the EU can be in some circumstances. That is important.

The real flaw in the EU CAP payments system is the way in which it penalises inadvertent errors. As a constituency MSP, I have known that for 17 years and I am sure that colleagues will have seen the same thing. The consequences—the fines meted out or the loss of support payments for a simple lack of a tick in the box or a minor discrepancy with a few ear tags—are so horrendous as to make all of us feel that it is just not right. It is one of the few examples in society of a manifest, clear, palpable injustice.

I mentioned that because Commissioner Hogan has been taking through the agriculture and fisheries council proceedings—I attended one of those meetings on Monday—a yellow-card system to ensure that that form of entirely disproportionate punishment comes to an end. It is important to recognise that. Although the EU does not get a lot of credit for some of the things that it does because those things do not hit the radar of the press, in this instance Commissioner Hogan has delivered by relaxing the penalty compliance regime. He is also in the course of delivering fairer treatment for farmers. These two factors will be relevant for the lessons-learned process that Mr Chapman quite fairly raised this morning.

**Peter Chapman:** I asked about 2016 payments, cabinet secretary, and you have not answered that question.

**Fergus Ewing:** That is perfectly true. As I promised, I will bring forward proposals in the statement that I promised to make and will make after the recess. The reason why I cannot do that now is that we have been busting a gut to get the 2015 payments out. However, I assure Mr Chapman and all the other committee members that we are considering 2016 carefully. We cannot have a 2015 again. I am determined that it will not happen again. That is the starting point and everything else flows from it. Over the summer, I will ensure that, when I come back to the Parliament, I give a statement that is convincing and robust and tackles the problems that have bedevilled and beset the farming communities with stress and pressure over the past few months.

10:45

**The Convener:** I will make a declaration. I have an interest in a farming partnership and, within that partnership, still await my payment. I make that declaration so that there is no doubt what my position is.

If it is not possible for you to give the information today, will you come back to the committee with the total costs of the IT system and the extra staffing costs? I believe that, until after Christmas, some 75 extra staff were taken on, but I also believe that that number has increased. I further believe that the extra work that the staff in the offices undertook—to which you alluded—had exceeded 2,500 hours by the end of February. We need to know what the actual cost to the public purse in Scotland has been, so that we can move forward on the matter.

**Fergus Ewing:** That is a perfectly fair request and we will comply with it as soon as we can. I prefer to wait until I am confident that we have broken the back of the 2015 payments, but I will certainly come back as soon as I can with answers to that question.

It is right that there has been overtime. It has been necessary to ensure that we break the back of getting the payments out. When there is a job to do in the private or public sector, overtime is a fact of life. I make no apologies for insisting that the managers of area offices throughout the country do everything they can to get the job done, even if it means a bit of overtime, although I fully accept that that means some extra cost. We will come back to the committee with details thereanent.

**John Finnie (Highlands and Islands) (Green):** Good morning, cabinet secretary. I will ask about crofting. You will be aware of a number of controversies involving senior personnel and

common grazings. I do not anticipate that you will comment on live proceedings, but will you give a general view on the state of crofting? Will you also tell the committee about plans to reform crofting law, which is seen to be very complex, and say how the national development plan would be put together?

**Fergus Ewing:** That is an absolutely fair question from Mr Finnie.

I express our support for crofting in Scotland. It is a unique form of tenure. It is part of the history and culture of parts of the Highlands and Islands and we want to keep that. Active crofting also means that people can be sustained on the land in the most remote parts of the Hebrides. Rhoda Grant has always been active in campaigning for crofters. For those reasons, I make a commitment that we want crofting to continue.

Prior to the referendum, I addressed the stakeholders of a group that is specifically examining the move from less favoured areas to areas of natural constraint in 2019. That good work was predicated on the continuation of our European Union membership and was informed by the full participation of the Scottish Crofting Federation and NFU Scotland, and many individual crofters whom I know and had the pleasure of meeting. I also met the SCF at the Royal Highland Show and again yesterday. We support crofting. It will continue and is not under threat from the Scottish Government.

In answer to Mr Finnie's other questions, we will bring forward legislation, and I am keen for the committee's input into what will be an open process. I think that that process should cover issues such as how to sustain housing, should look at the existing grants mechanisms and other possibilities such as the loans scheme, should examine whether commercial lenders might be able to grant mortgages for crofts by, for example, our amending the law slightly and so on.

Housing is imperative, and a great deal has been done by this Administration and, to be fair, our predecessors. It is a shared belief that crofting is a valuable part of our heritage, and I recognise and value the fact that other parties are supportive of that view. As Mr Finnie has suggested, I cannot comment on existing live cases, one of which might be before the relevant tribunal at the moment, but I am aware of the disquiet in crofting communities, many of which have written to me. Although I cannot make a specific comment on the matter, I can say that I am seized and aware of the issue, and I am looking to have, am having and will continue to have discussion with all relevant stakeholders, including the Crofting Commission, which I expect to meet fairly soon.

I hope—indeed, I expect—that Mr Finnie and his party will, as supporters of crofting, play a full part in examining how we continue to support this form of tenure and way of life, which of the Shucksmith reforms, not all of which have been implemented, might be taken forward and in what other areas the law should be changed. I am no expert by any means—there ain't many experts in crofting law, although there is the crofting law group, which we also consult—but I am very keen to address the immediate concerns of the crofting community in an appropriate way and in due course.

That said, I think that the matter is effectively sub judice, and I cannot really comment further on it today. However, I very much look forward to working with Mr Finnie, his party and all members on the task of bolstering and strengthening our support for Scotland's crofting communities over the next five years.

**John Finnie:** I have another brief question, but again you might be constrained in what you can say in response. I am meeting the chief executive of Scotland's Rural College tomorrow to discuss the transfer of facilities from Drummond Hill in Inverness to the University of the Highlands and Islands and whether those facilities will be replaced like for like. Given that the crofting community, the farming community and indeed the public health sector in the north of Scotland have an interest in that matter, can you comment on it?

**Fergus Ewing:** I met the SRUC chairman and chief executive very briefly at the Royal Highland Show last Friday, but I was not able to have any detailed discussions. I have asked through my office for clarification of this, but I should point out that, as the constituency MSP, I wear two hats on this matter and need to be careful with how it is handled.

That said, I am keen to ensure that the solution to the loss of the post-mortem facilities at Drummond Hill, which is the welcome plans for replacement post-mortem facilities at UHI's Beechwood campus, is seen as sufficient in every respect with regard to the operation of the post-mortem facility and the relevant back-up staff and facilities. I am very happy to work and continue a dialogue with Mr Finnie on ensuring that we meet that objective, to which, I should add, the SRUC has given its support.

**Rhoda Grant (Highlands and Islands) (Lab):** I am grateful that the cabinet secretary is going to look at crofting law, but I suggest that we need quick action to deal with the worst parts of the legislation. For example, the Crofting Reform (Scotland) Act 2010 has caused a lot of the problems that are now manifesting themselves, and I suggest that we take quick action to put right some of those wrongs. We also need to take a broader look at crofting law in the round and how it

can be simplified. However, given that that will take time and given that we have problems here and now that need to be dealt with, I will simply leave that matter with him.

The cabinet secretary will be aware that, in its manifesto for the election, the Scottish Crofting Federation asked for five actions to be taken, and I believe that the Scottish National Party accepted them. One of the actions concerned crofting development. The cabinet secretary will be aware that crofting development was transferred to Highlands and Islands Enterprise and that became crofting community development, not crofters development. A lot of individual crofters have received no development funding since then. Is the cabinet secretary giving thought to how crofters can be helped to develop their businesses, how they can access that money and, indeed, whether that function will be returned to the Crofting Commission?

**Fergus Ewing:** First of all, I know that Rhoda Grant is steeped in crofting and has been an activist in pursuing that over many years. If she writes to me setting out specific proposals, I will treat them very seriously and I am happy to meet her in order to take that forward. We probably come from a shared general approach about many of those aspects, so I just wanted to say that.

Secondly, we have in our party's manifesto a promise to reform crofting law and we will do that. We need to give careful thought to how we do that, so I do not think it would be wise to make specific commitments today. Obviously, we will have regard to timing issues when we consider that.

Thirdly, we provide a great deal of support for crofting in various ways: 4,000 crofters claim CAP subsidies, for example. In the new croft house grant launched in 2016-17, there is £1.4 million of annual assistance, helping to build or improve approximately 35 to 45 croft houses. That is in the category of money that goes directly to individuals, rather than generally to—

**Rhoda Grant:** I was talking more about businesses.

**Fergus Ewing:** Well, people operate businesses from houses these days, if they have access to broadband, which is a problem that I guess we will come on to. If people have a house—their own home—they can do lots of things, and many people run businesses from their homes.

However, I accept the general point about business support. The crofting agricultural grant scheme will provide £2 million assistance in 2016-17, helping an estimated 800 crofters each year to invest in agriculture. The crofting cattle improvement scheme—the bull hire scheme—

offers a subsidised rate for crofters to hire bulls. That in itself has rightly been the subject of a lot of debate and parliamentary time over the years to protect that scheme from threats of extinction from wheresoever those threats come. Plainly, I mention that today because we recognise that that scheme performs a valuable role.

The crofters and smallholders skill boost 2016 to 2019 is a new three-year project to increase primary agricultural skills for 1,200 participants. That is for existing and incoming crofters, because we also want to attract more entrants. I know that Rhoda Grant and John Finnie as well as colleagues in my party have wanted to see how we can attract more entrants in. Obviously, if they come in, they need to have skills and I praise the work that has been done by SRUC and Lantra; I spoke at a Lantra event at the RHS fairly recently.

I am not able to give a full answer to the question, but I have covered some of the specific schemes that we are introducing. Some of them will meet the category of business support, some will cross-cut and some will not. I will ask my officials to go back and see whether I have missed anything out, and I am always happy to receive constructive suggestions about what more we can do to support crofting in Scotland. Please do not be shy.

**The Convener:** I think that that concludes the questioning on crofting. I am going to admit now to making a mistake—a very dangerous one. It was ignoring the deputy convener, who should have come in before the section on crofting. I apologise on record and now give her a chance to ask her question.

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** Thank you, convener.

Good morning, cabinet secretary. There are a number of legislative changes through the Land Reform (Scotland) Act 2016 that relate to responsibilities in your portfolio—namely, for the tenanted farming sector and agricultural holdings. I wish to ask a couple of questions about those changes, which are widely welcomed by the tenanted sector. What specific objectives does the Government have for the sector? Does it wish there to be an increase in the area of tenanted land? If so, by how much? What is the timetable for appointing the tenant farming commissioner? What is the timetable for bringing forward the secondary legislation on agricultural holdings in the 2016 act? What plans does the Government have to address the recommendations in the agricultural holdings legislation review group's report and the Rural Affairs, Climate Change and Environment Committee's stage 1 report that were not taken forward under the 2016 act?

11:00

**Fergus Ewing:** Thank you very much for those questions.

**Gail Ross:** Were you trying to write all those down?

**Fergus Ewing:** I was not, in fact—I always rely on civil servants to do that—but it is nice to see you here today, Gail.

We want to have a vibrant tenant farming sector. I think that that has been a shared objective for many years, encompassing all parties, to be fair, although there are very different views about how that should be achieved. We want the tenant farming sector to succeed, and we want it to be possible for new entrants and other people who want to farm to access tenant farming opportunities.

I had the pleasure of meeting about 10 new entrants under the Forestry Commission scheme at the Royal Highland Show. Interestingly, some of the questions that they had were about access to finance. In other words, they were questions that were perhaps related not directly to farming but more to running a new business in general, which you would expect. It was an extremely useful discussion. I must say that the Royal Bank of Scotland, which took part in that discussion, immediately offered to provide help to the individuals involved, which perhaps goes beyond the normal approach to small businesses. I place on record my thanks to the Royal Bank for that immediate offer of support.

We would like to see new entrants. We would like to see progression routes for people who are tied into grazing lets, which provide insufficient business development opportunities. We want to enable those whose business is a combination of rented and owned to make the best use of land so as to strengthen their business. We want to provide those tenant farmers who want to leave the sector with the right opportunities to enable them to do so in a fair way to all concerned.

Above all, we want the use of the land in Scotland to be maximised. Whether we see this remains to be seen, but I would like to see the two sectors of landowners and tenants continuing to work together and reaching an agreement with the objective of having as much activity in the rural economy as possible, with encouragement for new tenanted arrangements wherever that is appropriate and possible.

There were various other questions, which I am going to be reminded of in a moment, but one of them was about the timetable for the secondary legislation. I can tell the committee that a number of commencement packages will be brought forward to implement the agricultural holdings

provisions of the 2016 act. It is intended that the first package will be brought before Parliament this autumn and that it will be followed by a second package. The first commencement package will deal with the sections on widening assignation and succession rights for tenant farmers. My officials are due to meet the clerks of this and two other committees tomorrow to discuss the timetabling. We will then publish our intended approach on our website, along with advice for tenant farmers and their landlords, on how best to plan for the forthcoming legislative changes.

I am aware that there are a number of significant pieces of work that will have to be borne in mind and carried out by tenant farmers in particular, I think in relation to the amnesty provisions. We are therefore keen to provide as much clarity to the tenant farming community and everybody else as to what is required, and that will be very much part of our timetable.

I will be writing to the committee during recess to set out our intentions for the implementation of the rent review system, which will include information about how we are approaching the necessary testing of the system to ensure that it is fit for purpose.

The legislation that was passed in the previous session of Parliament moves to a test that includes assessing the productive capacity of the holding, and all stakeholders have stated in public that it is vital that extensive testing of the new rent system is carried out to ensure that it is fit for purpose prior to commencement. This committee, in its previous life, indicated in the previous session that it would want to consider the new system carefully when it was introduced. I am sorry that this is a long answer, but there were several questions. I look forward to working with the committee on all these matters in such a way as to allow those members who were closely involved in the legislation—I was not one of them, but I have been swotting up on it—to be fully involved.

Lastly, I should say that I have already met the Scottish Tenant Farmers Association and Scottish Land & Estates. I am aware that their members did quite a lot of work together, which is a good thing, to try to find as much agreement as possible in an area that is highly sensitive and controversial but where the ultimate objectives of the best usage of land are widely shared. I hope that that answers all the questions, but I am not quite sure.

**The Convener:** I think that there is one that you might have missed, about the appointment of the tenant farming commissioner.

**Fergus Ewing:** The lead for the implementation of part 2 lies with Roseanna Cunningham, but I will liaise with her regarding that matter. It is expected

that the process of approving the tenant farming commissioner as a ministerial appointment will take place in the autumn of this year. I think that Roseanna Cunningham discussed that with the Environment, Climate Change and Land Reform Committee yesterday, and the detailed involvement of Parliament is likely to be confirmed after the summer recess, following further discussions between Government and Parliament officials.

**The Convener:** It is clear that this issue is going to form a major part of our business. Unless there are any other questions, and considering the shortness of time, I would like to move on to the next question, which is on forestry.

**Stewart Stevenson:** Forestry is obviously an important industry for many remote and sparsely populated rural communities, providing local jobs. In that context I have two questions. First, are we still confident that we can plant 100,000 acres of forestry in the period from 2013 to 2022, which has been the stated aim for some time? Secondly, related to that, the latest forestry strategy was published in 2006. What progress has there been in considering a new strategy to update that decade-old strategy?

**Fergus Ewing:** We are absolutely committed to the target. It has not been achieved. It is an ambitious target and is welcomed by other parties. Ten thousand hectares per annum has been the target, to achieve 100,000 hectares of trees between 2012 and 2022. We are absolutely committed to planting more trees, and I have had meetings with senior people in the Forestry Commission, Forest Enterprise Scotland and the Scottish Government. I am due to meet representatives of the forestry private sector—Stuart Goodall and David Sulman—and I am determined to work with the public and private sectors together to achieve the target.

The forestry sector as an industry turns over £1,000 million a year. It is a great Scottish success story. Many of the leading companies started off as family companies and they are rooted in rural Scotland. They are not about to leave any time soon. They deserve our support and they will get our support. They and the public sector must play a part in increasing the plantings, and I am having a further meeting about that later today. Of course, forestry is a resource that also provides recreation and biodiversity and contributes to climate change, and the planting of more trees is a substantial contribution to that as well.

I have been involved in the issue in various ways over the years, and I am delighted to have the opportunity now in my current post to drive it forward. There are a great many opportunities in the processing sector, in the construction industry and in the use of wood in Scotland, which is

commonplace in many other European countries, and the universities sector has been involved in a huge amount of research into such things as off-site construction, which is a pretty sensible idea given the Scottish weather. There are many other areas in which we have not yet reached the full potential of forestry.

We have some of the best forestry people in the world in our public and the private sectors. I intend to give a lead to all that work. I would be delighted to have the full involvement of the committee in achieving those objectives.

**The Convener:** I am mindful of the time and I know that members have a lot of questions. I do not want to miss anyone out—particularly people who are waiting to ask specific questions—so I ask members to keep their questions as short as possible.

**Peter Chapman:** Cabinet secretary, you say that you are committed to the target of planting 10,000 hectares a year. However, in the past few years, we have failed miserably to achieve that—we have reached only half of that target. Could you be a bit more specific about how you intend to hit the target in the future?

**Fergus Ewing:** First, in 2015-16, we created 4,600 hectares of woodland, compared with the 700 hectares created in England and the 100 in Wales, which means that Scotland created 83 per cent of new woodland in the UK.

Secondly, we have by far the most ambitious target. Mr Chapman is right to say that the target has not been achieved. How are we going to achieve it? We need to find ways to do that, using the administrative system, the grants system and the overall funding and by considering the way in which the work is done and by whom. We need to encourage investment and deepen and strengthen the current collaboration between the public and private sectors. All of that is designed to secure more planting of trees but it also involves a related issue that is extremely important at the moment: the increased demand for forestry. I am trying to remember the exact figure, but I think that the consumption of forestry now stands at around 8 million tonnes. I will check the figures in case I have misremembered them, but I think that I am right in saying that that figure is about twice what the figure was 15 years ago. In itself, that is an indicator of success. That has happened because companies such as James Jones & Sons, BSW and—in my constituency—Gordon Timber have been commercially successful and have invested in modern, computer-automated equipment that ensures that every piece of a tree is cut and that nothing is wasted, and because of the success of our biomass sector and our encouragement of the use of appropriate locally located biomass

schemes, especially in the Highlands and Islands, which creates more demand.

Thirdly, as the convener knows, the panel products sector has seen a big investment in my constituency. The £95 million that has been spent to replace the existing facility there will create a huge extra demand, because the yearly output will go from about 400,000 tonnes to 600,000 or 800,000 tonnes.

We have the existing demand. We are talking about a commercial activity. The problems around forestry and harvesting include the fact that the price of wood has been relatively low, which means that it is difficult to estimate the market. However, that has been addressed by stimulating the market through biomass and panel products. Another problem concerns the inaccessibility of many of the mature trees that are ready to be harvested. Many trees cannot be economically harvested because of insufficient roads, because they are accessible only by single-track road or because of a combination of those two factors. A further problem concerns the fact that—as I was told by the ultimate owner of the Dalcross plant, Brookfield, which is the Canada-owned company that is making the investment that I mentioned—the radius from which trees for the Dalcross plant come will widen because it is increasing its output by something like 200,000 to 400,000 tonnes.

The way that I see this situation involves me, as the public sector leader, working carefully and closely with the commercial side towards meeting our targets. It is a challenging task and I do not think that it will be achieved in the first few years, necessarily, but we will see. I will come back to the committee and, hopefully, prove myself wrong. It is a target that we will work towards and the commercial opportunities to achieve it are there. However, if we have no access to the EU as a result of the decision that has been taken by the good people of England, what will happen to all those good things and all that investment by companies in Scotland? That is the threat that has existed since Friday, I am afraid. However, we will be positive, we will play the cards as they fall and we will continue to advance Scotland's interests, especially in the forestry sector, where there are tremendous opportunities ahead.

11:15

**The Convener:** I might be chastened for asking—after the cabinet secretary's kind words welcoming me at the beginning—that answers are kept as short as possible, as there are a lot of people around the table who are desperate to get questions in and who have sat waiting. I am going to skip the questions on fisheries because it is a big subject. I ask the cabinet secretary to respond in writing after the meeting to questions that we

have been unable to raise at the meeting. I am afraid that fisheries will have to be among them.

The deputy convener will ask a question on food and drink.

**Gail Ross:** One of our favourite subjects, I am sure.

In our manifesto, we committed to introducing a good food nation bill. What is likely to be included in that bill and when it is likely to be introduced?

**Fergus Ewing:** We have, as Gail Ross alludes to, achieved extraordinary success in promoting Scotland's high-quality food and drink. The target that was set by my predecessor was achieved years in advance, and I pay tribute to Richard Lochhead for his championing of the sector to enormous success and for harnessing the spirit of Scotland in an area where we have so much to offer—it is not all about signing cheques for grants and loans. The way in which Scotland is seen as a high-quality food and drink promoter and exporter has radically changed over the past decade. That is a great thing to have achieved under Richard's leadership using the powers that the Parliament has.

We are determined to carry on that work. We are going to consult on a good food nation bill in 2017 and, in doing so, I hope to build a cross-party and stakeholder consensus. We want to enhance the national food policy with the vision of Scotland becoming a good food nation, where people from every walk of life take pride, pleasure and benefit from the food that they buy, serve and eat day by day. Work in shaping the course of the bill will involve colleagues and stakeholders in a number of areas across Government, including health, food standards, waste, social justice, agriculture, education and procurement. As I want to be brief, I will leave it there.

**The Convener:** Thank you for being brief. Connectivity is next, which is obviously going to be a burning subject. I will ask Jamie Greene to lead on that.

**Jamie Greene (West Scotland) (Con):** I have an additional question on dairy farmers as I have had some feedback from the industry since last week, but I will submit the question in writing to the cabinet secretary.

I have a few brief questions on connectivity. Is the target of 95 per cent by March 2018 achievable? How will the Government fund the remaining 5 per cent of people who are outwith that target? Out of the 95 per cent, how many will have access to speeds that meet the universal service obligation of 10 megabits per second.

**Fergus Ewing:** Thank you for that question. The word "connectivity" is in my job title because the First Minister has identified making Scotland a

digitally connected nation as an objective to be moved way up the political agenda—it is now at the top of the agenda. We must have connectivity in rural Scotland and that is the starting point—I just wanted to make that clear. It is not an easy task, particularly for those who live in the most remote parts of Scotland, but we have once again set an ambitious target and we are determined to achieve it.

A great deal of progress has been made, with £410 million of investment in the digital Scotland superfast broadband programme, which will deliver fibre broadband coverage to at least 95 per cent of premises by the end of 2017. The deployment is progressing well. I can inform Mr Greene that, by the end of March 2016, the total number of premises that have access to fibre broadband was more than 590,000. The programme has already met its initial coverage target of 85 per cent of the whole of Scotland, six months ahead of schedule. However, we want to reach 100 per cent coverage and so we are committed to delivering 100 per cent superfast coverage by 2021.

The member mentioned 10 megabits per second but, in the context of our current broadband contracts, superfast broadband is defined as being in excess of 24 megabits per second. That is different from what I gather to be the universal service obligation proposals in England, which are for 10 megabits per second. We are more ambitious than it would appear our friends down south are, although I await clarification on what their eventual plan is going to be. Therefore, our commitment to provide 100 per cent superfast coverage by 2021, should we succeed, will deliver solutions that are far in excess of the minimum speed threshold that the UK Government currently proposes for the USO.

**Jamie Greene:** So you are confident that you are on track.

**Fergus Ewing:** We are more than on track; we are ahead of track. We have exceeded the initial target. If someone does not have broadband, they will not be particularly assured by finding out that their neighbour or people who live in Glasgow and Edinburgh have broadband. I am sure that all of us as representatives of the people of Scotland receive communications on a regular basis from people who are understandably keen for us to promote progress.

There are a large number of technical ways in which we plan to achieve the target, particularly reaching out through community broadband Scotland and others. The BT contract in the Highlands and Islands reaches 84 per cent of premises and the south of Scotland one reaches 96 per cent. Therefore, there is a bigger proportion of people in rural areas in the Highlands and



Islands who will not get their coverage from the BT contract. That means that the community broadband Scotland proposals and the other proposals—Trudy Nicolson is familiar with all of them and can spell them out to the committee if the committee so wishes—will need to be deployed.

There are different options. I am keen not just to make decisions but to share with the committee an approach to making decisions. Therefore, if the committee would like a briefing on those matters from Trudy Nicolson and her team and indeed from others such as Stuart Robertson of Highlands and Islands Enterprise, who is the head of the contract there, I would be happy to arrange that. The devil is very much in the detail here and I am determined, working with the committee, to get this right.

I am sorry that that answer was slightly long, convener.

**The Convener:** Without being rude, I think that the devil is in getting short answers to short questions. A lot of members want to follow up on that, but we are going to have to do that outwith the meeting. I would like to get some quick questions on three more areas so that we have covered most of the issues.

John Finnie has a question on transport, and then I would like to touch briefly on the islands bill and HIE.

**John Finnie:** I will make this a very short question on emissions. What additional action will the Scottish Government take to reduce transport emissions in the coming years?

**Fergus Ewing:** We have taken a number of measures, including promoting our walking and cycling plan. There has been a substantial increase in funding, from about £22 million to £38 million—from looking at Mr Carmichael, I think that those figures are broadly correct. We encourage people to use alternatives to the car, including Shanks's pony and the bicycle. We are also of course investing substantially in rail transport throughout the country, not least in the Highlands, where the biggest investments for a century are being made, in the Inverness to Perth and Inverness to Aberdeen lines. Around the country, there is a hugely ambitious investment programme in the rail service.

I am not the minister who is directly responsible for tackling climate change—that is the responsibility of my colleague and friend Roseanna Cunningham—but I am confident that we have been making significant progress in the transport sector. However, we are always ready to see what other opportunities exist. I have promoted electric cars and charging points throughout the country. I have the detail on that

somewhere in my briefing notes, but I will shut up there, because I must be brief.

**Rhoda Grant:** I would like to ask about the proposed islands bill. When do you propose to introduce it? What do you propose to include in it? What powers will be set aside for islands?

**Fergus Ewing:** I will get back to the member on that, because I am not sighted on the precise answer to her question. Rhoda Grant will be aware that Mr Yousaf is taking forward the islands bill. I will send her a detailed written response. I have with me a big folder, a lot of which I read from quite early this morning, but that was not one of the areas that I covered. My officials cannot help with that either, as I do not have the right officials with me—I am sorry about that. We will get back to you.

We are determined to promote the economies of the islands. As far as I am concerned, connecting the islands to the national grid is a piece of unfinished business. That is very close to my heart and to Rhoda Grant's. Given that there is so much fuel poverty in the Western Isles, if we could harness the power of the wind, we could use the financial gain from that to end fuel poverty. That is within our grasp if the UK Government would just agree to complete the work that Ed Davey and I did. That would be a terrific thing.

I think that the islands bill will probably include not just details of the various mechanics and mechanisms but a vision of the kind of progress that we want to see in our islands, particularly in tackling the fuel poverty that exists on some of them. I know that Mr Yousaf and Mr Wheelhouse are well sighted on those objectives.

**The Convener:** Thank you. We look forward to receiving a response on that.

John Mason has waited incredibly patiently, so I now give him the floor.

**John Mason (Glasgow Shettleston) (SNP):** I have a quick supplementary on transport. "Connectivity" forms part of your title. For us, "connectivity" covers all the transport. Can you clarify the extent to which you are responsible for transport?

**Fergus Ewing:** Mr Yousaf is responsible for transport, other than trunk road construction programmes. I am being brief—we can send the committee the formal list of competences as set out by the Scottish Government. Broadly speaking, Mr Brown will deal with the trunk road programme and Mr Yousaf will deal with all the other transport issues. Mr Yousaf reports to me, and I report to the Cabinet on all the transport matters for which Mr Yousaf is responsible.

**John Mason:** I understand that a review is being carried out of Highlands and Islands

Enterprise that also covers Scottish Enterprise and some other bodies. Where do you think that we are going with that review? I understand that HIE's remit is slightly different from that of Scottish Enterprise. You are the minister for the rural economy, but HIE covers some urban areas such as Inverness but does not cover some rural areas such as the south of Scotland. The whole thing might appear to be a bit disjointed at the moment. How do you see that going forward?

**Fergus Ewing:** The purpose of the review is to look at the whole structure, which includes not only Scottish Enterprise and Highlands and Islands Enterprise but other bodies such as Skills Development Scotland, and to assess how effective it is.

Mr Mason is quite right to say that HIE and Scottish Enterprise have slightly different roles and functions. HIE's remit includes social development, which, as I understand it, is not part of the formal remit of Scottish Enterprise. In addition, there are different limits in respect of the assistance that HIE can provide—for example, it provides account management to companies with lower levels of turnover than those that are eligible to receive such assistance from Scottish Enterprise.

As someone who has been a Highland MSP for 17 years, I believe that HIE has performed extremely well. I have worked very closely with HIE, and—as the cabinet secretary who is responsible for HIE but not SE—I will continue to do so. I think that the review gives us an opportunity to take the best of what we are doing at the moment and to find out whether that can be applied in other parts of Scotland, such as the south of Scotland. I am aware from engagement with Scottish Borders Council and from general work that I have done in the Borders and Dumfries and Galloway that we want to make sure that those areas are best served by the economic development functions of the enterprise bodies. Those are two aspects that we want to—

11:30

**John Mason:** So you are open to the idea that other rural areas could be treated better, because it appears that rural areas in the Highlands that are under HIE get a bit more attention than rural areas that are not under HIE.

**Fergus Ewing:** That may, on the face of it, appear to be the case but, once we get down to the level of people who live in individual villages, I am not sure that everyone would necessarily agree with that; however, that is life.

In the review, we want to look at how we can get best practice everywhere in Scotland. I mentioned the south of Scotland because I am aware that the

argument that you have made has been voiced by Emma Harper and other local representatives. We want to capture those views. I again reach out to members of the committee and their colleagues in the various parties and ask them to play a part in the review.

**The Convener:** Thank you very much, cabinet secretary. Before we bring the session to a close, is there anything that you would like to add? I would just like to clarify that we will be submitting written questions to you, and I am grateful for you acknowledging that you will answer those.

**Fergus Ewing:** I think that I have had ample opportunity to speak at great length, of which I have taken full advantage.

**Stewart Stevenson:** Hear, hear.

**Fergus Ewing:** After 17 years in Parliament, I look forward to the day when Mr Stevenson's comments are very quick, but I am sure that they will always remain unpredictable and enjoyable.

On a serious note, I am keen to continue to work with all members of the committee, regardless of party, over the next five years. When a cabinet secretary works well with a committee, shares information and provides briefings, that is all for the best. Whatever political differences we have, there is probably a lot more that unites us than divides us when it comes to driving forward the rural economy.

**The Convener:** I will take it from your comments that that will occasionally allow me to chase you a bit harder for shorter answers. Thank you very much for your time.

We will now have a five-minute break.

11:32

*Meeting suspended.*

11:38

*On resuming—*

## Major Transport Infrastructure Projects

**The Convener:** Item 3 is an evidence session with the Cabinet Secretary for Economy, Jobs and Fair Work on projects, initiatives and developments in his portfolio that relate to the committee's remit.

I welcome the cabinet secretary, Keith Brown, who is accompanied by David Climb [*Interruption.*] I mean David Climie. I apologise. That is the second time I have been corrected this morning. We will try to improve. David is project director in the Forth replacement crossing team at Transport Scotland. The cabinet secretary is also accompanied by Graham Porteous, who is head of special projects at Transport Scotland.

I invite the cabinet secretary to make an opening statement.

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** Thank you, convener. I will not take long. I know that you have already had quite a lot of business to deal with this morning.

First, I congratulate you on your appointment as convener of the Rural Economy and Connectivity Committee, as I do all the other members who have been appointed to it. I wish you well in scrutinising the Scottish Government's programme and policies on the rural economy and connectivity, and I hope that today's session will help to clarify further the split of portfolio responsibilities between me, Fergus Ewing, whom you spoke to earlier, and Humza Yousaf.

My appointment as a dedicated cabinet secretary for the economy is intended, as much as anything else, to clearly signal the Government's focus on stimulating growth, protecting and creating jobs and promoting Scotland as a great place to do business, and none of that will be deviated from as a result of recent events. We will listen carefully to businesses and search for constructive ideas about how they can support economic growth.

However, the Scottish Government believes that we have to recognise the essential role that transport in particular has to play in supporting our economy. Despite what have been pretty relentless budget cuts over recent years in terms of both capital and revenue, the Scottish Government is committed to the largest transport investment programme that Scotland has ever seen, which has been worth more than £16 billion since 2007. To tie that in and explain how it relates

to the economy, I note that, if we improve our transport links, we can improve the productive potential of the economy. It is that part of the four I's—the infrastructure side—that we are focusing on in relation to transport.

I think that Fergus Ewing will have said to you this morning that our view on last week's vote is that the Scottish Government must be fully and directly involved in any and all decisions about the next step that the UK Government intends to take following the EU referendum result. It is important to ensure that any exit that may happen will not have an impact on existing or planned major projects. It is worth mentioning in passing that most of the major projects that we are involved in employ a substantial number of EU nationals from outwith the UK.

I will give a quick update on the major transport projects. In March, I made a joint announcement with the UK Minister of State at the Department for Transport welcoming the publication of High Speed Two's report "Broad options for upgraded and high speed railways to the North of England and Scotland". A steering group is being created to make progress with the ultimate aim of delivering a three-hour rail journey time between Scotland and London and easing the severe congestion on cross-border routes.

As I announced to the Parliament on 8 June, the Queensferry crossing is now expected to be fully open to traffic by mid-May 2017. We are not going to be able to meet a target date of the end of this year, but the project is not late and the revised completion date will have no impact on the budget. The FRC project team held a technical briefing for MSPs on 10 June, and that has now been shared with your clerking team. The Queensferry crossing is one of the most technically challenging building projects ever undertaken in the world, and its location means that it is very weather susceptible. Credit has to be given to the more than 1,200 people employed on the project for the work that they have done so far.

Construction on the Aberdeen western peripheral route and the Balmedie to Tippetry project is well under way and the new roads are on programme to be open to traffic in winter 2017, with the Craibstone and Dyce junctions scheduled to be open by autumn 2016. That project will provide substantial benefits across the whole of the north-east and provide a boost to the economy. It will increase business and tourism opportunities, improve safety and cut congestion as well as increasing opportunities for improvements in public transport facilities.

We must remain steadfast in our commitment to upgrade Scotland's trunk road network, which includes dualling the entire length of the A96 by 2030, with some 86 miles of upgraded road

between Inverness and Aberdeen. Transport Scotland has just awarded a design contract worth up to £50 million to the Mott MacDonald Sweco joint venture to take forward the route option assessment of the western section—that is, between Auldearn and Fochabers. The route option assessment for the eastern section—that is, Huntly to Aberdeen—is expected to commence later this year, with the central section to follow in 2019.

As a result of that project, not only will road users enjoy the benefits of improved journey times and reliability and better connectivity between destinations but, crucially, there will be improved road safety for all those who use this key artery that connects two of Scotland's economic hubs. Members will know that one of the features of that road is the extent to which very different types of traffic use it, including agricultural traffic, and the conflicts that can arise.

The dualling of the A9 between Perth and Inverness, the cost of which is estimated at £3 billion, represents the biggest transport investment in Scotland's history. As well as the on-going construction of the 7.5km Kincaig to Dalraddy scheme, we are working hard to identify preferred routes for the dualling schemes, having already let the public see the proposed designs for three sections earlier this year. As we continue to progress design work, we will carry out ground investigations across the programme over the next few months.

11:45

The M8-M73-M74 motorway improvements project has already generated £226 million-worth of investment in the economy through subcontracts and is providing employment to more than 1,000 people. Significant progress has been made on the construction of the new M8, with major structures such as the North Calder Water bridge and the Braehead rail bridge at Bargeddie now in place. Those who have passed the new route recently will have seen that it is clearly visible to regular commuters. Tomorrow will see the closure of the B756 from Bellshill to Uddingston for approximately 11 days to carry out the widening of the M74 motorway bridge over the road.

After those initial remarks, I am happy to try to answer the committee's questions.

**The Convener:** Thank you. John Finnie is going to start.

**John Finnie:** Good morning, cabinet secretary. I have a less technical question about the Forth replacement crossing. I had hoped to ask it at the time of the ministerial statement, but I was not called. Will the public transport commitments

regarding the existing facilities be honoured despite the delay?

**Keith Brown:** Do you mean, will the existing Forth road bridge be used as a public transport corridor?

**John Finnie:** Yes.

**Keith Brown:** That is still our intention. We have to keep an open mind about these things, but nothing has changed from our original statement that the bridge will be used as a public transport corridor.

Since we made that statement, we have had problems with the bridge. However, as well as repairing the fault and other parts that might have had the same vulnerability, we have done what is called a full health check, and it is the first time in many years that the bridge has been checked in that depth. The bridge is in good condition. The biggest issue was the deterioration of the cables. Back in 2005, we said that the new bridge should be open by 2017, because the experts said that the deterioration of the cables on the existing bridge could have become crucial by then, such that heavy goods vehicles would have to come off it. The dehumidification work on the cables has been very successful, so that is no longer the issue that it was, although we still keep an eye on it.

Notwithstanding the fact that we had that incident with the bridge, the work that we have taken subsequently should secure its future and it is our intention, as stated previously, to use it as a public transport corridor on the completion of the new bridge.

**Stewart Stevenson:** I am please to see you here, cabinet secretary. I want to explore a bit of detail about the timescale and what has caused the change. I suspect that the project director might want to answer, because it is important to allow the committee and laypeople—which we, of necessity, are—an understanding of why a few days out of the schedule at one point leads to many months of delay. As someone who ran major projects, albeit in software, I think that I know. Presumably, there will be periods in which activities cannot be undertaken if we slip into them. I had hypothesised, for example, that you might not be able to lay asphalt in winter effectively. It would be helpful for people to be able to understand why the loss of a few days leads to the end date moving back months.

**Keith Brown:** David Climie can comment about asphalt. It is the case that, sometimes, when you lose time such that you cannot do the thing that you intended to do on a given day, as we did in April and May, you cannot do the things that you want to do the next day. That is why we see the effect running through the programme. I am sure

that David will be able to explain it much more carefully. Given that he has been up and down the towers many times, I can understand why the convener called him David Climb rather than David Climie.

**Stewart Stevenson:** I should clarify that I was not identifying asphalt except as part of a hypothesis on my part.

**David Climie (Transport Scotland):** You have outlined the principle extremely well. From September last year, I reported regularly to your predecessor committee, the Infrastructure and Capital Investment Committee. When I came to see it in September, we were saying—as we had said consistently since the start of the project—that weather was always the biggest challenge. It is an exposed location and there are some technically complex operations to do out there.

In September, we were at the point of saying that the contractor was telling us that it needed an average winter. When I reported to the ICI Committee at the beginning of March, I characterised the situation by saying that things had not gone as well as we had hoped but that the contractor was still telling us that it was doable. That was fair at that time. That view was encouraged during March, when we had a spell of particularly settled weather in which we put up 12 deck units. That suggested that we had turned a corner. Being optimistic—that was the right thing to do—and keeping the target very much in mind, the contractor said that we could still get there for the end of the year.

However, we had a significant setback in April and May, when we lost 25 days to the weather, which was significantly more than we had expected to lose. The weather means not only that people stop working but that momentum is lost in the regular operations. People go out there and expect to do something; if they do not get it done, that has a knock-on effect.

Days that were lost in April and May have affected activities such as deck lifting, which we had expected to complete by about September; the end of that has been pushed back to about November. November is a much worse time out on the Forth than September; we can have deck units out there, but we might not be able to lift them—for example, on one day in May, we sent out a deck unit then had to bring it back in because the wind would not allow us to lift, and we did that for three days in a row before we could finally lift the deck.

By November, we will also have the longest cable stays to handle. As they get longer, they get more difficult to handle. As they are longer, we have to use a crane. On either side of the towers, we have men in a man basket, who are

instrumental in installing the cables. The baskets are particularly wind sensitive and the wind has acceleration effects around the towers.

The contractor has gained knowledge and experience in these areas since it started lifting the decks back in September. In May, it told us that it did not think that it could get there in December. We challenged that strongly, as members would expect us to, because hitting the target was important.

We have looked at the issue in great detail in revising the programme. Stewart Stevenson referred to another effect, which relates to having a sequential series of operations. We must finish erecting all the deck units because we cannot put waterproofing and asphalt on the bridge until all the deck units have been lifted and the bridge is fully connected together. If we cannot erect all the deck units until November or December, waterproofing and asphalt must happen in January and February, which are not traditionally the time of year when we want to do such work in Scotland. That means that we must build additional time into the programme.

That is the short version of how we have gone from what appeared to be a 25-day delay to what the contractor says—a delay until mid-May. I emphasise that we are pressing the contractor strongly to better that date if that is possible.

**The Convener:** I call Peter Chapman.

**Peter Chapman:** I want to ask about the pollution incident that happened on the Aberdeen western peripheral route.

**The Convener:** Can we stay on the Forth replacement crossing for the moment? The AWPR is another subject. Do you have a question on the crossing?

**Peter Chapman:** No.

**The Convener:** That is my mistake. I ask you to hold your question on the AWPR.

**Mike Rumbles:** The cabinet secretary said that the five-month delay in the completion date will have no impact on the budget. To me as a layman, that begs a question about the original contract. A five-month delay will involve huge costs in relation to employment, for example. I do not understand—because no explanation has yet been given—why that will have no impact on the Scottish budget. That begs the question whether the contract makes good use of public money. There must be an awful lot of leeway in the contractor's profits.

**Keith Brown:** I am struggling to detect a hint that you are happy that we are reducing the price by in excess of a quarter of a billion pounds. We

will go through the technical reasons for the position.

If we go back to the late 2000s and to the Labour-Liberal Democrat Administration before 2007, the estimated cost was about £5 billion. There was an urgent need to crack on, and various options were looked at, including the design that we eventually came to, which got the cost down to something that we could afford. I remind members that the Scottish Government is paying for the project from current budgets—Westminster gave no assistance in relation to borrowing. That is not the ideal way to have gone about the project, but such was the urgency that we proceeded in that way.

I think that I am right in saying that, when we went out to tender, the range was £1.75 billion to £2.25 billion. The bid came in below that. Progress that we have made since then has worked the figure down, so savings of £245 million have been made from the original budget. That is a good thing that points to effective project control; I also admit that a good bid was made in a time that was difficult for the construction industry.

It is a good thing that we have the saving. David Climie will give the technical answer to Mike Rumbles's question.

**David Climie:** Certainly. I will give a little detail.

The contract that was awarded to the Forth crossing bridge constructors consortium was a lump-sum, fixed-price contract in which the only allowance for extras was inflation, for which the Scottish ministers took the risk. That means that the contractor takes the time risk, in effect. There was a set date in the contract for the completion of the work, which is June 2017, but there was always the ambitious target, which the contractor felt that it could meet, of having traffic on the bridge in December 2016. Therefore, in its budgets, the contractor has already allowed for the fact that the contract runs to June 2017.

The contract period is not changing; it remains exactly as it was. How the contractor administers its finances within that contract period is entirely for it to determine. There is no option for it to come back to us as a client to seek more money.

**Mike Rumbles:** I was not making a political point at all. I was trying to find out from a layman's perspective why that was the case. Your explanation is a good one to me. As a layman, I did not quite understand how, if there was a five-month delay, it was not costing any more money and affecting the original company's profit. I imagine that it must still be making a substantial profit.

**Keith Brown:** That is for the company. The key point to which David Climie responded was on

inflation. Because of the way we went about this project—it is not so true of other projects—the Government took the inflation risk and, of course, you have seen what has happened with inflation. That is part of the picture. It is locked in now, so that saving will not be changed and any additional costs that accrue will fall to the contractor.

**The Convener:** We are now going into another winter working scenario and there are added risks and problems to working in the winter. We have had two fairly benign winters without anything more than strong winds. Are you absolutely convinced that no pressure will be put on the safety of the workers by working during the winter and that, having borne that in mind, you will be able to complete the bridge in the timescale that you have given?

**Keith Brown:** Yes. The point about safety is critical. Apart from the tragic death that we had recently, there has been an excellent safety record. There is an absolute commitment to safety from Transport Scotland and the contractor—in particular, Michael Martin, who heads up the project. I have seen it every time I have gone to the bridge. Whether I go by dinghy to get to the towers or however I access the site, people are very strong on safety. We have made it clear to Transport Scotland that it should make it clear to the contractor—as we have done—that safety must be the first consideration.

Interestingly, Michael Martin, who is a very experienced individual, meets every new start who comes to the project. In those discussions, he is often asked whether the big target is to get the project done by a certain date and price but he says, "No, the big target is to get it done safely." There is an institutional and cultural commitment to safety, and we will not apply any pressure to jeopardise that.

However, having explained that to the contractor—not that we had to, but it understands the point—it has said that the mid-May date that it has given us for next year is achievable. I have to take what the contractor tells me. I will not make a commitment to the public or the committee that is not based on what the contractor tells me. It has the benefit of experience. This may surprise members, but I am told that there has been a learning curve for the contractor because there are not many comparable projects. FCBC has learned a great deal about the weather, deck lifting and cables, which gives it more confidence in its ability to project forward.

We will, of course, apply pressure to ensure that the mid-May date is achieved, because it is our job to challenge, but it will specifically be on the basis that there is no question of jeopardising the safety of anybody on the site.

**The Convener:** Thank you for that. We will move on to the Aberdeen western peripheral route.

**Peter Chapman:** I will go back to where we were. I began to ask about the heavy rain that we had at the AWPR, which resulted in pollution coming off the site and the suspension of work for seven days. Can you provide an update on that incident? What action is being taken so that such an incident does not happen again? Are we facing an overrun similar to what happened with the bridge, where we lose a week but the work may overrun considerably at the end of the project? I would just like an update on where we are, whether the same thing is likely to happen again and what effect the incident will have on the end date for the project.

12:00

**Keith Brown:** Although the Scottish Environment Protection Agency was involved in the incident because of the effects of the very heavy rainfall that occurred, the decision to suspend work was taken by the contractor, working closely with us and SEPA. As I am sure that you will know, the issue is not simply the recent period of heavy rain that we experienced in the north-east. Heavy rain in that area has been a factor now for a number of months, going back to last year.

Some of the concerns in relation to the Queensferry crossing do not apply to the AWPR project. The bridge is a very complex project, given all the different road sections. The route that is being proposed in the case of the AWPR is very trying, but the incident will not have a sequential effect in the way that that happened with the Queensferry crossing.

For example, at the sharp end of the Queensferry crossing there are often two people working in a very confined space. There is not much that can be done to influence and speed up the process because of such constraints. That is not the case with the AWPR. When delays such as the one that you mentioned are experienced, there is the opportunity to apply additional resources—as has been done—to make up the time.

Perhaps it would be useful to hear from Graham Porteous, who will be more familiar with the detail of what is happening than I am.

**Graham Porteous (Transport Scotland):** The contractor volunteered to stop work in order to ensure an increase in the mitigation that was in place. Working hand in hand with SEPA, the contractor has reviewed the whole site and is now starting an incremental process of working in

various places, provided that SEPA is happy that the mitigation is secure and safe.

The cabinet secretary is correct that the contractor can introduce more staff. It is not a sequential operation, therefore at this point in time—as far as we are aware—there has been no impact on the contractor's programme.

**The Convener:** Has there been an impact on any of the schedule 1 species in the river?

**Keith Brown:** We will have to check and write back to you about that, if that is okay.

**The Convener:** As there are no other questions in that round, I will let Richard Lyle have the floor for a wee bit, because he has been sitting patiently. He has a series of questions on the M74.

**Richard Lyle (Uddingston and Bellshill) (SNP):** As the constituency member for Uddingston and Bellshill, I am aware that the M8, M73 and M74 run either through my area or along the border.

First, I welcome the money that has been spent and the jobs that are being created. I also welcome what has been done by the Scottish Roads Partnership. However, there has been a problem with the SRP, as I am aware from communications with my constituents who live along the M74—in particular, those who live by the section just after the Hamilton services, where the road backs on to houses.

The work now involves extending and widening the road, which means taking away a lot of trees and foliage. The work is taking place near the houses, which is causing complaints about noise and cracking in the buildings. Several people have been in contact with me. Before the election I, along with constituents, met with the SRP, and it was agreed that the SRP would continue to update us. However, I am not getting the updates that I want and need.

We also have a particular problem with the St John the Baptist primary school in Uddingston, which is the only primary school—or the only one that I know of; you may correct me—that stands immediately next to the M74. The road will now be nearer the school, and teachers are highlighting concerns.

I went to visit the school, and I have asked Humza Yousaf to visit it with me. He has agreed to do so, and I am sure that you will check whether that is done. The school, which is at the bottom, with the road slightly higher, has indicated that there may be a danger: if a car came off the road, it could, unfortunately, fly into the playground. The school has removed the children from that part of the playground, but it is still asking for some form of fencing, or for higher fencing.

Residents are also asking for sound barrier mitigation—fencing and so on—on the route from Hamilton services and the Raith interchange, because the noise level is going beyond what they were told it would be, as all the vegetation and trees have been removed.

I apologise for the long question, but can you give an update and an assurance on what is happening with regard to the M74?

**Keith Brown:** Yes. You and other members have raised those issues previously, and they have been investigated. I have certainly asked Transport Scotland about them and, in turn, it has spoken to the contractor and received assurances. From the questions that you are now asking, I get the sense that those assurances have not reassured your constituents.

If the updates have fallen off, we will ensure that that is rectified. I have been in post for only a month, but we will ensure that the regular updates that you got before continue.

Humza Yousaf or I will ensure that the meeting that you mentioned goes ahead. It is very important to keep that dialogue and communication open.

The estimates that have been done on sound barriers, or physical barriers for other reasons, are pretty technical and stringent, and they have been re-examined. However, given what you have said about continuing concerns, it is only right that we continue to have that dialogue. Therefore, the meeting will go ahead, the updates will continue and we will keep the dialogue going as we go forward with the project.

**Richard Lyle:** I welcome that assurance and am satisfied with it.

I am all for road building and improving roads, but a proposal to build a connecting trunk road from Holytown Road in my constituency through to Eurocentral has come out of the blue. My view, and that of my constituents, is that the M8, the M74 and the Holytown bypass are sufficient for traffic, including lorries, to get into Eurocentral. However, there has been a completely left-field proposal to build a new trunk road from Holytown Road into Eurocentral. I can have a discussion with your officials later to go over the proposal if you do not know exactly where that is, but it is causing quite a lot of concern in the Holytown area, especially among residents. We all know what happens with sat navs: big lorries take the shortest routes.

I will keep it brief. Can that problem be looked at, too, please?

**Keith Brown:** In the interests of brevity, I will ensure that you get a response from officials. However, new roads do not just happen; road

proposals go through all the statutory processes. I can give the assurance that if a proposed new road affects your constituency, there is no question but that people will have the chance to have their say. As I said, I will ensure that officials write to you with the up-to-date position on the issue.

**Richard Lyle:** I am satisfied with that. Thanks.

**The Convener:** When I said that Richard Lyle could have the floor, I did not realise that he would have it for such a long time. I have learned something at this meeting.

I welcome to the committee meeting the MPs from Sri Lanka in the gallery. You are very welcome.

We have dealt quite exhaustively with the M74 and will move on to a question about Prestwick airport.

**Jamie Greene:** Before we do so, I ask the cabinet secretary to clarify a matter for me. Do you have any idea when the work on the M8 will be finished? Anyone who commutes from the west coast to Edinburgh knows how horrendous that journey has become. It would be really great to have that information.

**Keith Brown:** First, it might be helpful for me to point out that a bundle of different works affects the Raith interchange, the M8, the M74 and the M73. The scheduled completion date is 2017, although the works may well finish at different points before then.

**Jamie Greene:** Thank you.

Will you clarify the Scottish Government's view on Glasgow Prestwick airport's current and predicted performance? Do you still intend to return the airport to private sector ownership? Do you have any general comments to make about the airport?

**Keith Brown:** You asked whether it is our intention to return the airport to private ownership. We acquired the airport on that basis. We repeatedly made very clear in public statements that that would be a long-term aspiration, given where the airport was when it was acquired. There had been a lack of investment for many years and a tailing off in passenger numbers, so we understood that it was a long-term project. We are now putting in place the necessary arrangements to allow the airport to go forward and to try to recover passenger numbers. As I am sure that you are aware, it is an atypical airport, given the different activities that go on around the airport, such as aircraft maintenance and repair.

There is also interest in Prestwick as a potential spaceport, although that has perhaps changed a



bit given the UK Government's announcement about how it would go about licensing spaceports.

It is a very challenging situation. To repeat what we said at the time, it was absolutely crucial that we acquired the airport, given the impact on the Ayrshire and west of Scotland economy had we not done so.

**Jamie Greene:** Do you have a timeline for that?

**The Convener:** I am also mindful of the time—

**Jamie Greene:** The phrase “long term” is very open-ended.

**Keith Brown:** I am sorry, but I cannot be more specific.

**The Convener:** I call Emma Harper—I am afraid that hers will be the last question.

**Emma Harper:** I will be really quick.

I am aware that there is an opportunity to look at the feasibility of extending the Borders railway and at developments in Stranraer harbour. Do you have any updates on Mr Swinney's promise, when he was the Cabinet Secretary for Finance, Constitution and Economy, to hold a transport summit in Dumfries and Galloway?

**Keith Brown:** From memory, I think that John Swinney has stated that he will continue with that commitment. I could be wrong, but I think that he personally wants to remain involved. Whether it is progressed by John Swinney or somebody else, the summit will go ahead.

In the election, the First Minister made a commitment to the Borders railway extension feasibility study. We had said that we would support the council and other interested bodies, should they want to have such a feasibility study, but I think that we have now gone further than that and have said that we will make sure that a feasibility study happens. That commitment remains, and work is on-going in Transport Scotland to see how that would best be done. The Borders railway shows how hugely beneficial investing in such infrastructure can be to local and rural economies.

**The Convener:** Mr Brown, is there anything further that you would like to say? I hasten to add that there are a lot of questions that could have been asked but, due to the lack of time, it has not been possible to get them in. We would like to submit those in writing and would ask that you respond to the committee with answers as soon as possible.

**Keith Brown:** Of course we will respond in writing to the questions that members have not had the chance to ask.

David Climie will recoil in horror as I say this but, if the committee, like the predecessor committee, wishes to visit the Queensferry crossing, I am sure that that can be accommodated. I should update the committee that I have yet to receive a response to my offer to Murdo Fraser to take him to the top of the bridge towers. [*Laughter.*] In all seriousness, if the committee wants to visit the crossing, members would be able to get—as the previous committee members did—a real appreciation of what is happening on-site. Of course, we would hold such a visit in a way that did not impede progress, but I am happy to make that offer to the committee.

**The Convener:** I am sure that we will consider the matter. I am also sure that I will refuse to go to the top of any towers—however bad my mispronunciation of David Climie's name was. Thank you for that offer.

That concludes the public part of the meeting.

12:14

*Meeting continued in public until 12:25.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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