



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Wednesday 22 November 2017**

**Session 5**



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**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**33<sup>rd</sup> Meeting 2017, 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)  
\*Richard Lyle (Uddingston and Bellshill) (SNP)  
\*Fulton MacGregor (Coatbridge and Chryston) (SNP)  
\*John Mason (Glasgow Shettleston) (SNP)  
\*Mike Rumbles (North East Scotland) (LD)  
\*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Heather Cowan (Scottish Government)  
John Nicholls (Scottish Government)  
Bill Reeve (Scottish Government)  
Humza Yousaf (Minister for Transport and the Islands)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



# Scottish Parliament

## Rural Economy and Connectivity Committee

Wednesday 22 November 2017

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

### Transport (Update)

**The Convener (Edward Mountain):** Good morning and welcome to the 33rd meeting in 2017 of the Rural Economy and Connectivity Committee. I remind everyone to make sure that their mobile phones are on silent. Jamie Greene has apologised for being unable to attend.

Agenda item 1 is a transport update. Before I introduce the witnesses, does any member want to declare an interest?

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I remind members that I am the honorary president of the Scottish Association for Public Transport and the honorary vice-president of Rail Future UK.

**Rhoda Grant (Highlands and Islands) (Lab):** My entry in the register of members' interests notes that I am honorary vice-president of Friends of the Far North Line.

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** I am also honorary vice-president of Friends of the Far North Line.

**The Convener:** Item 1 is a regular update to the committee from the Scottish Government, enabling the committee to monitor transport policy and project development.

I welcome Humza Yousaf, Minister for Transport and the Islands; John Nicholls, the director of aviation, maritime, freight and canals; Bill Reeve, the director of rail; and Heather Cowan, the head of transport strategy and European funding. Does the minister want to make a brief opening statement?

**The Minister for Transport and the Islands (Humza Yousaf):** That emphasis was so subtle; I will certainly take the hint to be brief. I will give a broad overview and there will undoubtedly be many issues that we will delve into during our discussion.

On ferries, it is worth mentioning that since I last appeared before the committee in March to discuss transport in general, I have announced a scheme to significantly reduce fares on the northern isles ferry service. That will be rolled out in the first half of 2018. A road equivalent tariff will

be introduced on the Pentland Firth routes, while a variant of the RET scheme will be brought in on the routes from Aberdeen to Kirkwall and Lerwick. That will see passenger fares cut by an average of more than 40 per cent, while car fares will be reduced by an average of more than 30 per cent.

My overriding priority is to provide the best ferry services possible. On 2 February 2017, I made a statement to the Parliament announcing that a policy review would be undertaken of the future procurement of lifeline ferry services. On 20 July 2017, I further informed the Parliament that the policy review would be extended beyond its autumn timeline to ensure full compliance with the Teckal exemption and to allow more detailed consideration of the complex state aid rules, particularly the fourth Altmark criterion. I also committed to publishing the interim report setting out emerging findings from the review, including the implications for our three lifeline ferry contracts, namely Clyde and Hebrides, northern isles and Gourock to Dunoon. I will do that in the next few weeks.

On roads, we published our future intelligent transport strategy in November. That has been developed in the context of increasing in-car technology and developments in data management. We are firmly committed to using technology to continually improve the experience of the road user.

Since my appearance before the committee in March, we have completed a number of major infrastructure projects—which we can undoubtedly delve into—including the Queensferry crossing and the improvement works on the M8, M73 and M74. Above and beyond that, we are taking forward projects that we have committed to in the long term. For example, the new 7.5km section of dual carriageway between Kincaig and Dalraddy opened in late August. That was a significant milestone in achieving the Scottish Government's ambition to introduce more than 80 miles of new dual carriageway on the A9.

We are also pushing ahead with our road safety measures. Members will be aware of average speed cameras recently going live on the A90 on the 51.5-mile stretch between Dundee and Stonehaven. We are very confident that that will have the same safety benefits that we have seen on the A9 and A77.

On rail, I know that the committee had an update a few weeks ago from Alex Hynes on major projects. Due to the brevity of my opening statement, I am more than happy during the discussion to go into detail on projects such as the Edinburgh to Glasgow improvement programme or other major projects, and where they are at.

I thought that it would be worth while to give a brief update in my opening statement on our ambition to have a public sector bidder for future Scottish rail franchises. We have made the necessary changes to the legislation. We have held cross-party meetings and I am pleased that every single political party has been involved in those discussions, as have the trade unions and others. We are now considering what the appropriate vehicle would be to take forward a future public sector bidder.

There are also on-going discussions with the United Kingdom Government on railway funding for control period 6. That may be something that I can delve into in our discussion so I will not go into it in my opening statement, other than to say that there is a significant shortfall between the industry's aspirations and what is currently on offer, but those negotiations are live.

Since my appearance before the committee in March, we have had the First Minister's programme for government. There were a number of commitments on decarbonising transport at the heart of the programme. We are progressing with the ambition to phase out the need for diesel and petrol cars by 2032—eight years ahead of the UK target. Significant work is being done internally to see how we can reach that target; it will need an increase in infrastructure as well as behavioural change. I am happy to elaborate on that during our discussions.

Low emission zones will be part of decarbonising transport too. I am delighted that Glasgow was announced as the first zone, with Scotland's four biggest cities following by 2020. There will be other air management quality zones thereafter.

We continue to support active travel. I am particularly proud that the active travel budget has doubled. How we spend that so that we get the most bang for our buck will be incredibly important. On the back of the very important Liberal Democrat amendment during the recent active travel debate, we will look at how we target the money at the early years for cycle training.

I will elaborate in more detail later on buses if the committee wishes. As I have said many times before, I am not content to preside over, or manage, decline. Therefore a number of consultations are on-going, from concessionary travel, on which the consultation has just closed, to the measures on buses that we wish to take in the proposed transport bill, which include, but are not limited to, local franchising, municipally owned bus companies, open data, enhanced partnerships and smart ticketing.

I have tried to be as brief as I can be with my broad overview. I am really happy to take

questions on those issues or on any other issues in the transport portfolio.

**The Convener:** Thank you. Before we go into questions, one issue has arisen as a result of an incident that happened last night. The deputy convener has a question on that.

**Gail Ross:** Good morning. Can the minister update people in the north Highlands on the current situation with the landslide on the line between Inverness and Beaulay?

**Humza Yousaf:** Yes. An unfortunate incident has taken place because of the recent weather. A landslip has caused 30 to 40 tonnes of material from the embankment to fall on to the line at Dingwall. As of last night, engineers were on site. Members may have seen some pictures on the social media accounts of Network Rail and ScotRail that show the extent of the damage done. The material interacted with some rolling stock that was on the line at the time of the incident. Thankfully, no one was injured but damage has been done to the infrastructure and the rolling stock.

At 08:02 this morning there was a further landslip in the vicinity. As members will understand, for work to be done safely on the line it is important that the line is closed today. As soon as it is safe to open it, Network Rail and ScotRail will make the decision to do so. At the moment, they need to ensure that the line is safe to work on. I can ensure that Gail Ross, or any other member who has an interest, gets an update when appropriate. It is doubtful that the line will reopen today. Gail Ross will understand that, with 30 to 40 tonnes of material on the railway line, safety is paramount.

**Stewart Stevenson:** I want to ask some questions on EGIP and then I will continue to explore what is happening with the class 385 rolling stock.

There have been a number of delays on EGIP. Will the minister update us on what is being done to minimise the effect of any further delays and to respond to the delays that there have been?

**Humza Yousaf:** I share the frustration of every member around the table at the delays on EGIP. When those delays first came to my attention, I looked at the governance of our major projects. It was clear to me from the way in which major projects have been funded and therefore delivered that the governance has not been as efficient as it should be.

We took the step of setting up the portfolio board, chaired by the head of Transport Scotland, to create closer integration and alignment between all the stakeholders involved—the funder, the client and Network Rail, as the contractor

delivering those projects. That flushes out some of the problems at an earlier stage, which is a plus; the negative is that we still have to deal with issues that are flushed out. Nonetheless, there are some positives from that.

There has also been some political action on EGIP. There is regular dialogue between me, Mark Carne and Alex Hynes, particularly in relation to the class 385s. There has also been intervention from the First Minister, as the member will be aware; she has had meetings with both the ScotRail Alliance and Hitachi.

I have also looked at the next control period, because we clearly want to learn lessons for future infrastructure projects. I have suggested that we move to a more flexible pipeline approach for the next control period, which will demonstrate better cost estimates for projects at a more developed stage, as opposed to having very early cost estimates, which means that we have to make up the funding shortfall as we go along and is not a good place to be for the Government or the Scottish taxpayer.

**Stewart Stevenson:** Thank you.

Network Rail has clearly had some successes. The opening of the new Forres station and other upgrades on the Inverness to Aberdeen line are welcome. However, Network Rail has had difficulties right across the Great Britain network, although we are now seeing some improvements. Are you satisfied that Mr Carne has a grip on what is going on at Network Rail and that the delays that have happened—and the changes that have had to be made as a result—will not be repeated?

**Humza Yousaf:** I now have fairly regular dialogue with Mark Carne and that has certainly helped. He has promised me his personal intervention and attention—on EGIP, in particular, but also on some of our other projects. I am pleased and reassured by his personal intervention, which has certainly seemed to make some difference.

My argument to Mark Carne and others was that, if they knew that there was a problem with bringing staff up from other projects, for example, or with staff turnover on EGIP, they should have dealt with the situation months ago; we might not then have been in this position. However, we are where we are and I believe that Mark Carne's personal attention is helping to rectify the situation and prevent any further slippage.

That does not mean that there will not be any slippage, and we will continue to flush out where we think that there are issues. Having our partners—Network Rail, the Office of Rail and Road as the regulator, Abellio, and, where appropriate, the train manufacturer—aligned and integrated through regular conversations and calls

means that we are seeing results. That approach may seem to be common sense to you and me, but it was not happening at the level that it should have been happening, and it is now happening.

I know that Mr Stevenson asked about EGIP, but we are now seeing successes in other major projects such as the Highland main line—we have managed to reduce costs while preserving the same outcomes. We want to ensure that we achieve the right result for passengers travelling between Edinburgh and Glasgow and the intermediate stations.

**Stewart Stevenson:** At some point, those passengers will travel on 385s. When Alex Hynes appeared before us, he indicated that he could not commit to a date for that, although he suggested that it would be early next year. My sources suggest that Hitachi is having difficulties with productivity at its Newton Aycliffe plant, where the 385s are being built. Are you aware of that, or are my sources wrong? As Hitachi is the fundamental source of the delays, will costs related to those delays bear upon Hitachi?

10:15

**Humza Yousaf:** That is a good set of questions.

I visited Hitachi in Newton Aycliffe on Monday to see for myself. Stewart Stevenson, as a former transport minister, knows only too well that we hear various versions from different sources and stakeholders. I took a look at the 385s and spoke with the senior team. Hitachi has been up front: there have been scheduling issues around its programmes. It is working on a number of projects, including intercity trains. It is a new plant—it is only a few years old—and the size and scale of the workforce are impressive. Because of the size of the workforce, the training that is needed and the fact that the vast majority of staff come from a 50km radius, Hitachi says that it has had issues around the scheduling and therefore delivery of the programmes.

It is fair to say that some problems have been on the manufacturing side, but it is also fair to say that there are delays in the electrification process—that is well documented. Therefore, it would be unfair and probably unhelpful to have finger pointing between Network Rail and Hitachi. I have said to all the partners that we will deal with whose fault it is when the time comes. First and foremost, let us get the trains built—the 385s that people are expecting—let us get them tested, let us get the approvals, including the type approvals, and let us get them into service and running here in Scotland with passengers on them.

With regard to penalties, a mechanism is available to Abellio ScotRail, and I have no doubt that those discussions will take place within the

terms of the contract and the franchise agreement. However, my overriding priority is to ensure that there will be no additional cost to the taxpayer, as the member alludes to, and to get the 385s here so that passengers can enjoy the experience.

**Stewart Stevenson:** Is delivery of the 385s now the key point on the critical path to getting EGIP to where we want it to be? I suggest that the question probably needs a brief answer.

**Humza Yousaf:** Delivery is now a primary factor, vital component and critical part of the EGIP project. The member is undoubtedly aware that there is more to be done than just getting the 385s in a line. On the wider ambition to have shortened journey times from December 2018, other factors include the Stirling-Dunblane-Alloa electrification project.

**The Convener:** Before I bring in Rhoda Grant, I will say—without being rude to you, minister—that all questions are required to be answered fully, but brevity is also really good. We have got through only two questions and we are 20 minutes into a rather lengthy session.

**Rhoda Grant:** Very briefly, how many of the trains had to be returned to the manufacturer?

**Humza Yousaf:** How many of which trains?

**Rhoda Grant:** The 385s.

**Humza Yousaf:** I am sorry, but I am not following the question. Do you mean how many 385s have to be returned?

**Rhoda Grant:** Have any 385s had to be returned?

**Humza Yousaf:** None that I am aware of. We have received a recent delivery of 385s. I will look to my director of rail to answer that question.

**Bill Reeve (Scottish Government):** I am not aware that any train has been returned. Issues have arisen from testing—that is what we do testing for. Work will be required to address some of the issues that have been found; some of that work will take place at Newton Aycliffe and some in Scotland.

**Rhoda Grant:** Okay.

**John Mason (Glasgow Shettleston) (SNP):** Following on from Stewart Stevenson's line of questioning, will you talk us through where we are with the Glasgow to Edinburgh line? Am I right in thinking that there will be some electric trains on the line from early December and that, as we go through next year, we will have a mixture of electric and diesel trains? Will the mix gradually change? Are you confident that by December 2018 we will have eight-car trains and a journey time of 42 minutes?

**Humza Yousaf:** I can lay out the Edinburgh to Glasgow rail improvement project milestones in writing if you wish, but in the interests of brevity—I honestly was not filibustering—I can confirm that Mr Mason is absolutely right. There will be a couple of class 380s running on the route by the time the December timetable comes in this year, so passengers will be able to experience an electric service. Those trains will run on two separate diagrams.

We are currently testing 385s, which will be introduced when it is safe to do so. If the type testing comes back clear and we have the ORR approvals, the 385s will slowly start to be phased in. I think that when Alex Hynes appeared before the committee recently he gave you an idea of roughly how many 385s will be operating by February. Of course, there is then the May timetable change. There will be a phased approach, exactly as you suggested, and in the interests of brevity I will just say that we are still aiming at December 2018 for the 42-minute journey time.

**John Mason:** We could all talk about railways for longer than we are allowed to.

My other question is also rail related. Can you give us an update on the Glasgow airport project? There have been slightly confusing signals, in that some people say that we are going ahead with a plan for a tram-train, but it appears that a report by Jacobs suggests that there are problems with that. What is the Government's view?

**Humza Yousaf:** I hope that there has not been too much confusion. The comments from Glasgow City Council that I have seen have been fairly aligned with what I have been saying.

The Scottish Government and the United Kingdom Government are putting money towards the city deal, and it is for the city deal partners to come forward with the projects that they want to see funded. On the rail link, the Scottish Government said that, on receipt of the outline business case for the airport access project, as it is known, we would commission an independent report.

We received the outline business case and the independent report was done by Jacobs. The report—which I stress is independent—asked questions about the cost of the airport access project and the impact on other services, namely the Ayrshire and Inverclyde services, if I remember correctly. The report has gone back to the councils involved, and it is for the councils to give us answers and reassurance.

From what I have seen, Glasgow City Council has said, eminently sensibly, that as well as addressing the questions that the independent report has thrown up, we should not close our

minds to other options if we could use the £144 million that is earmarked for the rail link in a more cost-effective and efficient way, while still solving the problem of Glasgow airport access.

I am open to that approach. I will continue to have high-level meetings—you will remember that, before the local elections, I called the main partners around the table. The comments from the councils involved have been eminently sensible and they have my support. Collectively, we want to find a solution to the issue, and we will work with city deal partners to move things along.

**John Mason:** Thank you.

**Mike Rumbles (North East Scotland) (LD):** Minister, we found out today that ScotRail's punctuality figures are down for the third month in a row. The figures show that, as of 11 November, only 83 per cent of trains were arriving within five minutes of their scheduled time, compared with 86 per cent in the same period last year.

Even moving annual average performance has fallen over the past three periods; it now stands at 90.8 per cent, which is only 0.1 per cent above the required acceptable level. Punctuality is obviously heading in the wrong direction. What is being done to ensure that performance improves?

**Humza Yousaf:** I share your disappointment and frustration whenever there is a dip in performance. As I think that Alex Hynes told the committee, there is always a seasonal effect on the railway, regardless of whether it is in Scotland or the rest of the United Kingdom. I know that some members of the committee had a shot on the simulator that showed the effect of leaf fall on adhesion on the railways, which is a serious issue. We generally expect a dip in performance in autumn. That is not to excuse a dip in performance. We continue to monitor that and the PIP—performance improvement plan—is a live and evolving document, so it continues to be in place.

From figures provided by ScotRail, and in its consideration, autumn came earlier than usual. It believes that we have now seen 80 to 90 per cent of leaf fall and it is expecting to exit autumn. In the next period and the periods to come, I will look closely at whether performance reflects that. If it does not reflect that but continues on the trajectory that Mr Rumbles rightly points out, that would give me huge cause for concern and we would have to look at what further actions we needed to take as part of the performance improvement plan.

The reason why I am not pressing the panic button is that, since the performance improvement plan was introduced, we have seen a marked improvement—even our harshest critics would have to admit that—to the extent that ScotRail became the best-performing large operator in the

UK and received a record satisfaction rating of 90 per cent. Although, as the member rightly says, the moving annual average has dipped slightly, we are still in the region of 2.7 to 3 per cent ahead of the United Kingdom average.

If the moving annual average continues to decline, that clearly will not be acceptable and we will have to look at what measures we take, but I am not pressing the panic button because, after the summer months—when, as the member would imagine, there is an upturn—we expect dips in performance when we get into autumn at the tail end of September and in October and November, which we are in now. However, we will keep a close eye on that. Of course, if members wish more detail on performance in the next few periods, we will look to ensure that the committee is provided with it.

**Mike Rumbles:** I understand that, but we are comparing this period with the same period last year, so the decline in performance seems strange. You mentioned that we are slightly ahead of the rest of the UK, but we are told that ScotRail's right-time performance, which means trains arriving on time, is 52 per cent, which is 7.5 per cent below the British average. What is being done to increase right-time arrivals?

**Humza Yousaf:** I will try to explain briefly why this period is different from the same period last year. As Alex Hynes and ScotRail have said, it is because autumn came earlier this year. That is perhaps why we are seeing that dip.

The reason why the industry standard measure—the PPM or public performance measure—is based on arrival within four minutes and 59 seconds as opposed to right-time arrival, which is to the minute, is that, understandably, some passengers need longer to get on and off trains. For example, I am talking about people with mobility issues, which I know the member has a great interest in, mothers and fathers with prams and others. Also, time is sometimes needed in relation to onward connections.

I appreciate that right-time arrival is important to people, but the reason why we focus more on the PPM is that we have a focus on improving journey times. If the focus was on right-time arrival, there would be a temptation to increase journey times, and that is not a place that I want to go. The standard industry measure across the United Kingdom is the PPM, and we will continue to use that.

**Rhoda Grant:** For how many months over the duration of the contract has Abellio ScotRail met the contractual obligations?

**Humza Yousaf:** I cannot give you that number off the top of my head, so it is probably better that I write to the member with that detail.

**The Convener:** I remind you that you should write to the committee rather than to the member directly. We can pass it on to the member.

**John Finnie (Highlands and Islands) (Green):** Good morning, minister. I am a regular user of ScotRail and I think that it is a really good service and I value the work that the staff do.

Of course, any organisation learns from complaints. Last night, I was in touch with Mr Hynes about a number of issues, not least of which was the complaints system. A constituent sent me the following message:

“Use ... online complaint form to complain about online access when travelling on their service. Few weeks later get email telling me their online complaint service doesn't work.”

That email, which is headed “Customer Relations Query”, says at line 3:

“EMAILS TO THE INBOX ARE NOT MONITORED, PLEASE REFER TO THE CONTACT DETAILS BELOW”.

I hope that that is a blip but, given that customer satisfaction is an important matter, will you undertake to take a personal interest in it?

10:30

**Humza Yousaf:** Of course I will. The member will know that, as transport minister, I cannot micromanage the business. He is not expecting me to do that. Quite reasonably, he is asking me to ensure that, when the service falls below the standards that commuters and passengers rightly expect, the complaints procedure and the delay and repay schemes must be able to reflect that so that passengers can be adequately compensated. If Mr Finnie does not mind, I will take away those details, investigate and report back to the committee.

**John Finnie:** Thank you.

**Richard Lyle (Uddingston and Bellshill) (SNP):** Good morning, minister. I need only a two-word answer to my first question. Last week, it was made out that Abellio is making people redundant. Are we talking about enforced redundancy or voluntary severance?

**Humza Yousaf:** It is voluntary. Mr Lyle will know that, through the franchise agreement, there are no compulsory redundancies. I also understand that front-line staff are not affected; the scheme is for clerical staff, management and others. If nobody takes up the voluntary package, nobody will lose their job. There will be no compulsory redundancies.

**Richard Lyle:** We have cleared that up. I have lodged an amendment to a motion in relation to the comment that was made last week about that.

What discussions has Transport Scotland had with Abellio about the ScotRail voluntary severance scheme? Has it received any assurances that it will not impact on safety or customer service? The Transport Salaried Staffs Association has expressed concern about Abellio's launching of the scheme. What assurances can we give the union and the travelling public?

**Humza Yousaf:** I am pretty sure that I am due to meet the unions in the next couple of days, or perhaps next week. I will speak to the unions and listen to their concerns. I never dismiss unions' concerns. I have a very good relationship with the TSSA, as well as with the National Union of Rail, Maritime and Transport Workers and the Associated Society of Locomotive Engineers and Firemen. As well as listening to what they have to say, I will reiterate what ScotRail has said to me about the voluntary leavers scheme. It has told me that the scheme has a specific audience: management, admin and clerical staff, and those who work in corporate functions. The scheme is not applicable to front-line staff. I reminded ScotRail of the no compulsory redundancies policy, and it confirmed that it remains in place for anyone who currently has a job in the business. Any person who wants to continue to work in the business will continue to have a job.

In any industry, there will be modernisation and efficiencies will be sought. Where people can develop their skills through retraining, that is an agreed process, if it is done in line with the wishes of the staff and the unions. My predecessor's predecessor, Keith Brown, insisted that a policy of no compulsory redundancies should be a key element of the franchise, and that continues to be the case.

**John Finnie:** When I raised the issue of the leavers scheme at First Minister's question time last week, I stated clearly that it was a voluntary scheme. I certainly have not suggested otherwise.

You have said that the scheme applies mainly to administrative support functions. Does that mean that any issues with cleanliness and non-functioning toilets—which I wrote to Mr Hynes about last night—are unconnected with a reduction in cleaning staff at certain locations and are not related to the leavers scheme? The issue of non-functioning toilets and lack of cleanliness on long-running trains will become a public health issue if it is not properly addressed.

**Humza Yousaf:** I agree entirely. We have a very robust process in place. The member will know about the service quality incentive regime, which is the most robust regime on these islands as far as expectations on train functions and operations are concerned. The cleanliness of toilets is one of the things that are measured as

part of SQUIRE. Mr Finnie is right to raise that as an issue. He will know that financial penalties have been imposed on ScotRail because it has not met the very high thresholds in SQUIRE.

I reiterate what ScotRail has told us: the specific audience for the voluntary leavers scheme is management, admin and clerical staff, and all those who work in corporate functions. The scheme is not applicable to front-line staff.

**John Finnie:** Thank you.

**The Convener:** Minister, as you brought up the SQUIRE regime, I have two questions on it. First, how much is currently sitting in the SQUIRE fund? Secondly, what applications have you had from ScotRail to use that fund during the next period?

**Humza Yousaf:** I think that you asked the same question of Alex Hynes at the committee. I do not have information about the exact amount in the SQUIRE fund, because it continually increases and evolves. However, we hope that it will decrease, because we want ScotRail to meet the SQUIRE requirements. Again, I will make sure that you get a written response to your question fairly quickly, if that is okay.

I am not aware at this moment of any schemes that ScotRail has suggested to Transport Scotland, so I will write to you about that, if you are content for me to do so, although my director of rail might have something to add just now.

**Bill Reeve:** Perhaps the simplest thing to do is to give you an update on schemes that are under way. You will appreciate that the number varies in every period according to how the inspections have gone. However, we will give you a current statement of the amount of SQUIRE funds and the current proposals for their use.

**The Convener:** Are you happy to come back to us with information about the amount of money in the SQUIRE fund and a list of all suggestions for use of the SQUIRE fund made by ScotRail in the past six months so that the committee can see how that fund is being used?

**Humza Yousaf:** Yes, I am happy to do that. However, I am not entirely sure whether ScotRail always gives us a formal written submission or list of schemes or whether it is done through regular dialogue and conversation. Either way, though, we will compile a list, with the agreement of ScotRail, and provide that to you.

**The Convener:** It would be very helpful to see that. My understanding of the SQUIRE fund usage is that it is up to ScotRail to make suggestions to Transport Scotland about how the funds should be used. What I want to see, so that the committee can understand it, is what applications have been made.

The next question also falls to me. Media reports indicate that the UK Government has proposed a change in the formula used for the calculation of the proportion of funds allocated to Network Rail Scotland. When did you become aware of that and what impact could it have on rail development in Scotland?

**Humza Yousaf:** The question of when I became aware of that goes to the very heart of the issue and the frustration that I feel about it. We received the formal funding offer from the Treasury after close of business the day before 13 October, when I had a statutory obligation to publish the statement of funds available. The fact that there had been no engagement or discussion and the UK Government decided unilaterally to change the funding formula from the previously agreed devolved settlement to one that is now based around the Barnett formula, as well as the fact that we received the formal funding offer from the Treasury the night before we were due to publish the statement of funds, goes to the heart of my frustration and annoyance. Again, the convener will be aware that I find that funding offer to be £600 million short of what the industry tells us that it needs. I can go into the detail of why that funding offer does not quite meet either our expectations or those of the industry. The fact that we received the formal funding offer the night before 13 October illustrates the problem that we face.

**The Convener:** When Alex Hynes came to the committee about two weeks ago, he was asked the question that I asked the minister. I went back and looked at the *Official Report* of that meeting. I think that it was Jamie Greene who asked Alex Hynes, when we were talking about how the funding was split between the operation, maintenance and renewal of the network, whether there would be enough money for the maintenance of Scotland's tracks. The argument is around how much additional money will be given for additional upgrades. Alex Hynes answered simply, "Yes." It therefore appears that the issue of funds is about what extra funds would be required to upgrade the network, not to maintain it. Is that your understanding, or have I misunderstood the evidence that Alex Hynes gave to the committee?

**Humza Yousaf:** When it comes to railway funding, there is the maintenance, operations and renewals part, which is of course important because it is for the safe maintenance of our rail network; and then there is the enhancements part. However, the enhancements should not be looked at as the evidence that you referred to suggests, because it is not just about new pieces of infrastructure and kit, like the Borders railway. It also includes necessary upgrades to meet current growth demands and capacity issues as well as future demand. An example is the package of

works relating to the east coast main line, which is absolutely necessary. The east coast main line is bursting at the seams and needs urgent attention. As part of the works, we will construct stations at East Linton and Reston.

There is no difference between the UK Government and the Scottish Government regarding the need for a budget for maintenance, operations and renewals, and enhancements. The disagreement is on some of the facts and figures that are being used. The UK Government is using a figure of £3.1 billion for the drawdown of debt for control period 5. I have no idea how it has come up with that figure. When Mr Mackay and I spoke to the Chief Secretary to the Treasury, she did not seem to be able to give us an answer. The figure that we agreed was £3.3 billion. That figure has also been confirmed by Network Rail for the drawdown of debt by the end of control period 5, so already there is a £200 million gap that has come out of nowhere.

Second, when it comes to financing and refinancing costs, the UK Government, on the one hand when it suits it, uses a figure of 11.17 per cent and, on the other, a figure of 9 per cent. There is no consistency in the figure that is being used.

The third point, which is easy to understand, is that the 2005 settlement prior to the SNP-led Scottish Government was based on ORR advice that we should be funded at the rate 11.17 per cent because that reflected the size and scale of the Scottish rail network. The Department for Transport changed that to 10.4 per cent because that is what the funding offer would be in relation to the DFT's grant to England and Wales. That was done unilaterally, without picking up the phone or writing a letter, and without the courtesy of even engaging in conversation with me, which shows a lack of respect; at its very best, it shows that we are an afterthought. However, it has also had consequences and has resulted in us falling £600 million short of what the industry tells us that it needs. Following the conversation with the Chief Secretary to the Treasury, in which we highlighted the inconsistencies in the figures, in fairness to her, she promised to go back to look at them and come back to us. I am hoping that that will be done and that the revised offer will get us closer to £4.2 billion, if not to that figure.

**The Convener:** I refer back to what Alex Hynes said. Perhaps you can answer yes or no as to whether he is right. He said:

"We have more than enough money to maintain a safe and reliable network; the issue is how much is available for the next control period—2019 to 2024—for enhancements, which is what the live negotiation is about."—[*Official Report, Rural Economy and Connectivity Committee*, 8 November 2017; c 50.]

Is he wrong when he says that? He is saying that there is enough money and that Network Rail has successfully argued the need for that money. I am unclear, because there seem to be two different views. Is he right or wrong?

**Humza Yousaf:** No, there are not two completely different views—you are incorrect on that. Alex Hynes is absolutely correct that, when it comes to renewals, the amount that he has argued is £1.9 million, but that is for one element of rail funding. That would simply replace like for like if that is what you wanted to do, but that would make no sense at all, because we want to upgrade and enhance services to meet current and future growth capacity. That is not what that argument between the UK Government and the Scottish Government is about. The difference between us is not about whether money is available for renewal of the network.

The tension between the two Governments is down to the fact that, when you look at the overall rail package, given that there is no point in looking at one part of the funding settlement, it falls about £600 million short because of the various inconsistencies that I have mentioned. I am trying to be helpful and, in fairness to the Chief Secretary to the Treasury, during a call that Derek Mackay and I had with her, she listened to our argument about inconsistencies. She has promised to look at those numbers and to come back and consult us further. I appreciate the fact that she has done that. I am hopeful that that will take us closer to the amount that we require, if not to the amount. If Network Rail was asked what the industry needs, it would not say that it simply needs £1.9 billion for the entire rail package—that would be incorrect. That might address the renewals side of things but not the entire railway package. It would be difficult for anyone to suggest that we should be thankful that we are getting simply the money that we need to operate a safe railway and no more.

**The Convener:** I will have to take that up with Alex Hynes, because the evidence that he gave is very different from what you have said.

**Humza Yousaf:** It is not different at all, convener. Alex Hynes is correct when he talks about renewals. With respect convener, what I have said is that when you look at railway funding, you must consider the entire package. Alex Hynes would have no difficulty in saying that.

10:45

I have the *Official Report* of the committee meeting in front of me and he is obviously talking about renewals because he is being asked about renewals. If any member had asked him about the entire railway package, he would have said that enhancements are a necessary part of railway

funding. They are not an add-on or simply a desirable part of railway funding; they are absolutely necessary. There is no difference in what we are saying and I challenge any such suggestion robustly.

**The Convener:** I will park it there and allow the committee to consider the evidence. We will move on.

**Mike Rumbles:** I just want to clarify something that you were saying, minister. Did you ask the Chief Secretary to the Treasury what criteria she used to move from 11 per cent down to 10 per cent?

**Humza Yousaf:** Yes, I did. I have to say that in my conversations with Liberal Democrats they have been helpful in that they have told me that they would like to see Scotland's railways appropriately funded. I appreciate that.

When I asked the chief secretary that question, we were told that they were moving to a Barnett-based formula, because they were moving towards funding the railway through grant as opposed to the debt financing that has previously funded the railway. The point that was made to them was that they cannot unilaterally make that decision—to entirely fund the railway through grant has implications that I have spoken about in relation to a shortfall—without consultation with the Scottish Government. If we are moving away from that 11.17 per cent, which had been agreed by the ORR, to a Barnett-based formula—because the Treasury is moving towards a grant-based system—it should not be done unilaterally, because it clearly affects the Scottish railway and rail network.

**Peter Chapman (North East Scotland) (Con):** No Scottish statement of funds available has been published for period 6. When do you expect to publish that and what impact is the delay in publication having on the periodic review process?

**Humza Yousaf:** I will keep my answer brief. I will not capitulate to the figures that we have been offered by the UK Government. If that means delaying the statement of funds available, that is what I will do—I have written to the ORR to give the reasons for that. We are in the middle of a live negotiation and I will not be pushed because I have a deadline to produce the statement of funds, if I am not content or satisfied with the outcome of the negotiations.

I cannot give a date because it will depend on whether the Chief Secretary to the Treasury rectifies the inconsistencies in the funding formula. If she is able to do that, we will publish the statement of funds available thereafter. Any uncertainty for the rail industry is unwelcome and we want to give as much certainty as possible. I will take the Chief Secretary to the Treasury at her

word that she will look at the inconsistencies that we highlighted and come back to us sooner rather than later. That will allow me to publish the statement of funds.

**Peter Chapman:** You say that you will not be pushed, but what are the implications for the periodic review process? You did not answer that bit of the question.

**Humza Yousaf:** I will ask my officials to come in on that. We will ensure that progress is made through the periodic review process. We fully expect Network Rail to publish its draft strategic business plan for Scotland in December as scheduled—Network Rail has told us that that will not be affected.

**Bill Reeve:** We published the high-level output specification for the next control period in the summer on the appropriate date, so Network Rail understands our specification for the next control period. We are working with Network Rail colleagues on the development of the pipeline of projects for the next control period that the minister referred to earlier. Development activity in the current control period is fully funded. Our instructions to Network Rail are to carry on developing on the basis that the funding will be resolved.

I have asked for it to be drawn to my attention if there are any issues that are causing any delays. I have been told that there are none so far. We are watching that carefully. We continue to work collaboratively while the final funding settlement is resolved between Governments.

**Peter Chapman:** There is obviously a debate about a funding shortfall. In your opinion, there is a funding shortfall but the UK Government has highlighted Barnett consequentials from the high speed 2 project as one way of boosting rail expenditure in Scotland. Will you provide details of the amount that the Scottish Government is receiving in consequentials from that project and say whether the intention is to invest that money in Scotland's rail network?

**Humza Yousaf:** I am sure that the member is aware that, in the spending review, consequentials are determined at a departmental level as opposed to programme level. Therefore, it is not possible to isolate the financial impact of individual spending decisions such as HS2. However, it is fair to say that the UK Government is part of the discussions and live negotiations.

I have talked about consequentials from HS2 as being additional funding for CP6. I accept that and, of course, all Barnett consequentials will be gratefully received. The difficulty is that we cannot plan a railway on them. We do not know how much will come or when it will come and, as I say, consequentials come as a lump sum rather than

being broken down by individual spending decisions. That is not a way to plan a railway but, if consequentials come, we will consider them as part of the package and they will be gratefully received.

**Peter Chapman:** Are you saying that you have no idea what the consequentials may amount to? You must have some indication of what sort of sums are involved.

**Humza Yousaf:** I do not have certainty about the figures that have been quoted in regard to HS2. We work closely with the HS2 team and the UK Government, but I do not have certainty on the figures that are involved, what the Barnett consequentials will be, what year they will come to us and what the amount will be each year. That would not be a sensible or prudent way to run or fund a rail network. However, if the member wishes to pursue his colleagues south of the border to ensure that consequentials from any HS2 spending come to Scotland, those consequentials will be gratefully received.

**Stewart Stevenson:** On a technical point, will the minister confirm that Barnett consequentials are an annual allocation of funds whereas the funding for railways is based on control periods, which are five-year periods? Will he also confirm that the statement of funds that we await would address a five-year period, so to move to a system whereby we knew only year by year what funding would be available would critically impede our ability to plan for the long term?

**Humza Yousaf:** That is the point. We cannot plan for a railway based simply on consequentials that come year on year. As members are aware, we have a five-year control period. I agree wholeheartedly with everything that the member says.

**Rhoda Grant:** I will ask questions about ferries, and there are a number of them, I am afraid. First, will you provide an update on the ferry services procurement policy review? When is the outcome of that likely to be known?

**Humza Yousaf:** I mentioned at, I think, the end of July that the policy review would be extended beyond its autumn timeline. I will provide an interim report and I said in response to questions from Tavish Scott that that would happen in the next few weeks. It will include the implications for our three lifeline services.

Without going into detail because I have not released the interim report, I will, to be frank, need a little more time to complete my engagement with the European Commission and various institutions and authorities on state aid rules, in particular condition 4 in the Altmark ruling. That will invariably necessitate contract extensions as well.

**Rhoda Grant:** I will push you on what you mean by “a little more time”. Are we talking months or years? A couple of retendering processes—those for the Gourock and northern isles services—are on hold at the moment. When are they likely to resume?

**Humza Yousaf:** I meant months as opposed to years—perhaps I should have been clearer. The member is entirely correct that we face pressures on the Gourock to Dunoon service most immediately and thereafter on the northern isles service. We are in discussions on how we can legally extend those further. When I release the interim report in the next few weeks, I will mention what we are going to do on each of the three contracts, including the most pressing one, which is the one for Gourock to Dunoon.

I think that I will have a general question on that matter tomorrow from Rhoda Grant’s colleague, and I will say something similar. Our time is running out on the extension that we have applied for, and we will look for a further extension thereafter.

**Rhoda Grant:** I think that the ferry group from Dunoon will be in the Parliament building tomorrow.

In your opening statement, you touched on RET for the northern isles, which is obviously very welcome. An issue that I have raised previously with you was RET on cabins. There are now increases in cabin costs. When people travel to Lerwick, a cabin is reasonably essential. Have you given any thought to how to negotiate with Serco NorthLink to freeze or reduce those costs?

**Humza Yousaf:** Rhoda Grant makes a good point. I have travelled from Aberdeen to Lerwick and know that she is right that cabins are most desirable. The reason why RET has not been reduced is capacity constraints. We took details to model the impact of any RET reduction. Members around this table will know that there have been capacity constraints on some popular Clyde and Hebrides ferry service routes where RET has been rolled out, particularly during the peak summer months. We will do our best to avoid similar constraints, but Rhoda Grant will know that the use of cabins is extremely popular for the reasons that she has articulated. If we were to reduce the fares on cabins, the capacity constraints would be even more acute, particularly during the peak season.

We are, of course, in discussions with the provider, Serco NorthLink. We will complete the first phase of the RET roll-out in the first half of next year, as I said in my opening statement. Where we can make further progress, particularly on the cabin issue and also in consideration of future contracts, we should look to do that.

**Rhoda Grant:** On RET, you worked with Pentland Ferries to reduce fares on that journey that it covers, which was very welcome. Western Ferries serves Gourock to Dunoon—are you having similar discussions with it? I do not expect you to give details.

**Humza Yousaf:** John Nicholls will keep me right here with regard to our lead on ferries. My understanding was that, if we introduced RET in Gourock to Dunoon, it would probably increase the fares, so we would have to look at an RET variance. We have not done that for Gourock to Dunoon as it has not been a pressing issue—there are a number of issues with that service, which the member will be aware of, but the fare level has not been pressing. In the interest of fairness, if we got to a position where we were going to roll out a variance of RET on Gourock to Dunoon, clearly other operators would have to be part of the discussion, as Andrew Banks has been for Pentland Ferries.

**Rhoda Grant:** I am going as fast as I can, convener. We have taken evidence on the Islands (Scotland) Bill and the freight issue has come up again—the cost of getting freight services to the islands, the cost of postage deliveries and the like. I will ask you to take that away and give it some thought. I know that a review is on-going, but it is a big issue that has come to us from the islands.

**Humza Yousaf:** I will, of course, take that away. I acknowledge the member's interest in this issue. She has asked about it on a number of occasions and it has been a live issue whenever I have travelled to Scotland's islands. The reason why the freight fares review continues is that I am not satisfied that we are at a position that will help our island economies, so we are doing further work on it.

**Rhoda Grant:** Finally, I turn to the delay in the delivery of the new hybrid ferries. There is a third-party review of the delay, but what is the timescale? When are we likely to hear about it?

11:00

**Humza Yousaf:** At the moment, we are looking at the shortlist of candidates for carrying out that third-party review. We have used the same model for infrastructure projects that have shown signs of delay, using an external peer review to give us a better idea of timescales and timetables. I do not know exactly when the third-party review will take place, because only after we have appointed an appropriate consultant, whether a person or an organisation, to undertake the review could I update the committee about what they suggest the timescale for the review will be. We will have to do that in partnership with the consultant. However, the third-party review is a tried and tested

approach for infrastructure projects that have been delayed.

As a caveat to what I have said, I should say that I was at the launch yesterday of the MV Glen Sannox. That is a good-news story for commercial shipbuilding on the Clyde and its workforce. If we remember where Ferguson Marine was and look at where it is now and how yesterday's launch went, we can see that Ferguson Marine has come a heck of a long way. I know that members around the table will support Ferguson Marine in its efforts.

However, Rhoda Grant is right that we need to ensure that there is no further delay in the building of the two new ferries by Ferguson Marine and that we nail down the timescale for that.

**Rhoda Grant:** Okay, and what—

**The Convener:** Rhoda, you are pushing it, but I will let you ask a final question.

**Rhoda Grant:** Sorry, but there are a lot of questions on ferries.

There will be an impact from the delay in the delivery of the two new ferries. Given the capacity issues in the summer and the sailing issues in the winter, what impact will the delay have on the communities that were looking forward to being served by those new ferries?

**Humza Yousaf:** The communities are currently served by ferries, but they will clearly be better served by a longer vessel that has more capacity and so on. I know that the delay is disappointing, particularly for people in Arran, because they were expecting a new vessel to be there in the summer but it will now be there closer to winter. The delay will have an impact, but I reassure people that they will still be served by the level of service that they have at the moment. We do not envisage there being a diminution in that at all. However, I will speak to the stakeholders in Arran to hear directly from them what they feel the impacts will be. That will include our discussion with the Arran economic group, which I have a very good relationship with.

**The Convener:** I have a question for the minister before we move on to Richard Lyle's question. You were at the launch yesterday of the Glen Sannox ferry. Will it come into service in 2019 or in 2020? The date was unclear from the reports that I read.

**Humza Yousaf:** It will be in winter 2018-19, so it is likely to be in 2019. My Scottish Government colleague can confirm that, though.

**John Nicholls (Scottish Government):** It is due for delivery in winter 2018-19, and there will be a period thereafter of crew familiarisation with the vessel by the operator. It is not possible at this

time to specify a particular date for the vessel's entry into service, but obviously we can update the committee on that.

**The Convener:** The winter period of 2018-19 probably takes us through to March or April. Can you try to define the period when winter will end—[*Laughter.*]—so that people will know, in your calculation, when the ferry will be in service?

**Richard Lyle:** Can you tell us how much snow there will be?

**The Convener:** It is not good enough just to say “winter”—it is too big a period.

**Humza Yousaf:** There are some things that I have control over, but when winter finishes in Scotland is certainly not one of them. However, I take your general point and perhaps I should have been clearer. When I talk about summer and winter, I am referring to the ferry timetables for summer and winter, so I was talking about the winter timetable.

**The Convener:** So it could be into March.

**Humza Yousaf:** Technically, the end of March is the end of the winter timetable.

**The Convener:** In 2020.

**Humza Yousaf:** No, in 2019.

**The Convener:** Okay. Thank you.

**Humza Yousaf:** You are absolutely right to ask me whether I can narrow that down, though. That is why we want the third-party peer review, which we hope will be able to nail down a more exact time range than winter 2018-19.

**Richard Lyle:** I have a quick question. On a recent visit to Orkney on the ferry, I asked to see the cabins and I thought that they were excellent. I was given a price, which I asked about just out of curiosity. However, can you tell the committee now or in writing what is charged for the cabins?

**Humza Yousaf:** I could, but it would depend on whether it was for winter or summer and peak or off-peak.

**Richard Lyle:** Is it similar to hotels charging different prices according to the time of year or how far in advance a booking is?

**Humza Yousaf:** There are various offers, discounts and pricing structures. We could probably get a broad outline and send that to the committee.

**Richard Lyle:** It would be interesting to see how it compares to the Caledonian sleeper.

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** Audit Scotland published its review of Transport Scotland's ferry services on 19 October. What is your view on the six

recommendations and how does Transport Scotland intend to take those recommendations forward?

**Humza Yousaf:** I welcomed the report when it came out and I continue to welcome it. One of the parts of the report that was not given much coverage was the part where Audit Scotland said that ferry services are performing well and customers are generally happy with the services. That is reflected in the experiences that members have had with our ferry services up and down the country.

The main line of the Audit Scotland report that was given public airing was the amount of significant investment and how to make that sustainable. We have significantly invested in our ferry services—the CHFS contract has a value of £1 billion and the two vessels cost almost £100 million.

In my opinion, the main recommendation from the Audit Scotland report was that there has to be a long-term review of ferry services. We have the ferries plan until 2022 and annual reporting on vessels and deployment, but Audit Scotland's recommendation to look beyond that timescale is very good. I do not want to say too much because I am very aware that Audit Scotland is in front of the Public Audit and Post-legislative Scrutiny Committee tomorrow to discuss the report, but I certainly welcome it.

**Richard Lyle:** Transport Scotland established a research and evidence working group with a remit to ensure a wider national transport strategy review. The results of the call for evidence are yet to be published. Can you provide an update on the review, setting out key milestones in the process leading up to publication?

**Humza Yousaf:** I will perhaps refer the first part of the question to Heather Cowan, who leads for us on Transport Scotland.

A very collaborative approach has been taken on the national transport strategy review. I have been very pleased with that approach from local authorities and other stakeholders that are involved in the discussion. There are a number of working groups, with more than 60 external stakeholders involved, some of whom co-chair and head the working groups. I think that the evidence and research group is, too, chaired by an academic. When I co-chaired a recent event with COSLA, I received some good feedback. I have a note here of the key milestones of the national transport strategy review that I might be better, for the sake of brevity, sending to the convener. Some people have asked whether it has to be such a lengthy process. When considering the 20-year forecast of our transport priorities, I think that

taking our time in a collaborative manner is the right way to go.

**Heather Cowan (Scottish Government):** We have the responses to the research and evidence group, but the members of the group are still doing the analysis—they intend to do a one-page brief for each of our working groups. The intention is to publish that analysis later this year.

**Richard Lyle:** When?

**Heather Cowan:** Before December this year.

**Richard Lyle:** How does the review of the NTS tie in with the strategic transport projects review?

**Humza Yousaf:** That is a question that I get asked fairly often—and it is a fair one to ask. A lot of members have an interest in the strategic transport projects review because it relates to their constituency or the regions that they represent.

**Richard Lyle:** I will not mention mine.

**Humza Yousaf:** I have a fair idea. The NTS review will be done because it is the 20-year forecast. The STPR will follow, but we have done some preparatory work in parallel with the NTS review. Examples of that are the Borders appraisal study and the study for which we will soon appoint consultants on the A77 and A75, which is focused on the Cairnryan ports. Some of that STPR work is already taking place, but the bulk of it will be done as a follow-on from the NTS review, which informs the STPR.

**The Convener:** You said earlier that the analysis would be published before December this year. That implies that it is imminent. Did you mean that it would be published before the end of December? I just wanted to give you the chance to correct that.

**Heather Cowan:** Yes, that clarification is helpful. It will be published before the end of December this year.

**The Convener:** I pre-empted Stewart Stevenson's question, so I will move on to the deputy convener, Gail Ross.

**Gail Ross:** Last week, we heard from several representatives of the food and drink sector. As you know, the "Ambition 2030" strategy aims to double the value of the sector in the next 12 years. The representatives said that there would have to be improvements in both road and rail infrastructure. How will you develop the strategic links between transport and the food and drink and other sectors to ensure that there is a smooth transition to what we are trying to achieve by 2030?

**Humza Yousaf:** Gail Ross will be aware that, whenever transport issues are discussed in the committee, I look over the transcripts of the

evidence in great detail. I thought that the evidence that the representatives of the food and drink sector provided was very helpful and that it aligned well with what we are doing.

A key focus in the current control period—it will certainly be a key focus in control period 6, as well—is moving freight from road to rail. We are on the cusp of some exciting projects. There are real wins to be had in the timber industry and the food and drink sector. The whisky highway is a classic example of that. When I went on the A95 to talk to people in the north-east, I heard a real desire from the industry to receive assistance in moving freight from road to rail.

On road infrastructure, I mentioned in my previous answer the A77 and A75 study, for which we are about to appoint consultants. Those two roads need some attention. Work is already being done on the Maybole bypass, but the message from Stena Line and P&O is clear: we need more investment on those roads. The study that we are taking forward will help us to determine that.

I turn to the second part of Gail Ross's question. Before I came to the committee, I looked at the various working groups that we have, and I am pleased to say that a number of organisations that have a shared agenda on that are on those groups. We have an enabling economic growth working group, on which the Food and Drink Federation Scotland is represented as a stakeholder. Our partnership group, which feeds directly into the review group, which I chair, includes representatives of the Confederation of British Industry, the Freight Transport Association and Scottish Chambers of Commerce. That is how the sectors are integrated into the NTS review.

**John Mason:** You mentioned a couple of roads that you see as priorities. I would throw in the A82 at Loch Lomond, which is a major route that connects the central belt to the whole of western Scotland. Will you look at that road, too?

**Humza Yousaf:** I feel that I should not have started this.

We are taking forward the Tarbet to Inverarnan scheme, and we have listened to what the community has said about widening the road from 6m to 7m and even beyond. We are working closely with the community to get good results on the A82. I recently attended the A82 summit that our colleague Kate Forbes MSP held, which was very constructive.

All interventions that members ask us to consider will be considered as part of the STPR 2 process. It is clear that some will be included and some will not be; that is the nature of things. Every community that I travel to wants investment in a trunk road that passes through it. That is understandable, but we have to weigh that up

against budgetary considerations and where we think the priorities are for growth and need. However, John Mason is absolutely right that the A82 is an arterial route that is important not just for the local community but for tourism, especially during the summer period.

11:15

**Mike Rumbles:** My questions focus on active travel. I was grateful that, in the debate on active travel three weeks ago, Parliament unanimously agreed to my amendment S5M-08497.1, which included the aim to give all our children

“the opportunity to benefit from cycle training.”

Everybody agreed with that aim. I know that three weeks is not a long time, minister, but with your vast array of civil servants, when will you be in a position to give the committee or Parliament an idea about when that might be rolled out?

It is very welcome that the budget for active travel is being doubled from £40 million to £80 million. How will the Government's active travel funding be distributed in the next financial year? However, I am far more interested in the first question.

**Humza Yousaf:** I do not know why Mike Rumbles is so surprised that his amendment was agreed to. With the vast array of Liberal Democrats in the Parliament, I was not surprised that it was agreed to, and I was delighted to support it.

Mike Rumbles asked me a question about active travel during general question time, and I am pleased that he has raised the issue again. What I said in my answer last week still stands. On the back of his amendment being agreed to, I met a number of cycling and active travel stakeholders, and we specifically discussed the amendment and our shared desire for more of our young people to receive bikeability and cycle training, both on-road and in the school playground. Those plans are being developed but, if you will forgive me, we have had only a few weeks and we need some time to develop them.

The second question was on the doubling of the active travel budget. There is a temptation in the first year to continue some existing programmes but to beef them up slightly—community links and community links plus projects, for example—but my direction to my officials was that there should also be some space to innovate and try some slightly out-of-the-box thinking to increase active travel rates. If my memory serves me correctly, Mike Rumbles mentioned during the active travel debate that we are not where we want to be on cycling rates and our vision that

“By 2020, 10% of all journeys taken in Scotland will be by bike.”

I hope that Mike Rumbles will forgive me for the slight lack of detail in discussing his amendment, but he will appreciate the fact that it is actively being discussed and is driving change in our policy. It will certainly be part of our consideration of how we will spend the additional funding.

**Mike Rumbles:** I am very pleased to hear that. That was very helpful.

**John Finnie:** I have two brief questions on finance in connection with active travel. Will local authorities be required to match the Scottish Government's funding under any new arrangement? Will the walking, cycling and safer streets budget be ring fenced in the future?

**Humza Yousaf:** I will take the second question first. The walking, cycling and safer streets budget is already ring fenced. Obviously, it has to go through parliamentary approval processes, but I see no reason why it should no longer be ring fenced. My expectation is that it will continue to be ring fenced, but the Budget (Scotland) Bill will have to be approved by Parliament.

On the first question, I am hesitant to move away from matched funding because, obviously, we get more bang for our buck if other stakeholders match our funding. I do not want to double the active travel budget and then subsidise local authorities further if they cannot meet the 50 per cent matched funding criterion. Some authorities can match that. I want local authorities to raise their ambition to the same level as the Scottish Government's ambition.

I want to keep the 50 per cent matched funding criterion where I can for community links and community links plus projects. My mind is not closed to other schemes that require unique contributions to increase active travel, but I am hesitant to move away from that criterion. There is evidence that we are not undersubscribed with applications for community links and community links plus projects—if anything, we are very much oversubscribed, particularly for community links projects.

We need to look at the geographic spread of those projects, which we are doing already, because we want to make sure that there is a rural as well as an urban focus on active travel. If any local authorities in rural areas are struggling with expertise and human resources to work on active travel, I am not entirely close minded to assisting with that work if we can.

**John Finnie:** That is very reassuring.

On the back of what Mr Rumbles said, you talked about encouraging young people. Obviously, we want the number of people involved

in active travel to increase but, with that, exposure to risks would increase. Will you comment briefly on the opportunities that are being taken to reduce the risks to people who are involved in active travel? For example, there is concern that the interpretation of the existing guidance on 20mph limits is not uniform across local authorities. Do you see a benefit in a default 20mph limit in built-up areas? You will be able to work out why I have asked that question.

**Humza Yousaf:** I would be interested in taking this conversation offline. John Finnie has previous experience in the police, and I imagine that he attended road traffic incidents, some of which no doubt involved cyclists. His experience would be deeply helpful in our consideration of the issue.

I agree entirely with John Finnie's general point that the safer we can make our roads, the more confident people will be about using them. In particular, adults will be more confident about their children using them. That point was made during the active travel debate by a number of MSPs, including Brian Whittle. They said that they would be confident about their children using roads if there was a segregated cycling infrastructure. I am a big proponent of such cycling infrastructure, and I have even been critical of local authorities that have made unhelpful decisions in that regard.

I touched on 20mph zones in the members' business debate on road safety yesterday. John Finnie's colleague Mark Ruskell spoke about the bill that he is taking forward. I have promised to meet him soon to hear about the consultation responses. Local authorities have told me about challenges with a blanket 20mph approach. Notwithstanding those, the principle of reducing speed limits to make our roads safer is difficult to argue with, so I will keep an open mind about Mark Ruskell's bill as it moves forward.

Other issues include cycle helmets, about which there is a debate in the cycling community. I wear a cycling helmet whenever I cycle, but Patrick Harvie does not usually wear one. He has his reasons, and I am not dragging him in to this conversation.

**John Finnie:** The minister will appreciate that I am not here to answer for the dress code of colleagues.

**Humza Yousaf:** In fairness to Patrick Harvie, he has explained his reasons to me, but I do not necessarily agree with them.

The cycling community is divided on safety measures. We have to balance the arguments and the consensus on infrastructure and speed limits.

**Fulton MacGregor:** I have a brief supplementary question about active travel. Will the Scottish Government have any input into

decisions that are wholly for a local authority or wholly about education? I bring that up because I was at a public meeting last night that was called by North Lanarkshire Council about increasing the distance for children to be eligible for free travel to school from two miles to three miles for secondary schools and from one mile to two miles for primary schools. One response that the council was given was, "The Scottish Government is all for active travel, so you can just all take your bikes." You can imagine what the parents thought. Obviously, there are safety issues. Will there be a ministerial role to help local authorities to respond to that sort of situation?

**Humza Yousaf:** I do not imagine that there will be a ministerial role. Obviously, we want to see an increase in active travel, but that does not mean that local authorities can use that work as an excuse to cut services. That would be incorrect.

There are a number of reasons why not every pupil can cycle. We want our additional budget to make cycling more affordable, but Fulton MacGregor will know from our statistics that cycling is still, unfortunately, seen too much as a middle-class activity. We need to make sure that people in other socioeconomic demographics as well as people in higher economic brackets have access to active travel.

As well as the reasons why people might not be able to cycle to school, there might be accessibility issues. We are working to see how we can mitigate those issues, but they might still exist. Although not everybody can cycle to school, we will make it easier to do so where we can. Without talking about specifics, it would be foolish to use our aims for active travel as an excuse to reduce or cut services.

**The Convener:** Thank you, minister. We seem to have got to the end of the questions, and we are roughly where I had hoped to be timing-wise. I thank you for your answers, and I thank committee members for their questions. I suspend the meeting to allow the witnesses to leave.

11:25

*Meeting suspended.*

11:31

*On resuming—*

## **Subordinate Legislation**

**Road Traffic (Permitted Parking Area and Special Parking Area) (North Lanarkshire Council) Designation Order 2017 (SSI 2017/342)**

**Parking Attendants (Wearing of Uniforms) (North Lanarkshire Council Parking Area) Regulations 2017 (SSI 2017/343)**

**Road Traffic (Parking Adjudicators) (North Lanarkshire Council) Regulations 2017 (SSI 2017/344)**

**Sea Fishing (Miscellaneous Revocations) (Scotland) Regulations 2017 (SSI 2017/323)**

**Sea Fishing (Miscellaneous Revocations) (Scotland) Order 2017 (SSI 2017/324)**

**Prohibition of Fishing with Multiple Trawls (Scotland) Order 2017 (SSI 2017/325)**

**The Convener:** Agenda item 2 is consideration of six negative instruments. Three instruments relate to a decriminalised parking regime in North Lanarkshire; the other three relate to fishing and the revocation or partial revocation of orders and the re-enactment of another. Members should note that no motions to annul have been received in relation to the instruments and that there have been no representations to the committee on the instruments. Do committee members have any comments to make?

**Richard Lyle:** I welcome the Road Traffic (Permitted Parking Area and Special Parking Area) (North Lanarkshire Council) Designation Order 2017, which comes into effect on 24 November, which is two days from now.

**Fulton MacGregor:** I echo what Richard Lyle has said. I welcome that order. The issue goes back to the time when I was a councillor on North Lanarkshire Council—it has been around for a while. I hope that the order will alleviate some of the parking issues. I believe that the council supports the proposals on a cross-party basis.

**The Convener:** I note those comments. Does the committee agree that it does not wish to make any recommendations in relation to any of the instruments?

**Members** *indicated agreement.*

**The Convener:** That concludes today's committee business.

*Meeting closed at 11:32.*

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