



OFFICIAL REPORT
AITHISG OIFIGEIL

Rural Economy and Connectivity Committee

Wednesday 2 September 2020

Session 5



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RURAL ECONOMY AND CONNECTIVITY COMMITTEE
20th Meeting 2020, Session 5

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

COMMITTEE MEMBERS

Peter Chapman (North East Scotland) (Con)

*John Finnie (Highlands and Islands) (Green)

*Emma Harper (South Scotland) (SNP)

Richard Lyle (Uddingston and Bellshill) (SNP)

*Angus MacDonald (Falkirk East) (SNP)

*Oliver Mundell (Dumfriesshire) (Con)

*Mike Rumbles (North East Scotland) (LD)

*Colin Smyth (South Scotland) (Lab)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP) (Committee Substitute)

Alison Irvine (Scottish Government)

Michael Matheson (Cabinet Secretary for Transport, Infrastructure and Connectivity)

Bill Reeve (Scottish Government)

Graham Simpson (Central Scotland) (Con) (Committee Substitute)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Rural Economy and Connectivity Committee

Wednesday 2 September 2020

[The Convener opened the meeting at 10:00]

Interests

The Convener (Edward Mountain): Good morning and welcome to the 20th meeting in 2020 of the Rural Economy and Connectivity Committee. The meeting will be conducted in a hybrid format, with one member, Stewart Stevenson, participating remotely.

Apologies have been received from Peter Chapman and Richard Lyle. I welcome Graham Simpson and Christine Grahame, who are attending as their respective substitutes.

Agenda item 1 is a declaration of interests. We have a new committee member, Oliver Mundell. The committee met in private last night, but this is Oliver's first chance to declare publicly any interests that he has.

Oliver Mundell (Dumfriesshire) (Con): I have no interests to declare, convener.

Transport (Update)

10:00

The Convener: Item 2 is evidence from the Cabinet Secretary for Transport on transport matters. I welcome the panel from the Scottish Government: Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity; Bill Reeve, director of rail; and Alison Irvine, director of strategy and analysis for Transport Scotland.

Do members have any interests to declare under this item? It seems that no one does, although I cannot see Mr Stevenson, which is a pity. I can see you now, Mr Stevenson. Do you have an interest to declare?

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I am obliged, convener. As we will cover both public transport and rail today, I draw attention to the fact that I am honorary president of the Scottish Association for Public Transport and honorary vice-president of Railfuture.

The Convener: Thank you. Cabinet secretary, I can just about see you in the gloom at the end of the table. I invite you to make a short opening statement of up to three minutes.

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson): Thank you, convener. I start by offering my condolences to the family and friends of Donald Dinnie, Brett McCullough and Christopher Stuchbury, and all who are affected by the tragic incident at Stonehaven. I also thank the emergency services and railway staff for their dedication and professionalism in dealing with the tragedy.

By way of an update, an investigation by the Rail Accident Investigation Branch, the independent railway accident investigation body, is under way. The RAIB's remit is to conduct a no-blame investigation into railway incidents in order to determine the cause or causes; ensure that lessons are learned, and make recommendations to improve safety and restore the site of the accident to service. The RAIB will generally publish findings within six to 12 months, but an interim report might be published before then.

In parallel with the RAIB's investigations, Police Scotland and the British Transport Police are investigating the circumstances of the incident with Her Majesty's Railway Inspectorate. Those investigations are under the direction of the Lord Advocate, who will conclude whether there is a case for criminal prosecution or whether the incident will be subject to a fatal accident inquiry.

I will move on to our on-going response to the Covid pandemic. The transport transition plan was launched on 26 May and continues to evolve. As we move through phase 3 of the route map, we continue to monitor travel demand. Although there have been some localised issues, we have not seen, on any substantial scale, demand for public transport outstrip available capacity. We will continue to engage closely with public transport operators, regional transport partnerships and the local authorities in the Glasgow and Edinburgh city regions to ensure that our respective plans are aligned.

We want to lock in the benefits of some of the behaviours that developed throughout lockdown. For example, 65 per cent of people surveyed said that they will walk and cycle more in the future, which demonstrates why the £39 million spaces for people fund has been so important.

In keeping our public transport services running while capacity is at a reduced level, we have committed £487 million in additional financial support for public transport services. The largest bus operators are running, on average, almost 95 per cent of normal services, and ScotRail is running at 91 per cent of its normal service level. Several local authorities have also submitted bids to the £10 million bus priority rapid deployment fund, in order to maximise the efficiency of bus travel as traffic levels increase.

Finally, our travel demand messaging, with associated marketing and outreach, continues to ensure that those who need to travel can do so safely.

I will end my remarks there, convener. I am happy to respond to questions from committee members.

The Convener: Thank you. The committee said at its previous meeting how sorry we were to hear of the accident, but I am sure that we would echo exactly what you have just said about it.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Good morning, cabinet secretary and panel. My question focuses on the very tragic accident at Carmont. You gave us an update on the investigations that are on-going, but can you give us an idea of when the line might reopen for passengers from Aberdeen and the north to the south?

Michael Matheson: You will appreciate that, during Police Scotland's investigation, the site is under its control. The investigation that Police Scotland is leading, along with the British Transport Police, is running in parallel with the Rail Accident Investigation Branch's investigation. Access to the site has been a challenge; you will appreciate that it is a very difficult area for the engineers and the investigators to access.

Significant work is being undertaken to provide an access road to the site, and that work is at a very advanced stage. Once that work and the investigations are complete, Network Rail and the engineers will be in a position to start the recovery phase of the process.

My expectation is that the line will remain closed for passenger use into October, given the scale of the challenge faced in moving into the recovery phase once the investigations are complete.

Maureen Watt: One of the task forces is looking into earthworks and the increasing possibility of landslides, given our changing climate. If a need for earthworks is identified and a huge amount of work is required, will that come at the expense of other improvements to our rail infrastructure that are in the pipeline for Network Rail?

Michael Matheson: You will be aware that Network Rail has been undertaking an initial inspection of sites across the whole United Kingdom rail network. I have received a copy of its report and have had an opportunity to consider it.

It would be fair to say that, at this stage, it is important that we allow the investigations to be taken forward, await the outcome and see what learning follows. If that indicates a need for a change in approach to the way in which earthworks and other works, such as drainage works, are managed by Network Rail, it will be important to understand the nature of the change and how it will be taken forward. I am not able to say now whether that will result in additional resources being needed, or whether it will require us to change the profile of resourcing provided to Network Rail.

In our high-level specifications for Network Rail, one of the areas that we ask it to address is climate change and the impact that that will have on the network. Prior to the tragic incident in Stonehaven, work had already started to address some of the challenges to rail infrastructure from climate change. Some of that work may need to be accelerated.

Network Rail's initial report shows that it has already changed some of the protocols for decision making during periods of adverse weather. I would categorise that as Network Rail implementing changes that would mean taking a more cautious approach in adverse weather. That information has already been issued to staff, but once we have the findings from the RAIB report we will be in a better position to understand where further work needs to be undertaken.

The Convener: Stewart Stevenson has a brief follow-up.

Stewart Stevenson: My question relates to the adverse weather that caused the problem south of

Stonehaven. Does the cabinet secretary have anything to say about the Edinburgh to Glasgow link and the breach of the Union canal that has closed that bit of our railway network? Can he update us on what is happening both to the canal and to the railway?

Michael Matheson: The breach of the Union canal, which swept away almost a kilometre of the rail bed on the Glasgow to Edinburgh line, has been plugged and extensive recovery work is now being undertaken. I cannot give you an exact timescale at the moment. I will be in a better position tomorrow because I am to visit the site in the morning to see progress and discuss the matter with the engineers on the ground. I expect that it will be a number of weeks before that repair work is complete. The breach swept away not only 1km of the rail bed but the electrical infrastructure—the overhead lines and foundations. The damage caused is very extensive. I will have a better idea about the timescale when I have seen the site tomorrow.

The Convener: It would be helpful if you would notify the committee of what you find out tomorrow in relation to that question.

Michael Matheson: I am more than happy to do so.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I note that there has been a drop-off in walking this year, although there has been a slight increase in cycling. The figures for 10-16 August demonstrate that walking trips are down by 35 per cent this year and that although cycling is up by 30 per cent, that is from a very small base and is more than offset by the drop in walking.

Although I welcome the spaces for people fund to encourage active travel, people cannot engage in active travel if, for example, they have to negotiate the Sheriffhall roundabout. There are cycle routes on each side of the roundabout, but between is the “meat grinder”, as cyclists call it, and we need to link those routes. Can you advise the committee about progress on the improvements to the Sheriffhall roundabout, which I understand include an underpass for walking and cycling that would link the cycle routes to the north and south?

The Convener: That almost sounds like a constituency question, Christine, but perhaps not—I want to be able to ask a question in the chamber at some stage. [*Laughter.*]

Michael Matheson: Specifically on Sheriffhall, Christine Grahame may be aware that in December last year we published draft orders as part of the statutory process, which concluded on 31 January. As part of the response to that consultation exercise, alongside discussions that

we have been having with the city region deal partners, we are undertaking a review of the Sheriffhall roundabout proposal. We are focusing on the feasibility and desirability of plans to further improve the active travel measures and considering whether there could be additional public transport provision without having an impact on local landowners, residents and businesses.

The review of active travel and public transport provision has been run in parallel with the work that we undertook to address objections received following publication of the draft orders, as part of the statutory process. The review will support us in identifying whether further measures could be incorporated into the design to support better active travel and public transport provision.

10:15

Christine Grahame: Thank you. I have a quick supplementary question. You talk about improving active travel measures and public transport provision. In ordinary speak, what does that mean?

Michael Matheson: It means asking whether there is a way in which we could improve cycling and walking provision and the bus provision that is planned for the network around the Sheriffhall roundabout—whether we can improve on what is presently planned, in a way that does not impact on local landowners, businesses and residents.

Colin Smyth (South Scotland) (Lab): Convener, I associate myself entirely with your comments and those of the cabinet secretary about the dreadful Stonehaven derailment.

Recently, a range of schemes have been announced to support the bus sector, such as the continued payment of the national travel scheme and the Covid-19 support scheme. I think that the total is about £110 million, although it is quite hard to follow it, to be honest, because announcements have been made mostly through Twitter and press releases and not through parliamentary statements.

In Parliament two weeks ago, you said that, in return for that support,

“bus operators are required to provide specified levels of service approaching 100 per cent of pre-Covid levels.”— [*Official Report*, 20 August 2020; c 37.]

However, I cannot find anywhere an agreement that specifies that. Is it a clear requirement in order for those payments to be made to the bus companies? How is it being enforced?

Michael Matheson: It is a clear requirement. It is part of the service agreement that we have with the companies as we manage the fund, and they need to be able to evidence it. Funding is dependent on their providing close to 100 per cent

of the services that they provided prior to Covid-19.

Colin Smyth: How are you monitoring that? At the moment, across Scotland, local bus services are being cut all over the place, and lots of services that were stopped during the lockdown are not being reinstated. I can think straight away of two or three in my region. It is quite clear that they have not gone back to a service level of 100 per cent. How are you monitoring that, and will you publish the detail?

Michael Matheson: There is a difference between 100 per cent of the routes and 100 per cent of the capacity that they provide.

If a bus operator is looking to change an existing service, it is still required to go through the normal process of consultation—engaging with local authorities, the regional transport partnership and the public—and if it chooses to remove a service, it will go through the route of the traffic commissioner for Scotland for a decision.

Operators are also required to respond to any local issues of capacity constraint that are flagged up to them by local authorities or health boards. The reason for that provision is to try to make sure that, if routes are experiencing capacity constraints due to physical distancing, operators will look at providing additional capacity on those routes. There may be instances where local bus operators choose to increase the frequency of services in order to meet those challenges around capacity constraints and increased levels of demand.

There is a process, and this is being taken forward on a non-profit basis. We are only meeting the gap that is left because of physical distancing. We are not paying for all services as such. We go through a process of reconciliation.

Alison Irvine might be able to say a bit more about our process of checking against what the bus operators say to us.

Alison Irvine (Scottish Government): To add to what the cabinet secretary said, I note in relation to monitoring that we have regular dialogue with the bus operators and with local authorities across the country, as a result of which we can respond to individual circumstances that are affecting services.

The funding is being provided on the condition of services being as close as possible to normal based on kilometres run. There are also conditions associated with fare levels. In addition to that, information is put into the Traveline Scotland app so that a level of monitoring in relation to service level provision across the constituent local authorities is available there. It is quite a complex

picture, but there is a lot of regular and on-going monitoring and dialogue.

Colin Smyth: I am confused, because the only thing that I have seen published by Transport Scotland in relation to conditions is about the Covid-19 support grant. It states:

“The grant terms require operators to: continue to deliver around 30% (25-35%) of bus service levels for the period of the scheme to maintain core services”.

I am therefore a bit confused by the 100 per cent figure. To be clear, are you saying that it is based on the number of kilometres that the buses travelled previously? How do you define that 100 per cent?

Alison Irvine: I think that the figures of 30 to 40 per cent that you are talking about represent the first instalment of the Covid-19 support grant. It has been updated as we have gone through the transition plan such that we are now looking for near-normal levels of activity. If it would be useful, I can take this offline and direct you to the place where the conditions associated with the support funding for bus are available.

Colin Smyth: Can you answer the question of how you define 100 per cent? Is it defined in kilometres?

Alison Irvine: It is to do with near-normal levels of kilometres being run.

To expand on and reiterate what the cabinet secretary said, I note that we are responding to a changing situation. We are working with the bus operators and they are responding positively. When we see service levels where capacity is being breached given the requirements for physical distancing, changes are made to services to support particular instances. That activity is undertaken through dialogue between the operators and local authorities, depending on the individual circumstances that are involved.

For example, when the schools returned the week before last, there were a series of dialogues to ensure that public transport bus services were available to support that. We are dealing with on-going circumstances and working with capacity as effectively as we can.

The Convener: A few members have follow-up questions on buses. I will take Graham Simpson and then Maureen Watt.

Graham Simpson (Central Scotland) (Con): I want to explore the issue that Colin Smyth raised, because I am equally confused. If we are saying that bus services have to be maintained at pre-Covid levels, why are we getting bus companies cutting and, in many cases, removing services with no consultation whatsoever? The cabinet secretary said that bus companies are meant to

consult, but I am sure that members round the table will be aware of cases where that has not happened—I certainly am. Are bus companies simply able to remove services as they like?

Michael Matheson: They have to go through the process of engaging with local authorities, regional transport partnerships and the traffic commissioner—it is the same process that was in place pre-Covid-19. The process that a bus operator that chooses to remove a bus service has to go through today is no different from the process that it had to go through pre-Covid-19.

Graham Simpson: I think that Mr Smyth has something to say.

Colin Smyth: Very briefly—

The Convener: Hold on. I am the convener. If Graham Simpson does not have a follow-up question—

Graham Simpson: I have follow-ups.

The Convener: Right. You should ask your follow-ups now. If Colin Smyth wants to come in afterwards, I will bring him in. I note that Maureen Watt has a separate question.

Graham Simpson: I have a question on a slightly different issue relating to buses and the recovery. I know that we want a green recovery, and we want people to get back to using public transport. The cabinet secretary will be aware of the difficulties that are being experienced by the bus builder Alexander Dennis Ltd, which is an international company with a base in Scotland. What discussions has the Scottish Government had with Alexander Dennis? What level of support can it offer the company?

Michael Matheson: Not only am I aware of the company, it is based in my constituency. I have a close personal relationship with the company and a long-standing knowledge of its operations.

We have had extensive discussions with Alexander Dennis. Bus operators are facing financial challenges as a result of the big drop-off in patronage that they experienced during the lockdown. Public transport use dropped to about 10 per cent of normal daily use, which has had a massive impact on the financial health of bus operators. As a consequence, they have become reluctant to place orders for new buses, which has had a direct impact on Alexander Dennis's order book. The company has gone from having what was, in effect, a record year and looking towards another record year to a year in which it has very little in the way of orders for the future.

We have been undertaking work to help to support and sustain the bus industry. First, we have provided almost £110 million to help to support and sustain bus services to continue by

meeting the gap in finances that bus operators face as a result of physical distancing having to be maintained.

Secondly, we have been working with Alexander Dennis to ensure that the company is as competitive as possible in the market for low-carbon and ultra-low-emission buses. We have brought forward into this year a grant of £10 million that is being made available by Scottish Enterprise; it was due to start next year. So far in the current financial year, the company has been provided with almost £7 million from the fund. The grant scheme was meant to run over two years, in two chunks of £5 million, but it has been advanced in order to help to support the company in developing new technology around ultra-low-emission buses.

We have also launched the Scottish ultra-low-emission bus fund, which is in effect a new version of our green bus fund, to support bus operators in purchasing new ultra-low-emission buses. That fund is out there and it has a key new aspect that is the first of its type in the UK—a bus leasing model, which is being supported by the Scottish National Investment Bank. That is the first of the initiatives that SNIB has taken forward. It is aimed at supporting the bus industry to look at leasing buses rather than directly purchasing them, in order to encourage companies to place new orders with the bus manufacturing sector. I expect that that process is being undertaken just now.

We have been working closely with Alexander Dennis on the implications that it could have for the company should orders develop. We have undertaken a significant amount of work to help to support and stimulate the market in Scotland.

Having said that, Scotland is only 25 per cent of Alexander Dennis's market—the other 75 per cent is in other parts of the United Kingdom. I have asked the UK Government to roll out a similar type of approach in England, but it has not done so to date. It is critical that we stimulate the market not only in Scotland but across the UK in order to start to generate orders—particularly for low-emission buses—that can help to support critical businesses such as Alexander Dennis.

We have engaged extensively with the company. I hope that I have assured the member that we are doing everything that we can do within state-aid rules to stimulate the market in Scotland, but we need to ensure that there is wider stimulation across the rest of the UK in order to generate orders for the future, where possible.

The Convener: Normal service has resumed in our meeting. Cabinet secretary, if I waggle my pen at you, I am asking you to keep your answer concise. Please look at me occasionally so that I can bring all members in with their questions. The

deputy convener wants to come in with a question—

10:30

Michael Matheson: I was just trying to be as helpful as possible to Mr Simpson and give him as full an answer as possible.

The Convener: I understand that, but there are 30 questions that people have indicated that—

Michael Matheson: I now know what it means when you wiggle your pen, though. [*Laughter.*]

The Convener: Good.

Maureen Watt: I understand that Transport Scotland has provided £10 million for what is called “pop-up” bus infrastructure. Can you tell us what that money will be spent on and what impact it will have on bus journeys and patronage levels for buses?

Michael Matheson: The purpose of that funding is to support local authorities in larger urban areas to identify key pinch points on their road networks that could impact on bus journey times. It is also to support local authorities to put in place temporary infrastructure that could help to improve bus journey times and the frequency of bus services. We have already had interest from and agreed funding for the City of Edinburgh Council, Dundee City Council, Highland Council and several others. Highland Council was the first, and it has already started to look at deploying the infrastructure to provide dedicated bus routes.

That is all part of trying to make sure that, as the Covid-19 restrictions ease, we do not find people simply falling back into bad habits and using their cars to travel into city centres. We want to make public transport as attractive and efficient as possible, and the pop-up bus infrastructure will help to support the bus industry to deliver that.

I have been very encouraged by the plans that local authorities have put in place as they work with bus companies to identify key pinch points and make buses a much more attractive option for people when they start to move back into city centres. We want to make it easy for people to choose to use public transport, and buses in particular.

Emma Harper (South Scotland) (SNP): How are we monitoring compliance with the requirement to wear face coverings on public transport? How has that been going? Have transport staff or passengers raised any concerns about enforcement?

Michael Matheson: Compliance has been very high. At the lower end, it has been around 80 per cent, but on average it is sitting at 90 to 95 per cent.

There have been some challenges with compliance in some areas. Where that has been identified, ScotRail, the British Transport Police and Network Rail have taken proactive action to address the issues and encourage people at particular stations to comply.

Encouraging young people to wear face coverings when they are using trains has been an issue since the schools have gone back. The three organisations have been engaging with local authorities and education departments to make sure that schools emphasise the message and remind parents that they need to make sure that their children are using face masks on public transport. I know that my kids have had communication on that because a lot of children at their schools travel by train.

Compliance levels on buses have been very high. In the early stages, staff were concerned that they might be asked to enforce the requirement to wear face masks, but that is not the intention. By and large, compliance has been very high.

Emma Harper: That is good to hear.

Will you provide an update on the roll-out of the spaces for people programme? I have been hearing that many proposed schemes have encountered significant opposition and some have been removed while others have not been progressed. What lessons have been, or can be, learned from the roll-out of that programme that can be applied to other initiatives?

Michael Matheson: The spaces for people programme aims to support people to cycle, walk and wheel to aid physical distancing where possible. We have now provided almost £39 million to local authorities to take forward such initiatives.

Local authorities are at different stages in rolling the programme forward. For example, the city council here in Edinburgh is at a much more advanced level than some other local authorities. Glasgow City Council is at a very advanced level with cycling infrastructure—I have made use of some of it, and it has been fantastic. The difference that that has made has been significant, and other local authorities are rolling the programme forward, too.

Some local authorities have faced challenges in implementing the programme because companies that they use for such work have had to take staff off furlough, which has delayed some of their progress. However, there is no doubt in my mind that, where the programme has been implemented and rolled out, it has made a real difference.

It is important that local authorities engage with local communities when they introduce such measures. I understand that some local authorities

have met opposition and concerns from local residents on some of the proposals that they have planned to take forward. It is important that local authorities try to address such concerns and consider amending their plans if that is appropriate.

It is important to maximise the potential to capture the change in behaviour that Christine Grahame mentioned, with people making greater use of active travel, and the spaces for people programme is an effective way for us to do that rapidly, given the speed at which we are having to pursue some of these initiatives.

Emma Harper: One aspect of the problems has been about keeping people safe, with segregated spaces for pedestrians and people who use wheelchairs—keeping them safe from cyclists, for instance. Is the need for safe, segregated spaces for everybody among the challenges that need to be addressed?

Michael Matheson: Yes. Part of the guidance that goes with the spaces for people funding, which was developed by Sustrans, is advice from the Mobility and Access Committee for Scotland on aspects relating to wheeling, and it also contains advice from the RNIB for people with a visual impairment.

Guidance is provided to local authorities on what they should be looking to put in place in designing such projects so that they address the needs of those with limited mobility or a sensory impairment that may have an impact on them. There is good guidance on that, and Sustrans will help to provide expert support and advice to local authorities as and when they need it in designing projects that they are developing.

Colin Smyth: There was an announcement in the programme for government yesterday that the active travel budget for the next five years would be £500 million. Given that the active travel budget is £100.5 million this year, that is a real-terms cut for the next five years, compared with this year.

One concern that has been raised is that about a third of the £39 million spaces for people budget—more than £12 million—went on just two cities. In the programme for government debate yesterday, you stated that work will now begin on assisting local authorities in turning some temporary schemes into permanent schemes. Given that a third of the budget went on just two cities, how do you plan to ensure that we do not get another disproportionate amount going to just two cities, and not to other parts of Scotland that are desperate for permanent measures but are likely to lose out because of the allocation?

Michael Matheson: Let us be clear that investment in active travel is at record levels. It has gone up to £100.5 million this financial year.

For the first time, we are providing for active travel a five-year funding programme of £500 million. That is a massive level of investment in active travel, and it has been warmly welcomed by those in the active travel sector, because it gives them greater certainty around funding for investment in active travel in the future.

It is worth keeping it in mind that the vast majority of the bids that have come in from local authorities have been met. The scale, nature and ambition of the bids that have been shaped at local level have, largely, been reflected by decision making by individual local authorities.

It would be fair to say that Glasgow and Edinburgh have developed extensive schemes, which may in part reflect the scale of the population base that they have and the ambition that they have. There are some local authorities, including my local authority, whose bids were of a much more limited nature and on a much smaller scale. We increased the pot again above the £30 million figure to try to meet all the additional bids that came in.

On funding, it would be fair to say that the spread of those bids also demonstrated that it was not just about the big cities. There was some real ambition from some of the rural authorities; Highland Council, for example, made a number of proposals in addition to its initial bid, and we were able to provide financial support for some of its active travel infrastructure.

Now that we have closed that process, we are moving to the places for everyone programme, which is about the permanent infrastructure. That will be the priority going forward. It may be that some of the temporary infrastructure can be converted to permanent infrastructure, if that is what local authorities want to do within their individual areas.

Colin Smyth: I say with respect that you did not answer the specific question. You have acknowledged that, because this year's budget is £105 million, £500 million over the next five years is a physical cut—

Michael Matheson: It is not £105 million—

Colin Smyth: I am sorry—this year's budget is £100.5 million. You do not have to do the maths—£500 million over five years is a cash cut per year; it is also a cut in real terms over the next few years, so there will be a lower budget than is available this year for active travel.

My question was very specific. A third of the funding for spaces for people, which tackled a specific problem, went to two cities, which do not have a third of the population. If the priority is now to assist those cities and others to turn temporary schemes into permanent ones, how will you make

sure that a proportion of funding that is bigger than the proportion of the population does not continue to go to those areas, rather than to other parts of the country that did not, for a variety of reasons, pursue the spaces for people programme, because it was not relevant to them?

That programme was ultimately about safe travel during Covid-19. That is not the same as places for everyone, which is about promoting active travel. How will you make sure, with a smaller budget in real terms, that those parts of the country are not disproportionately disadvantaged in the way that they have been during the spaces for people programme?

Michael Matheson: It would be unfair to characterise some local authorities as being not that interested in spaces for people. I am not saying that you did, but it would not be right to characterise it that way, because every local authority, bar two, put in bids for the spaces for people initiative. Clearly, some had much more ambitious plans than others.

We have increased the financial envelope even further to try to accommodate additional bids that were made at a later stage by a number of local authorities, including rural local authorities, to support them in taking forward the spaces for people initiative.

I have absolutely no doubt that the record funding that we are putting into active travel will help to deliver the infrastructure that is necessary to help to support people in being able to choose active travel. The very significant announcement of £0.5 billion over the course of the next five years—the biggest investment that has ever been made in active travel—will give us greater certainty on how we will go about making sure that we deliver that permanent infrastructure.

The Convener: I am not going to bring Colin Smyth back in, although I can see that he is itching to come back in. John Finnie has some questions.

John Finnie (Highlands and Islands) (Green): I have questions about the transport transition plan. In advance of asking them, I wish to commend Highland Council—which is not something that I regularly do—because it was extremely quick off the mark. It got a significant sum of money, which is not just for urban areas, and that has been rolled out. It is a modest start in the scheme of things, as I view the overall budget, but it is fair to record that for Highland Council.

You alluded to the transport transition plan in your opening statement. It was published on 26 May to manage the four stages. If I noted what you said correctly, you said that the plan continues to evolve, and you touched on issues of demand and capacity.

A national advisory group has been established to share best practice and to help to align local and national action. Can you comment on the work that it is doing? In particular, how close is that alignment? If you check many lamp posts in Edinburgh, you will see notices about decarbonisation by 2030. Is there that level of alignment?

10:45

Michael Matheson: You are correct to say that the transport transition plan is evolving. It is now at a very advanced stage.

A big element that we are working on now is a look at travel demand management as we move through the route map, and as people start to return to work or school. A lot of the focus of the transport transition plan has been on ensuring that we maximise capacity in the public transport network to support people as the restrictions ease. It is also about scaling up and providing a greater range of options on active travel—for example, through the spaces for people fund and the bus priority rapid deployment fund.

I will ask Alison Irvine to say a bit more about the work that we are doing in partnership to ensure that the approach that we are taking at national level is aligned with that at regional level. There is a particular focus on our big urban areas, particularly the Glasgow and Edinburgh city regions. We are looking at how we can support them to design the type of public transport provision that they want to put in place, as we move through the route map. The bus priority rapid deployment fund will support that. Alison Irvine leads on that work and is a member of the national advisory group, so she can tell you a bit more about the measures that we are taking forward and the discussions that are taking place.

Alison Irvine: We have established the national advisory group, and two regional groups have been set up to support the Glasgow and Edinburgh city regions. Those two areas were identified specifically because of the challenge that we saw in the scale of public transport usage there.

A lot of engagement is going on throughout Transport Scotland, and the national advisory group is just part of the process. However, the group brings in the rest of the country—the regional transport partnerships, the Society of Chief Officers of Transportation in Scotland and the chief executives' equivalent, are all represented on the group. Not only can we share Transport Scotland's activities and those of the rest of the Scottish Government, but we can hear what issues are arising in other parts of the

country and ensure that we are addressing them, as far as possible.

The two regional groups that we have set up for the Glasgow and Edinburgh city regions have effectively met weekly over the summer. A lot of work has been undertaken collaboratively on understanding the scale of the challenge and the level of demand, as we move through the route map. Our understanding of where the challenges might manifest themselves—for example, in hot spots on the transport network, particularly in bus and rail travel—has led to identification of a range of options that we are starting to take forward.

As we have mentioned, some of that is coming through in the bus priority rapid deployment fund bids that we are getting back from the two city regions. There are also the spaces for people measures, some of which are associated with communications, messaging and working with employers to help us to understand what the challenges are in those areas and to manage the impacts.

That work is evolving because we are in—*[Interruption.]* I am sorry—are you waving your finger at me? I was not looking at you.

The Convener: There is always the danger that you will catch me out of the corner of your eye. John Finnie has more questions, which you might be able to answer, too.

Alison Irvine: Okay. To sum up, the situation is evolving, but there has been a lot of engagement and a lot of really good collaborative working.

John Finnie: I am going to ask briefly about two other groups: the rail recovery task force and the multi-agency response team.

First, is the rail recovery task force simply to take us back to where we were pre-Covid, or are there opportunities to consider taking a different direction? I regularly correspond with you about rail freight. There have been some extremely good developments in it; for example, for the first time in 14 years thousands of tonnes of timber are being conveyed from the far north.

Michael Matheson: The purpose of the rail recovery task force was to manage the ramping up of rail services as we move through the route map, and to consider what specific measures have to be put in place as part of that process. We went from a stage at which services were at around 30 per cent of normal service levels. Through incremental changes in the level of rail services that were being provided it went up to 43 per cent, and then it moved further up to the 91 per cent that we have at the moment.

The rail recovery group has been responsible for planning and managing that. A key part of the work that it has been doing is to make sure that

we are increasing rail capacity ahead of the decisions that we are making under the route map, through which a potential easing of restrictions could increase levels of demand. We have therefore been working in a way that has been a step ahead of the decisions around the route map, as restrictions were eased.

Alongside that, the MAT—the multi-agency team—has been working to bring together a range of rail and bus public transport providers and local authorities to identify where there might be capacity constraints or where concerns are being raised, and to address those issues as quickly as possible. The MAT has had a slightly different role, in trying to identify where there are problems in the transport network and addressing them as quickly possible, particularly in respect of physical distancing.

I ask Bill Reeve to say a wee bit about the rail recovery group, because its primary function is to manage going through the route map, as opposed to something much wider than that. Bill can also attach a bit on the work that we are doing around freight, because we have made the rail freight grant available; the scheme that is now operating on the northern line is a very good example of how the fund is starting to have an impact by encouraging use of rail freight.

Bill Reeve (Scottish Government): If I have understood your signal correctly convener, that was a request to be brief in my answer.

The Convener: I always encourage people to be brief and succinct, but I know that you will be.

Bill Reeve: The rail recovery task force has been really helpful in allowing us to plan our response as we have gone through the various stages of the recovery. Its membership is comprised of ScotRail, Network Rail and Transport Scotland, but it is important that it is also our means of engaging with groups including Transport Focus, passenger interests, the British Transport Police and—which is very important—with staff representatives in a partnership working group, through trade union engagement.

That work has helped us to respond quickly to changes in demand pattern, as we have had to respond to different stages of the recovery. It is also facilitating our looking forward to how those demand patterns might change. The group has looked not just at demand and anticipating demand; we have tried to stay ahead of the curve so that we can maintain social distancing.

It is very important that the group has been monitoring and applying best practice around passenger and staff safety. That collaborative approach has proved to be hugely successful, and we will wish to build on it as we go forward through

the changes that we will have to make to address changing transport patterns.

On rail freight, I can only endorse what Mr Finnie said about how good it was to be able to conduct the recent successful timber trial on the far north line. The trial is now the subject of evaluation. It is part of a wider range of initiatives that we have under way to promote development of rail freight. A project for a timber-loading terminal at Rannoch is making good progress; it will take a lot of the timber off the roads in that area. There is also the exciting Highland Spring project at Blackford.

Michael Matheson: There is also the project at Dunbar.

Bill Reeve: Yes. I am pleased to say that folk from across Britain are looking at what we are doing in Scotland. There have been a couple of trials of new freight flows, including one from Aberdeen to Suffolk, during lockdown. The rail freight industry has not been forgotten in all this, and we are doing everything that we can to support developing initiatives.

John Finnie: That is very reassuring. I am conscious of time.

Transport Scotland has committed to doing a series of impact assessments—including an equalities impact assessment, a fairer Scotland duty assessment, and a child rights and wellbeing impact assessment—of the transport transition plan. Have they been completed? If so, what were their main findings? If not, when can we expect to see the findings of those assessments?

Michael Matheson: I will get Alison Irvine to say a bit more on that, because she is leading part of the work to make sure that we meet our statutory obligations around aspects of the transport transition plan, and that we are taking into account the wider issues around equalities, human rights, and so on that need to be considered in any work that we take forward. Alison can say a bit more about the progress that has been made with those assessments.

Alison Irvine: That is a fundamental part of our work to support the transport transition plan. We are all aware of inequalities—the committee has touched on some of the issues. My team is undertaking the statutory assessments that are required by law to support the work that we are doing, but because the plan is evolving and the work is on-going, it is difficult to identify an end point when we can say, “Here are the report and the transition plan”.

We have established an equalities network to draw in the lived experience of a range of interest groups that are helping us with the work, in order that we can identify the actions that we need to

take. At present, the majority of those actions are around the response that we had from the Mobility and Access Committee for Scotland, which we are picking up through the advice on the spaces for people scheme and so on. We expect that to evolve, as the impacts of the Covid pandemic on other parts of society start to manifest themselves. I am thinking particularly of the poverty aspect and of young people, which is where we are likely to go in our work.

We are conscious that there is not a defined end point when we would, as for a normal piece of work, publish the impact assessments. There might be a case for publishing an interim report so that we can make it clear to people what we are doing. We are considering that with a view to doing it over the coming weeks.

Stewart Stevenson: I have a number of questions about the emergency measures agreements—EMAs—under which franchises are now operating across the GB network. The first question is purely technical. The Office for National Statistics now categorises the train operating companies as public non-financial corporations. Does that have any practical effect that you want to bring to the committee's attention?

Michael Matheson: It does not have any direct implications for ownership, legal status or the management of rail services through train operating companies. More of an issue is how it will be recorded by the ONS in any official statistics. Officials in Transport Scotland are making sure that the ONS decision is reflected in our reporting process, but it has no practical implications for the operation or on-going management of rail services.

Stewart Stevenson: So we will need to be careful about future comparisons, but that is for another day. More importantly, it looks as though the EMAs will continue for some time. In relation to ScotRail, do we have a sense of what the on-going costs to the Scottish Government's budget are likely to be?

Michael Matheson: The existing EMAs, which were introduced earlier this year for the ScotRail and sleeper franchises, expire on 20 September. The cost is in the region of £250 million over both of those EMAs. We are presently looking at options for beyond 20 September, including a further EMA. You are correct that significant challenges remain for the rail sector, given that patronage numbers continue to be so low. An extension to the existing EMAs is one option that we are considering.

The Convener: I did not quite hear that answer. How many months was the £250 million for?

Michael Matheson: The initial EMA runs for six months.

The Convener: So the annual cost is £500 million.

11:00

Michael Matheson: The final cost depends on things such as farebox recovery and so on. As we have gone through the route map and as patronage levels have increased slightly, farebox will have increased slightly, which will have an impact on the overall cost.

Right now, the cost is approximately £250 million, but a reconciliation process will be undertaken to arrive at the final figure. The cost will depend on patronage levels, which could have an impact. At a basic level, is the cost £500 million? It could be but, as I said, there will be a reconciliation process to identify the exact final cost.

The Convener: I have one more question, so that I can understand the cost. During the period we are talking about, rail services were running at a slightly reduced level. I assume that the cost for the rail services, given what we have heard previously, equates to approximately one third for infrastructure, one third for equipment hire—in other words, trains—and one third for staff. The staff costs might have been reduced—well, none of it will have been reduced. Are you saying that that is the maximum cost for those six months?

Michael Matheson: Yes—that is what we would expect it to be. That would be the maximum cost, but there may be a threshold below that as a result of increases in patronage levels and farebox, which could have an impact on the final reconciliation figure.

The Convener: I will need to look back at the figures that Abellio gave the committee previously. The figure that you quote seems somewhat low.

I apologise to Stewart Stevenson for interrupting him.

Stewart Stevenson: Thank you, convener—I move to my final question. The Williams review has been under way for some time. As we are all, across the GB network, running under EMAs, there is an opportunity for us to explore the practical effects of the different models for operating rail companies, aside from the traditional franchise model. How are we feeding into the Williams review, in particular with regard to the wider Covid response and the effect that it has had on the railway, and the different model of operating under which we are currently working?

Michael Matheson: The Williams review is now complete. I have met with Keith Williams on

several occasions to set out the Scottish Government's position on these matters. That includes our view that there should be a single structure that integrates infrastructure and passenger services, and that we in Scotland require the powers to allow us to create that structure for Scotland's railways.

The report was submitted to the UK Government and to the UK Secretary of State for Transport, and we were expecting a UK rail white paper in autumn last year. However, that was obviously delayed. As things stand, we have had no indication from the UK Government of its plans in respect of the Williams review and any rail white paper.

The last reference to the matter that I heard was from Grant Shapps at the Transport Select Committee in June this year, when he said that some aspects of the pandemic had overtaken some of the issues that the Williams review identified. To date, there has been no indication of what will come from the review.

We are still not sighted on what the plans are for the future shape of rail services. Given where we are, with the need to make use of EMAs and uncertainty as we move forward, it is critical that we have clarity on the scope of our powers to reshape rail services in Scotland. Until we have that clarity, there will be a level of uncertainty around our options for future rail services in Scotland.

Colin Smyth: I have a brief follow-up on the previous two questions. You have not published the EMAs, but you have estimated that the cost will be £250 million for the six-month period. What is your estimate of the management fee that is paid to Abellio and Serco for that agreement?

You said specifically that extending the EMAs was one option. What other options are you looking at? Is one of the options to bring the franchises under public control and run them with an operator of last resort, rather than hand another £250 million-plus to private companies?

Michael Matheson: The EMAs operate on a cap basis, so any management fee is capped at 2 per cent across the board. I will get Bill Reeve to say a bit more about the practicalities of that.

With regard to other options, one option is to go back to the full franchise and let that run in the way in which it was operating previously. However, it is clear—given the patronage levels, the farebox position and so on—that that would be financially unsustainable, which is why EMAs have been introduced.

The other option is that we go to an operator of last resort. The problem is that we would implement that model for only a limited period of

time. Unless we have the full devolved powers around our options for running rail services in future, including the infrastructure element, we will not be able to implement the public sector-controlled public railway for which Colin Smyth is calling, because our powers are restricted.

The powers to make decisions in that regard lie with the UK Government, so our options are extremely limited. We could have an operator of last resort for a limited period, but if the UK Government does not give us more extensive powers on decision making in the area, we will be forced back down the route of a further franchise, despite the fact that I believe that the franchise system is bust and no longer fit for purpose, and that it should be withdrawn. That is why I want full control over passenger services and infrastructure for rail in Scotland, to allow us to make those decisions in a way that enables us to run a public rail service for the people of Scotland that reflects our needs.

I ask Bill Reeve to say a bit more about the structure of the EMA and the publication of the details that we will provide on it.

The Convener: Before Bill Reeve comes in, John Finnie wants to slip in a question, which Bill might be able to answer at the same time.

John Finnie: Cabinet secretary, you and your predecessor have chaired meetings on public ownership. You are not suggesting that it would be impossible for the Scottish Government to have public ownership of the operator without the infrastructure—or are you?

Michael Matheson: A public sector organisation could make a bid to run a franchise. However, the danger for that organisation would be that it would carry all the risks that go with a franchise. In my view, the way in which franchises operate is no longer fit for purpose; we need to move away from them altogether and have a single operating structure. I am not in favour of franchises, and I want to get rid of them. I want to have the powers to be able to take forward a structure that allows us to ensure that we can do that.

John Finnie: For the avoidance of doubt, I share your position on that, as you are aware, but there is perhaps a middle course, which is the operator model.

The Convener: Does Bill Reeve want to add anything briefly? I am conscious that there are a lot more questions that we need to fit in.

Bill Reeve: I do not have a great deal to add. I just make clear that the additional costs involved in the EMA reflect the difference between the operating cost and the revenue—in other words, how much money we get from the passengers and

how much money still needs to be paid to cover costs that are not covered by the revenue. That difference does not go away in the event of an operator of last resort coming in.

It is worth remembering that there is a substantial gap between the lower revenue level that the current level of patronage makes available and the operating costs of the national ScotRail network. That needs to be met under whatever model we choose.

The Convener: I apologise, but we have to leave railways and move on to the next topic, on which Angus MacDonald has some questions.

Angus MacDonald (Falkirk East) (SNP): I want to ask about some of the provisions in the Transport (Scotland) Act 2019, including those relating to low-emission zones and pavement parking, to name but two.

The programme for government for 2017-18 included a commitment to have at least one LEZ in operation in 2018, and to implement LEZs in the four biggest cities during 2020. Can you explain to the committee why the roll-out of LEZs has been delayed until 2022? What consideration has been given to the application of more stringent emissions standards, given the delay? Can you clarify when drivers may become liable for paying penalties for breaching LEZ emission limits?

Michael Matheson: The reason why progress on low-emission zones was paused was not that we are not determined to continue to tackle the issue of air quality associated with traffic; it was a reflection of the practical challenges of taking forward some of that work during the pandemic. Transport Scotland officials had to pivot towards dealing with Covid-19 issues rather than deal with the regulations and the work associated with LEZs. Equally, local authorities highlighted to us that staff who were dealing with LEZ issues and the processes to take them through their committee structures had to shift to deal with wider challenges around the pandemic. The pause is a practical measure to try to address the challenge that staff in Transport Scotland and local authorities have faced during the pandemic.

We have now had an opportunity to review the process. The leadership group met a number of weeks ago, and the indicative timeframe now is that LEZs will be taken forward with introduction between February and May 2022. That is to allow for the statutory process that we have to go through for any regulations at the national level, the process that local authorities have to go through as part of the statutory requirement and the lead-in time that they require to do that. That was the earliest timescale that was seen to be practical for LEZs to be taken forward.

We are looking at more stringent emissions standards. We discussed them at the leadership group and considered whether we should introduce more stringent restrictions in emissions standards. That is being considered, and the leadership group will look at it again.

On the liability to pay penalties associated with LEZs, a grace period of at least a year is provided for when an LEZ is introduced. Between February and May 2022, when cities introduce LEZs, they will have the opportunity to set a grace period. Penalties will start to apply once the grace period is complete. I expect the penalties in some of those areas to start to apply in 2023, as they have to give a year.

Angus MacDonald: Here's hoping that the new timeline is adhered to.

Another aspect of the Transport (Scotland) Act 2019 is pavement parking. When will the prohibitions on pavement parking, double parking and parking in front of dropped kerbs come into force?

Michael Matheson: As with the LEZs, officials who were working on the regulations, guidance and statutory instruments that are associated with the specific provisions in the Transport (Scotland) Act 2019 have had to shift to deal with Covid-19 issues, but they are now moving back to deal with those matters, so we are now looking to progress parking prohibition elements and the regulations that will be necessary for that. That is partly dependent on the parliamentary timetable, because some of that work has to come before the Parliament.

Staff are moving towards that, but I cannot give members a specific date, because I do not control all of the process. However, I can assure members that staff are moving back to considering progress on some of that work. Things will then partly depend on the parliamentary process for slots and bringing forward the statutory instruments that need to be considered by the Parliament.

Angus MacDonald: Will they begin in this parliamentary session?

Michael Matheson: I do not know whether there will be parliamentary space in the timetable. We are engaged on that with the parliamentary office, but I do not know whether there will be parliamentary space to complete things in this parliamentary session.

Angus MacDonald: Fair enough.

On other provisions in the Transport (Scotland) Act 2019 being brought into force, will you give us an update on bus service regulation and ticketing, and on any other aspects that you think we should be aware of?

Michael Matheson: As with the parking provisions, staff are now moving back to take forward some of that work. When I have a clearer line of sight on the process and the timeline for taking forward those matters, I will be able to update the committee on that. However, I cannot do so now, given the stage that staff are at in moving back to take forward that work relating to the act.

Angus MacDonald: We look forward to that update.

The Convener: We will move to our next question, from which it appears that we have not left the subject of railways altogether.

John Finnie: Cabinet secretary, will you provide an update on the development of the Levenmouth rail link? When do you expect the line to reopen, and when are the associated improvements to bus services and active travel infrastructure likely to come on stream?

11:15

Michael Matheson: The Levenmouth project is part of our rail enhancement and capital investment programme in control period 6. The design phase of the project is progressing well and according to programme, with the development of various parts of the infrastructure options being well under way. Those options include looking at passenger elements, stations and the possibility of freight on the route. A fairly wide approach is being taken to that design process. The intention is for that project to be delivered in control period 6.

At present we are considering whether the work that we do on the Levenmouth line could have a wider impact on the Fife circle—for example, electrification of some aspects. I have asked Network Rail to ensure that if we are considering making specific provision on electrification of the Levenmouth line—or at least getting it ready to be electrified—we should consider how that might build into the work on the wider Fife circle enhancement programme. Aligning both of those aspects is part of the challenge, but our intention is to take the project forward in control period 6.

On your point about the active travel and bus aspects, those are being undertaken by the local authority, and I am afraid that I do not have up-to-date information on the position. However, you will be aware that we are providing £5 million of funding for additional works to enhance aspects that could support use of the railway, which the local authority has agreed to match. Part of those works are intended to support better bus and active travel provision.

The Levenmouth project is running on plan and according to programme, but we are trying to fit it into the work that we are doing on the decarbonisation of the wider rail network and how that could be designed to meet any changes in the Fife routes.

John Finnie: I am being scowled at by the convener, but if I may I will allude to media reports that indicate that construction could start next year and that the line could reopen in 2023. Is there any basis for those reports?

Michael Matheson: I am not aware of them, but I can say that, in my discussions with Network Rail, I have emphasised my ambition to complete the project in control period 6, and it has recognised that. I am keen for Network Rail to make as much progress as possible, and quickly—and Alex Hynes is well aware of that.

Graham Simpson: Thank you for your earlier answer about Alexander Dennis. I hope that we can have a chat about that.

I want to ask about a couple of key roads: the A9 and the A96. Dualling is planned for those, and in the case of the A9 it is already taking place. Is the A9 project still on target to finish by 2025? If not, when do you expect it to be complete? On the A96, is it still your wish to dual the entire road, or have you had a rethink on that? What is the projected timescale for that project?

Michael Matheson: On your latter point, we remain committed to dualling the A96 in accordance with the intended timeframes. Whether that can be achieved will depend partly on the statutory process that major infrastructure projects of that nature go through. However, it remains a project to which the Scottish Government is committed.

You are right to say that we have already completed some of the dualling on the A9. The contractors are presently considering the time that has been lost during the pandemic, to see whether that can be built back into the programme. The timeframe remains that completion is expected by 2025. However, as I have said, the contractors are currently considering whether they can draw back some of the time that has been lost during the lockdown restrictions.

The Convener: I had questions on how national transport strategy 2 and strategic transport projects review 2 might change during the Covid pandemic. I might let those slip, because other members still have questions to ask. The committee's clerks will write to you with our questions on that subject and ask you to provide us with an update.

However, I will ask my other question, which is on the Rest and Be Thankful. We do not appear to

have much to be thankful for there, because the road always seems to spend a lot of time being closed. Will the latest repairs be final, or how else will you solve the problem?

Michael Matheson: Sorry—are you asking whether the latest repairs are the final ones that we will do on the Rest and Be Thankful or whether there is an alternative route?

The Convener: I am asking about the future of the temporary repairs that are being carried out at the moment. Let me stress that the staff who are doing that are working really hard, and I appreciate the updates that the committee constantly receives. However, the road presents an on-going problem, and I would like to know what the solution for it is.

Michael Matheson: You are right. Our trunk road operating company BEAR Scotland has put in a tremendous amount of work to repair the damage that was caused to the Rest and Be Thankful. It is making good progress with that, but the work is weather dependent.

Our plan is to continue with mitigation measures. Work is due to start on a further catch pit on the Rest and Be Thankful as soon as repairs are completed on the section that was damaged, which is further up the road. BEAR is also designing a further potential catch pit in the area in which the most recent landslip took place. Work on those mitigation measures will continue, because the road will continue to be the main route into parts of Argyll.

At last week's meeting of the task force, I set out that we would be undertaking work to identify an alternative route to the existing alignment of the Rest and Be Thankful. We expect to have 11 different options going out to consultation in December, and that process will be complete by the early part of next year. By next spring, I expect to be in a position to set out the preferred option for an alternative to the existing route.

We have given a clear commitment to not only continue with mitigation measures but identify an alternative route to the existing Rest and Be Thankful.

Mike Rumbles (North East Scotland) (LD): Good morning, cabinet secretary. My question is about Prestwick airport. Media reports highlight that, for the first time in, I think, 13 years, the airport made an operating profit. It was £3 million, which is very good news. However, I understand that the debt to Scottish taxpayers, which consists of the loans given to the airport by the Scottish Government, is £38.4 million. When do you think that taxpayers will get their money back from those loans?

Michael Matheson: Good morning.
[*Interruption.*]

The Convener: I am sorry to interrupt. I am trying to manage the time, but it is quite difficult to listen to members' questions when people are asking me about other matters.

Committee members made it quite clear to me that they had various commitments that meant that they needed the meeting to finish by 12. Mike Rumbles has questions on Prestwick airport, then there is a series of questions from other members. I apologise that I have had to cut a question, but I am afraid that I must be allowed to do so.

On that note, I ask Mike Rumbles to repeat his question. I am sorry—I could not hear it all the first time.

Mike Rumbles: Okay. Media reports highlight that, for the first time in 13 years, Prestwick airport made an operating profit. It was £3 million but, as I understand it, the debt to the taxpayer, which consists of the loans given to the airport by the Scottish Government, stands at £38.4 million. I asked the cabinet secretary—and I think that he heard me—when he thinks that taxpayers will get their money back from those loans.

Michael Matheson: Mr Rumbles is correct to point out that the airport has reported an operating profit of £3 million for 2019-20, which is based on an increase of 46 per cent in its revenue. I am grateful for the significant amount of work that the management team at the airport, along with its board, has put into driving forward the turnaround there.

Mr Rumbles is also correct to say that the commercial loan that is associated with the airport remains outstanding. That matter would obviously form part of any sale process that might happen in the future, given that it is an outstanding amount that is associated with the business. Having said that, we should not underestimate the importance of Prestwick airport to the Ayrshire economy and the significant employment that is associated with it, particularly in the aerospace and aviation sectors. If we had not provided a commercial loan to Prestwick airport, it would no longer be operating, and that could potentially have had a significant impact on employment in the area.

The debt remains outstanding, and it will be part of any sales process, but we should not underestimate the importance of the Government's making that funding available to the airport, given the airport's importance to the Ayrshire economy and employment in the aerospace and aviation sectors.

Mike Rumbles: I appreciate all of that, but I am concerned. I know that the airport is for sale and that you had a preferred bidder. Where do we

stand with that preferred bidder? What can you tell us about it? I know that there may be issues of commercial confidentiality, but whatever you can tell us about the preferred bidder would be helpful.

You have recognised that we are talking about £38 million-plus of taxpayers' money and that that will be part of the sale. I hope that you do not intend to write off that money.

Michael Matheson: I am not going to start to give you details about any commercial transaction around the sale. It would be inappropriate for me to do so. As I have mentioned to the committee and Parliament before, we have extended the timeframe for the negotiations to be taken forward at the request of the interested party because of the pandemic and the impact that it has had on its capacity and Prestwick airport's capacity. We still have an interested party, but the timeframe for the discussions has been extended. I will not get into any of the details relating to the commercial loan associated with the airport while those negotiations are taking place.

Mike Rumbles: I would not expect you to. However, bear in mind that we are conscious that that is public money.

Michael Matheson: I am acutely aware that it is public money. You are not the only person who is acutely aware of that. I am also acutely aware of the hundreds of jobs that depended on our making that loan available and the many livelihoods that depended on the Scottish Government's intervention in helping to secure and maintain Prestwick airport. Had we not done that, there could have been a catastrophic impact on the Ayrshire economy.

Maureen Watt: During the pandemic, west coast seafood producers in particular have used Prestwick airport to get their products to market. Can anything more be done to encourage other food producers, such as fish producers, to use Prestwick airport as a freight hub rather than trucking down to Dover? With Brexit coming, that alternative looks to me to be a real goer to avoid fresh produce being stuck in some lorry park at Dover and going off. Is Prestwick being offered through the chambers of commerce and the Federation of Small Businesses as a hub for produce to get to market?

Michael Matheson: Prestwick has a significant freight capacity that is well utilised and well recognised in the industry. It would be fair to say that food producers that are considering using air freight as opposed to road freight will be looking at the costs that are associated with that. Air freight is much more expensive than road freight. Obviously, if food producers chose to use air freight instead, that would be a commercial

decision, but there would be capacity at Prestwick airport to meet any demand that might arise.

Part of our contingency planning in preparation for Brexit was to consider whether there were problems at the short straits at Dover that could impact on Scottish food produce getting to European markets. Air freight was one route that was identified as an option, and we undertook modelling and looked at options for what we could put in place to support producers should they have to switch to air freight. Obviously, we will revisit that, depending on where we go with Brexit and the potential for a no-deal Brexit. However, choosing to use air freight would largely be a commercial decision, because it is significantly more costly than road freight.

The Convener: I have a quick question on the 46 per cent growth in revenue. In previous years, a huge amount of Prestwick's revenue was from fuel trading with National Guard aeroplanes and the American air force. How much of the 46 per cent increase is down to fuel trading and how much of it is down to freight?

Michael Matheson: I do not have that information—you would have to ask Prestwick airport for it, as the operator.

11:30

The Convener: Could you write to us with the figure?

Michael Matheson: I can ask the airport to do so. It is run on a commercial basis; it is not run by the Scottish Government, so it would be for the airport to provide you with that information. Some of it might be commercially sensitive, so the airport might not be prepared to put it in the public domain, but I do not know. We can ask Prestwick airport to respond to that point.

The Convener: Thank you. We now have a series of questions from members.

Christine Grahame: The cabinet secretary will be aware, because I have raised the issue with him, of the severe damage on the A68 from the recent heavy rain. At Fala, something the size of a sinkhole has appeared, and it is causing a great deal of problems for people who commute on the A68, with diversions across to the A7 through wee villages such as Stow. There appear to be issues with utility companies not getting work done and holding up progress, but perhaps I have got that wrong. Could the cabinet secretary clarify that issue and say when the A68 will reopen?

Michael Matheson: I am aware of that issue, and I know that Christine Grahame has raised it directly with me, given the impact that it is having on her constituents.

My understanding is that good progress is being made. There were challenges to do with utilities, which involved telecommunications and digital utilities. I understand that that work is now complete or well progressed. If the weather holds and we do not have further significant periods of wet weather, we expect the work to be complete in the early part of this month, or in the next couple of weeks. The contractors are making as much progress as they can, given the fair weather that they have had recently. I understand that the utilities issue has by and large been addressed. If it has not been completely addressed, it is being addressed.

Emma Harper: I will try to be quick. Maureen Watt brought up issues to do with Prestwick airport, hauliers and Brexit. The port of Cairnryan is important as well, as are the main arterial routes to and from it. What engagement has the UK Government had with the Scottish Government on planning for the port infrastructure and Irish border issues?

Michael Matheson: You will be aware that, as part of preparations for Brexit, we have looked at contingency arrangements at Cairnryan, given the potential impact on the port. It is fair to say that we have not had clarity from the UK Government on exactly what its intentions are for any customs point between mainland UK and Ireland and Northern Ireland. That is unclear. There appears to be an intention to have some form of customs check. Whether that will be on the Northern Ireland or Scottish side is still unclear, although it appears that it may be on the Northern Ireland side. We are also unclear on what exactly the UK Government's plans are for managing that. I cannot give you greater clarity, because we have not been provided with it by the UK Government. However, we will continue to press the UK Government on the issue, as it could impact on the local community.

Oliver Mundell: I am interested to see the response that the convener requested from the cabinet secretary in writing on the national transport strategy and the strategic transport projects review.

On a specific point, it has now been almost 1,500 days since the Deputy First Minister convened a much-heralded transport summit to look at the issues affecting the A75 and A77, both of which are major trunk routes serving the ferry service at Cairnryan and, in the case of the A75, connecting Northern Ireland, southern Ireland and the north of England. More than four years later, we are still waiting. It has now been 13 years—unlucky under this SNP Government—so will the cabinet secretary today finally commit to unlocking south-west Scotland's economic potential and confirm plans to dual the A75 and upgrade the

A77, or will they simply be forgotten again as part of the review?

Michael Matheson: Sorry, I am trying to see through the screen that is beside Mr Mundell.

Oliver Mundell: It is a little bit off-putting—it is hard to eyeball you through Perspex.

Michael Matheson: It is difficult, because there is also a slight bevel shape to the screen.

The Convener: That is enough of the eyeballing and sizing each other up. Cabinet secretary, would you like to answer the question?

Michael Matheson: It is important to recognise that the issues that are associated with the A75 and A77 are not lost—they remain a key part of the Scottish Government's STPR2 process. We have already completed the pre-appraisal process and, a number of months ago, published the report, which sets out in the region of 23 different interventions for the south-west of Scotland.

There are aspects of STPR2 that have been delayed due to the pandemic, but the work is moving forward, which will allow us to focus on the recommendations of the appraisal for both the A75 and the A77. That will be part of our on-going programme of work in looking at what the investments should be to address the issues that have been highlighted in the appraisal process.

Mr Mundell can be assured of the importance of both roads. They are part of the appraisal process that has already been undertaken, which will allow us to identify the appropriate interventions.

Oliver Mundell: Does the cabinet secretary accept that people living in that part of the world will not believe the Scottish Government's commitment until they see something delivered? There is no point in making repeated promises, having repeated reviews and saying that things will be sorted in the future. People have been waiting a long time and there are well-known problems on those routes. Why are they at the bottom of the priority list?

Michael Matheson: The important thing to recognise is that those roads are not at the bottom of the priority list. The appraisal process for the south-west of Scotland has been one of the early actions that we have taken forward—it is ahead of a number of other local authority areas in identifying where transport improvements need to be undertaken. Given what we have done to date, Mr Mundell can be assured that there is a clear commitment to make those investments. Clearly, if we were to sign up to the plan to have a third lane on the M8, there would be less money available to invest in roads such as the A75 and A77. If the priority is to put in a third lane on the M8, there will be less resource for areas such as the south-west of Scotland, which is why I do not think that that is

the appropriate priority for any transport infrastructure investment plan.

Graham Simpson: I have a question on trains. I was not the only committee member to do so, but I recently took part in an online session on the potential of battery trains. During that session, it was mentioned that, where there are bridges on lines that are planned for electrification—excuse me, convener, but the Glasgow to East Kilbride line in particular was mentioned, and the cabinet secretary will be well aware of it—the use of battery trains can help. What plans do you have to introduce battery trains in Scotland, and what potential do you see to save money where we are looking to improve infrastructure?

Michael Matheson: You raise a good point. You are right that the East Kilbride line is one of the areas that we have identified. I was there fairly recently, and the investigation works have started. The work involves not only electrifying the line but dualling it, which will provide it with much greater resilience and capacity to help to support the people who make use of the services. It also involves enhancements to East Kilbride railway station which, in my view, is unacceptable in its present form. That is why that work is one of the early actions that we intend to take forward.

Our decarbonisation of the rail network is not just about electrification; it is about considering alternative forms of propulsion, including battery and, potentially, hydrogen trains. The challenge is where the technology is at presently. One option that we have been looking at is, instead of electrifying all of the Fife circle, for example, electrifying part of it and operating battery trains on the line, so that only a section of the line would have to be electrified in order to keep the batteries topped up. The other sections could be used by the train operating under battery power.

That also has potential for some of the more rural routes, where introducing overhead electrified lines brings an additional risk, particularly during adverse weather. Having sections of line electrified and operating the rest of the line on battery is one of the possibilities that we are looking at, as is the potential for hydrogen trains and the role that they could play as that technology is taken forward.

I have directed officials not just to look at having a decarbonisation plan that is about electrifying the network, although that is part of the work, but to look to create the expertise in Scotland that will allow us to develop battery trains and, potentially, hydrogen trains. We are already in discussions with a number of manufacturers on the possibility of those. I have also engaged with Scottish Enterprise, which is now developing a rail cluster. It has appointed a senior official to bring together partners that could develop some of that

technology and move it forward. We have identified a ScotRail 314 train that could be adapted as a hydrogen train, and some of our Hitachi trains could have batteries installed.

I am very keen to make sure that our decarbonisation plan is not just about electrifying different routes but also about bringing in new technologies and securing some of the design and development work for those new technologies in Scotland, so that we can get some of the wider economic benefits that come from that type of development work. That is a big part of what I am trying to drive forward with the decarbonisation plan.

Graham Simpson: Thank you. I am glad that you share my enthusiasm, and I hope we can keep up a dialogue on that.

Michael Matheson: I am more than happy to, and to discuss Alexander Dennis issues with you, as well.

Graham Simpson: Thank you very much.

The Convener: I have a couple of quick questions. You have provided an updated snagging list for the Queensferry crossing. On the latest one that I had, there were 14 issues. I am not proposing to go through all of them, but it would be helpful if you could update that list for the committee. I have picked out four; maybe you could confirm that they have been done or, if they have not been done, confirm when they will be completed.

The tower maintenance access platforms issue was due to be completed in December. Is that done?

Michael Matheson: To help you, I can make it short. All the snagging work has been completed with the exception of a wooden fence that one of the contractors has to install on a piece of land in the south-west of the land that is under the bridge.

The Convener: They are all completed.

Michael Matheson: Yes. It saves you going through a list if I say that.

The Convener: That is perfect. The one thing that was not on that list that was discussed subsequently is ice sensors. As we are approaching winter, could you briefly update us on the position for the ice sensors and preventing the build-up of ice on the cabling?

Michael Matheson: The ice sensors were installed a couple of months ago, so that process has been completed. The purpose of the ice sensors is to give us an early warning of ice build-up. The plan is still to manage ice build-up on an operational basis should it happen again in the way that it has on a couple of occasions now.

The associated work, on enhanced weather forecasting to try to identify the circumstances when the risk of ice increases, has all been taken forward.

The Convener: That is good news.

The final question is on the Aberdeen western peripheral route. You reached agreement. We are coming up to the end of the route's first year of operation, which should signal the end of compensation claims. Are claims in line with what you anticipated? If so, will there be no further expenditure above what was budgeted?

11:45

Michael Matheson: Yes. I gave the committee an update on 21 February, and the position remains the same. The settlement was agreed and it is still at the level that I set out previously.

The Convener: Are compensation claims coming in?

Michael Matheson: Do you mean to do with Aberdeen Roads Ltd?

The Convener: Under compulsory purchase legislation, I believe that compensation claims can be submitted for a period after a road opens.

Michael Matheson: I am not directly aware of that, but such information would not necessarily come to me; it is a matter that would go through the legal process rather than go directly to ministers.

The Convener: But the process is on-going.

Michael Matheson: Are you asking me about the issue with Aberdeen Roads Ltd, or are you asking me about the landowners?

The Convener: I asked you two questions. First, I asked whether the agreement with the contractor had been finalised. My second question was about compensation relating to land acquisition. After land acquisition, there is a period in which people can submit compensation claims, although I cannot remember from my training whether it is one year or two. Is that process on-going and working smoothly?

Michael Matheson: I ask Alison Irvine to comment on that.

Alison Irvine: There are two separate issues. One is the contractual relationship with the contractor and the other is the land compensation associated with the land that we had to buy under compulsory purchase. The latter process is on-going because, while there is a period for people to make claims for compensation, we cannot necessarily force them to operate within that period. However, I am not aware of there being any particular issues associated with that.

The Convener: Thank you.

There are no further questions from committee members, so I thank the cabinet secretary and his team for coming in this morning. Considering the time, I ask you to leave quietly while we move on to the next item on our agenda.

Petition

Human Right to Food (PE1733)

11:47

The Convener: Item 3 is petition PE1733, which was lodged on 22 August 2020 by Peter Ritchie on behalf of the Scottish Food Coalition. The petition asks the Parliament to urge the Scottish Government to make the right to food part of Scots law. The Scottish Government has recently written about its intention to develop a non-statutory statement on the policy for food. The committee is therefore invited to consider whether it wishes to take any further action in relation to the petition.

Before we consider the petition, does anyone have anything to say?

Christine Grahame: I declare an interest, because not only is Pete Ritchie a constituent, I know him very well, so I recuse myself from the discussion.

John Finnie: Are we discussing the options now?

The Convener: Yes. We are discussing what the committee would like to do with the petition.

John Finnie: It will not surprise you to know that I am very supportive of the petition's intention. I note where we are in relation to the Scottish Government's response. It is disappointing that the good food nation bill has not gone ahead.

We heard yesterday in the programme for government the intention to enshrine the United Nations Convention on the Rights of the Child in Scots law. I wonder whether that would have any implications for where the Scottish Government sits on this matter. I would be keen for us to keep the petition open and monitor developments.

Colin Smyth: I agree—it is important to keep the petition open. It is deeply disappointing that the good food nation bill was dropped. It is ironic that we were told that it was dropped because of the pressure on parliamentary time as a result of Covid-19 when, if there is an issue that has become more important during the pandemic, it is the right to food, food supplies and all the associated areas in the good food nation bill. The issue is more important than ever.

It is worth pointing out that Elaine Smith MSP is currently consulting on a member's bill on the right to food, so the issue is still very much live. It would be important for the committee to scrutinise the non-statutory commitment by the Government to develop a statement on food policy. We should

keep the petition live until those issues are fully resolved.

Mike Rumbles: I support having legislation for this. A good food nation bill should be introduced. As I understand it, the bill was almost ready to be introduced in a matter of weeks, but it was withdrawn simply because of the problems with legislative time. Dissolution is in March, so we only have seven months, and there is no prospect of a good food nation bill going through Parliament in that time. I would advocate that we keep the petition open, as it will be up to the next Government, whichever Government that is, to come forward with a good food nation bill in the next session. Indeed, we can carry petitions forward to the following session.

Oliver Mundell: I am broadly supportive of the approach that other members have outlined. The good food nation bill is important, but we do not have it and, in fairness, I do not think that there is now time to start that work. However, the issues are important and, by keeping the petition open, we will keep a focus on the issue and we will, I hope, have a chance to return to it.

Emma Harper: I agree with colleagues on the approach of keeping the petition open. It is important that Pete Ritchie has highlighted the matter—I know Pete quite well. We need to keep an eye on what the Government is planning to do in relation to food and food supply chains, considering everything that has been highlighted during the coronavirus pandemic.

Maureen Watt: I echo what Emma Harper has said, and I agree with what other members have said. The Cabinet Secretary for Rural Economy and Tourism has said that he is progressing some of the work that would have been in the good food nation bill anyway, and we could perhaps add the subject to the question list when he next comes before us.

The Convener: I will not repeat what everyone else has said, but I agree with committee members about the importance of the petition, and there seems to be a general feeling among the committee that we should keep the petition open and use the opportunities that we have to raise the issues that are highlighted in the petition with the cabinet secretary, as and when those opportunities arise.

It appears that we are all agreed on that, so that is what we will do. I ask the clerks to note that we intend to take the opportunity to raise questions with the cabinet secretary on this subject when he comes before the committee.

We are short of time, because we have to go to the chamber, and people have other meetings to go to, so I thank committee members for their attendance, their questions and their forbearance

in allowing me to shorten some of their questions so that we could complete our business in the available timescale.

Meeting closed at 11:53.

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