

# Social Justice and Social Security Committee

**Thursday 7 September 2023** 



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# SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE 19<sup>th</sup> Meeting 2023, Session 6

#### **CONVENER**

\*Collette Stevenson (East Kilbride) (SNP)

#### **DEPUTY CONVENER**

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

#### **COMMITTEE MEMBERS**

- \*Jeremy Balfour (Lothian) (Con)
- \*Katy Clark (West Scotland) (Lab)
- \*James Dornan (Glasgow Cathcart) (SNP)
- \*Roz McCall (Mid Scotland and Fife) (Con)
- \*Marie McNair (Clydebank and Milngavie) (SNP)
- \*Paul O'Kane (West Scotland) (Lab)

#### THE FOLLOWING ALSO PARTICIPATED:

Paul Finch (Nestrans and Society of Chief Officers of Transportation in Scotland)
Mick Hogg (National Union of Rail, Maritime and Transport Workers)

Paul White (Confederation of Passanger Transport Scotland)

### Paul White (Confederation of Passenger Transport Scotland)

**CLERK TO THE COMMITTEE**Claire Menzies

### LOCATION

The Mary Fairfax Somerville Room (CR2)

<sup>\*</sup>attended

## **Scottish Parliament**

# Social Justice and Social Security Committee

Thursday 7 September 2023

[The Convener opened the meeting at 09:01]

#### **Interests**

The Convener (Collette Stevenson): I wish you a very good morning, and welcome you to the 19th meeting of the Social Justice and Social Security Committee in 2023. We have received apologies from Katy Clark.

We have had a change in committee membership. I welcome to the committee Bob Doris, who replaces Gordon MacDonald, and Roz McCall, who replaces Miles Briggs. I thank Gordon and Miles for their valued contributions to the committee.

Our first item of business is to invite Bob Doris and Roz McCall to declare any relevant interests.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Thank you, convener. It is great to be back on the committee. I have no relevant interests to declare, but, as always, I invite those who wish to do so to look at my register of interests.

Roz McCall (Mid Scotland and Fife) (Con): Thank you very much. This is my first committee and I am glad to be here. Thank you for the warm welcome. I, too, have no interests to declare, but I am happy for anyone to look at my register of interests, if they want to.

# **Deputy Convener**

09:03

**The Convener:** The Parliament has agreed that only members of the Scottish National Party are eligible for nomination as deputy convener of the committee, so I nominate Bob Doris for the role. Are we all agreed?

Members indicated agreement.

**The Convener:** I therefore welcome Bob Doris as deputy convener.

# Decision on Taking Business in Private

09:03

**The Convener:** Our next item of business is a decision on whether to take agenda items 5 and 6 in private. Are we agreed?

Members indicated agreement.

# Child Poverty and Parental Employment Inquiry

09:03

The Convener: Our next agenda item is an evidence session as part of our inquiry into addressing child poverty through parental employment. Before the summer recess, we held a series of evidence sessions on childcare, education, employability and fair and family-friendly working. Today, we are going to focus on transport.

I welcome our panel to the meeting. Paul Finch is strategy manager at the regional transport partnership for Aberdeen and Aberdeenshire—Nestrans—and vice chair for transportation on the Society of Chief Officers of Transportation in Scotland. Mick Hogg is regional organiser at the National Union of Rail, Maritime and Transport Workers—the RMT. Paul White is a director at the CPT—Confederation of Passenger Transport—Scotland. Thank you all for accepting our invitation.

I will make a few points about the format of the meeting. Please wait until I say your name or the member who is asking the question says your name before speaking. Do not feel that you have to answer every single question. If you have nothing new to add to what others have said, that is perfectly okay. Members who are online should allow our broadcasting colleagues a few seconds to turn on their microphone before they start to speak, please. They can indicate with an R in the chat box in Zoom that they wish to come in with a question. I ask everyone to keep their questions and answers as concise as possible.

I will invite members to ask questions in turn. I ask Roz McCall to ask the first question.

**Roz McCall:** I want to ask both Pauls this question, if that is okay, and I would be happy if Mick Hogg wanted to come in at any point.

What are the key challenges in delivering the vision of a national transport strategy? How will that work as a long-term process and not just as an immediate issue?

Paul Finch (Nestrans and Society of Chief Officers of Transportation in Scotland): The overall vision for the transport strategy has been fairly well and clearly set out in national transport strategy 2, and I think that there is widespread support across the industry for the objectives and commitment in that. Transport Scotland went on to deliver strategic transport projects review 2, which set out some of the strategic priorities for delivery of transport thereafter. We are now seeing how that is being put into action on the ground in the

indications for the short term to the medium and long terms.

It is clear that revenue funding is a challenge for full implementation of the vision that is set out in the strategy. Sometimes there is a constraint on the ability, or the commitment, to change long-held practices in how the transport system is operated. There are some real challenges in things being overdone. There are also competing pressures at local authority level in terms of sustaining some of the changes that we might want to bring about. Bus franchising, in which some of the risk is transferred to the local authority, might be one example. Local authorities also face pressures from health, education and other objectives. Those are constraints on the ability to fully achieve the objectives that have been set out in the national transport strategy.

Those are some of the headwinds that seem to be slowing delivery of the objectives.

Paul White (Confederation of Passenger Transport Scotland): I would echo a lot of what Paul Finch said without repeating it.

I think that the NTS vision and objectives are admirable. We are all pushing in the same direction and they still stand. The document was largely created pre-Covid. Post-Covid, there are challenges in delivery.

I will speak for the bus sector, which is my sector. Bus usage is down; that is also true for rail. Patronage is down, patterns of travel are changing, and operational costs have increased while car use and congestion are reaching the levels that they were at pre-Covid. That is a real challenge for bus operation in respect of making services reliable, affordable and punctual.

We also face challenges with the launch of the low-emission zones and Aberdeen's bus gates. Members will maybe have seen that in the press recently; there is push back against some things. The environmental agenda was maybe stronger previously, but the cost of living crisis has now come into play and people look at measures and consider whether they will limit their access or hit them in the pocket. They consider whether they will need to buy a new car.

Also, is there political will at the local authority level to introduce the kinds of measures that would really free buses from congestion and allow more and better bus services?

Roz McCall: Thank you.

Mick Hogg (National Union of Rail, Maritime and Transport Workers): Affordability is our vision and concern. The RMT believes that rail transport provides a very important transportation model to allow people to get to work and that there should be more investment in it. Peak fares should

be scrapped: we believe them to be an added tax on the working man and woman. Their being scrapped and making our railway more affordable would be a step in the right direction.

**The Convener:** The national transport strategy's priorities are wide ranging and include tackling inequalities. To what extent is tackling poverty, including child poverty, a consideration in the specific policies in the latest delivery plan?

Perhaps I can bring in Paul, and then Mick and Paul—Paul White. I just realised that there are two Pauls. It is confusing.

Paul Finch: Traditionally, delivery of transport systems in Scotland has been based on an economic model—an explicit cost benefit model of pounds in and pounds out. Although there has, I think, been an implicit child poverty and inequalities element, it is only relatively recently in the past few years—that there has been a more explicit assessment of where, say, the equality impact assessments and health inequalities impact assessments that are now undertaken across the sector come in. They are perhaps coming in more with regard to big policy measures and priorities. Historically, such considerations were more implicit and in the background, and there was more focus on finance and economics. That is how transport systems were developed historically. Increasingly, and specifically in the past three or four years, there has been a greater and more explicit focus on those elements, but we are still in the process of bringing them increasingly to the fore.

Mick Hogg: The RMT has seen various reports establishing the link between transport and employment, inequality and poverty. For instance, research that was published in 2021 by Transport Scotland found that, for people on low incomes, public transport was a vital part of life and its use was influenced by three factors: affordability, accessibility and individual household circumstances. I keep referencing affordability because it is a big issue for RMT.

We found after the pandemic that, in order to get people back on to the railway, we needed not only to encourage but to support them to use Scotland's trains. Moreover, if we are serious about the climate agenda and taking action in that respect, Scotland's trains provide a very important model for encouraging and supporting such moves.

**Paul White:** I agree with the other two panellists. Bus is an enabler for many Government objectives, as is clear from the national transport strategy; in fact, the strategy itself contains a diagram on the virtuous circle of bus use. If you improve bus speeds, for example, you can lower fares and it becomes possible to increase the

network and so on. There are steps that can be taken through the actions that are set out in the NTS that should help to tackle inequality. There are also schemes such as free travel for under-22s, which is specifically designed to tackle affordability for young people. Indeed, the First Minister's statement earlier this year talked about affordability, availability and accessibility and the role that bus travel can play in that.

**The Convener:** Thank you. Roz McCall wants to come back in.

Roz McCall: Mick, I want to come back to the three factors that you highlighted. First, you talked about affordability and individual circumstances. I do not know whether you have information from your members on the balance in that respect, but is affordability the main concern, or is it a case of things not fitting in with people's lives? I am just trying to get an idea of the balance between the two issues.

09:15

**Mick Hogg:** Affordability is crucial. It costs a working-class man or woman an absolute fortune to get to their place of work. We are talking about thousands of pounds. We feel that affordability must be at the top of the Scottish Government's agenda and that peak-time fares should be scrapped, because they are an added tax on hardworking families.

**Roz McCall:** I am new to all this, so, just to sum up, are you saying that the other issues would solve themselves if we could fix affordability?

Mick Hogg: Yes.

Roz McCall: Thank you.

**Paul White:** I would like to offer a slightly different perspective from my sector. Affordability is crucial and we should look at how we manage that for bus users and potential users, but it is only one element of the package that we have to deliver.

We can think about the under-22s scheme. You can give everyone aged under 22 a card that allows them to travel free by bus, but if there is no bus available for them to access, there is no point to the card. Such schemes can encourage usage but only as part of a package of measures that also looks at availability and accessibility of services.

Roz McCall: That is very helpful.

Marie McNair (Clydebank and Milngavie) (SNP): It is estimated that a third of the population is entitled to free bus travel, which is provided to older and young people and to disabled people. Do you think those are the right groups to focus on? I put that question to Paul White first.

Paul White: It is for Government to decide who should receive that benefit. We then look to ensure that the scheme is fair for users and for the operators that are being asked to provide the scheme. Extending free travel is fine as long as concessionary travel schemes operate on the basis that operators should be no better or worse off because of their participation. That should be built into the scheme. If you extend the number of people who are eligible, you must extend the budget, which is where issues may come up if there is a tight financial settlement.

Such schemes can generate increased usage. We will see an evaluation report about the first year of the under-22s scheme very soon; that report is imminent and will probably point to an increase in use. However, to really make the most of the schemes and to make them worth the hundreds of millions of pounds that Government spends on them, they need to go along with a reliable and accessible network of services.

**Marie McNair:** Mick, do you have any comments?

**Mick Hogg:** We do not have any members who work on the buses. We have some south of the border, but we do not have any bus members in Scotland. The RMT view is that the scheme is a great opportunity for young people, because it allows them to travel and see more of the country. If that opportunity was not there, young people's travel would be restricted. I think it is a great opportunity and is welcomed.

**Marie McNair:** Obviously, Strathclyde Partnership for Transport offers a concessionary rail travel scheme.

Do you want to come in, Paul?

Paul Finch: Thank you for that question, which is about whether we have the concession balance right. It is always important to go back to what we are trying to achieve. If the Government is trying to achieve a benefit for people on low incomes, it might be worth moving to a more targeted concession scheme, rather than a universal one, although that would also have drawbacks. There is an over-60s concession, which was a historical decision, but many people aged between 60 and 65 are still working, which might be a consideration. Things could be better targeted at lower income families, which does not seem to happen at the moment.

Another anomaly that exists across Scotland, although there are exceptions, is the idea of parity across modes. Lots of concessions are offered in the bus sector, which is welcome, but there are examples across Scotland of rail being the missing link. Some people are geographically disadvantaged because they have a rail station

rather than a bus station, which seems a bit bizarre.

Also, in the northern isles, people use the ferry services almost as a proxy bus service, but, again, they do not have that entitlement either. They are disadvantaged due to geography, not circumstance. Those are a couple of anomalies in the current system that may be worth considering, but one has to consider those in the context of the objectives that you are trying to achieve as a Government and the revenue that is available, as well as wider political considerations.

Roz McCall: I am sorry; I am writing so many notes that I am not quite as organised as I should be.

Here we are. The fair fares review is currently under way. What would you like to be recommended on concessionary travel? I will have to ask all three of you, as I am in a new situation; the more information that I get, the better.

Paul Finch: I will kick off, and we can work from there, if that is okay. There have been two elements to the headlines about the fair fares review. Mick Hogg has very kindly talked about the peak fares removal, as well as the six-month trial. One wonders whether that is long enough to properly evaluate the scheme. Is that long enough to assess the changes that might happen and to make a decision on what to do after the evaluation? It appears to me to be a very short period of time in which to assess something. Although it is a simplification of the rail fares network—I think that everybody would agree that it would be broadly welcomed—it is complex and, again, geographically varied across the country.

Other aspects of the fair fares review have been, as I think Paul White said in his written submission, opaque. We know that there is a desire to take a step back and look at the funding distribution and the revenue aspects of the different aspects of the public transport sectors across Scotland, but to date that has not been shared with us.

On what we would like to see, I refer back to my previous answer: we want to see how the money that is being distributed to the public transport sector as a whole meets the Government's objectives and responds to the key needs across Scotland. I would like to see that as an outcome, and I would like to see more transparency about how that process has worked, because to date our members have not seen that transparency.

**Mick Hogg:** As far as the RMT is concerned, we would like to see a fair balance at the end of the day. We believe that there is not enough investment in Scotland's railways. Investment should allow accessibility for all. We believe that the Scottish Government needs to review some of

the ideas and suggestions that have been put forward by ScotRail, and Transport Scotland to a degree, particularly in relation to the booking office issue.

We believe that the booking office programme is inextricably linked to antisocial behaviour on Scotland's trains. We believe that the antisocial behaviour issue is getting worse, not better. Considering the money that has been invested in Scotland's trains, to suggest closing booking offices, ticket offices and even stations, and having unstaffed stations, begs the question of accessibility for all, particularly the most vulnerable people in society and disabled people.

#### I quote:

"It is clear that action is required from the Scottish Government to improve safety of women and girls when travelling by public transport. Research published by Transport Scotland in March 2023 found a 'consensus from women and girls of all ages that being in spaces that were staffed or had a staff presence made women feel safer' and that women were more comfortable if ticket offices were open and staffed (especially later at night). The report went on to recommend that the Scottish Government explore increasing staff presence on public transport."

We believe that the Scottish Government needs to prioritise acting on that recommendation. The investment is welcome, but we certainly believe that it needs to be prioritised.

**Paul White:** I will make two comments on concessions and then bring that into the fair fares review. There is certainly value in concessionary schemes, but they cost hundreds of millions of pounds. A bugbear of mine is that bus spend is often regarded as support for the bus sector, whereas the operators are compelled to provide a service for the Government. Essentially, it is the buying of a product. If you buy a loaf from a Tesco store, you do not say that you are subsidising Tesco—you are buying a product. In those terms, concessions are an issue for us.

The fair fares review's only visible outcome so far is the peak rail fares pilot. What are the objectives of the schemes? The under-22 scheme for bus probably involved abstraction from rail to bus—young people who travelled by rail moving to bus. Through the trial of the removal of peak fares, some commuters who travel by bus will now move to rail, because they will find that to be the better-value proposition. However, what is not really affected is the number of people who use cars. The data suggests a question: if one objective is to look at the environmental benefit—at shifting people into sustainable modes for the longer term—is the money that is spent on it worth the investment?

On the wider fair fares review, Paul Finch made a point about looking at the overall transport spend, which I would welcome. Bus and rail are on the same side—that of sustainable transport. In Scotland, bus accounts for about 79 per cent of all public transport trips but the budget for bus is a fraction of the budget for rail—there are many reasons for that, as rail involves a lot of expensive things—whereas we carry far more people. Looking at the entire transport spend—at where we can generate the most value that does not just give people subsidised fares but makes buses and trains better—would be worth while.

**Jeremy Balfour (Lothian) (Con):** Good morning, everybody. I declare that I have a concessionary bus pass due to my disability.

I am interested in the last point that Paul White made, about how much the bus companies get per journey if someone uses their disabled pass or their younger person's pass. Is that figure going up in relation to the amount of money that it costs a bus company? My understanding is that the calculation disadvantages certain bus routes, because there are not enough stops or they travel further. Would you like that to be looked at again, or are we at a place where the bus companies can make it work?

**Paul White:** We are in the beginning stages of another review of the concessionary models that underpin the elderly and disabled persons scheme and the younger persons scheme. That will impact on the budgets for the schemes for the next financial year and on the rates that operators receive.

There is a science to it—a complex one—which involves looking at what would happen in the absence of the scheme. Does the scheme generate trips? That is a benefit to the operator, so has to be considered. What discounts would be used? A scheme user would not keep buying single tickets if they were using the bus more than once a day. There are discount factors and trends in generation and cost. A science goes into looking at what the correct budget for a scheme should be and what the reimbursement rate should be.

However, it is true that that rate has gone from 73.6 per cent, when the scheme launched in 2007, to 56.8 per cent. Historically, it has gone down. I hope that we do not see that this year. As you rightly point out, if you are running a route that serves pockets of the community where people largely use that product—whereby you get a certain amount if they pay the full fare but get 56.8 per cent of that fare if they use a concessionary card—making the business case around the service essentially covering its costs can be more challenging.

09:30

Jeremy Balfour: I go back to Mick Hogg's point about the closing of stations and the non-manning, or non-staffing, of stations. What response have you had around that point, particularly from people with a disability? If they arrive at a station and there is nobody there, how are they meant to cope if they need help? Has the question been discussed of what people are meant to do in practice?

Mick Hogg: I understand that the consultation just closed last Friday. So far, we have had just 800,000 responses to the national campaign, which Scotland is also involved in, around the cross-border services. We have had an overwhelming response from members of the public, particularly the elderly, the disabled and the vulnerable, because they obviously welcome rail stations being staffed. The thought of no staff at stations is a recipe for absolute disaster as far as women and young girls are concerned. We strongly recommend to the Minister for Transport, Fiona Hyslop, that she come clean and rule out any cuts. She has been sitting on the Transport Focus findings, which came out almost two years ago. We are now on to our fourth transport minister since the findings were published, and none of them has come clean on what they intend to do with the findings.

**The Convener:** I bring in James Dornan, who joins us remotely. James, there is a slight shadow on your camera at the moment; is there any way that you can move your camera?

James Dornan (Glasgow Cathcart) (SNP): I do not know where it is coming from. I tried to get rid of it earlier; it must have something to do with the camera on my computer. I will see whether I can get it sorted later, but I cannot do it just now, Collette. Sorry about that.

**The Convener:** Okay. Do you want to just come in then?

James Dornan: I go back to what the committee meeting is meant to be about. The issue that has just been discussed is important, but I do not think that talk about the cabinet secretary coming clean on something—when we have not come out with a position yet—is appropriate. I certainly do not think that it is appropriate when we are talking about this subject matter.

Do witnesses have a view on the bus fare cap that is currently operating in England? Would such a scheme be suitable for Scotland?

**Paul Finch:** At the moment, in urban areas, some of the bus operators operate a tap and cap system whereby there is a maximum amount that people pay daily. It is a voluntary system that

some operators have brought in, and there is the potential for it to work quite nicely in urban areas. My question—to myself, almost—would be how it might work for some of the longer-distance rural routes in the north-east of Scotland, where people come in from Peterhead and Fraserburgh, for example. A different fare and cost implication exists for the bus and coach operators when you have that mix of inter-urban and rural bus services as opposed to a reasonably compact and well defined urban network, which often operates on a different model. That point would have to be considered if the scheme were to be introduced in Scotland to ensure that it worked properly for all.

Paul White: I agree with a lot of what Paul Finch said. The fare cap that is currently in operation in England has resulted in some increased use, but I think that the data suggests that the use is more from existing passengers rather than the cap generating a great deal of new passengers. As Paul Finch pointed out, a major factor when thinking about a fare structure is cost. The two largest costs for an operator are fuel and driver hours, so operating a longer service in a rural area generates more costs. Finding a cap that suits the entirety of Scotland and different travel patterns is a challenge, but we have managed to do it in England.

I will make one other observation. Germany introduced a cap as part of its travel scheme—I do not have the exact details, but I think that it is a monthly all-travel scheme. A very discounted rate was introduced and then, at a later stage, the price increased. It was still much less than the original offering, but it was a good jump up from the first level and there was a lot of pushback. Once such a scheme is established, it is very difficult to change it and say to people that the fare that they have grown used to will double when the cap is removed.

There are therefore challenges. We should think about the amount of money that such a scheme would cost to launch, with it being a universal benefit, because there might be better uses for the money.

James Dornan: You say that there is a scheme in England, but it is voluntary, which obviously means that some areas will have it and some areas will not, so there will be a postcode effect, with some areas benefiting.

You said that the cap went from here to there—there was a jump in the cap. Is that because, if it is based on past journeys, as it is in England, you are, in theory, getting it when smaller numbers are taking place, and when there is an increase in numbers, you still get the same amount as the previous journeys, so it is less per head and you have to raise the cap?

**Paul White:** Sorry—I am trying to follow that. We can think about people in England currently facing a £2 cap and the cap then being raised to £2.50. Is that the idea?

James Dornan: Yes.

**Paul White:** The Government has to cover the cost between the actual operation costs and the £2 level.

Sorry—could you ask the question again?

James Dornan: It is fine. Basically, I was saying that, if you are basing it on past journeys, you are basing it at the bottom level, because you are hoping to increase passenger numbers. That means that more people would get the cap, which would mean that there would be more costs for the provider or the cap would need to be raised, as has already happened in England, and I suspect that that will need to be done again.

**Paul White:** I think that I get your point now. In essence, you can be a victim of your own success if a scheme generates greater use and the Government is paying X per journey, so such schemes, as they become more successful, cost the Government more. That is definitely the case.

James Dornan: I would like to bring in Mick Hogg—

**The Convener:** I am sorry to interrupt, but I am going to bring in Roz McCall to ask a supplementary question.

Roz McCall: I apologise, James.

I believe that Lothian Buses has done something similar to what is happening down south by introducing a £4.80 daily cap on its bus fares. Is that working? I know that that model is slightly different, but could that work? Has that been considered? What are your thoughts on that?

Paul White: That is probably the future of ticketing. We are using the word "cap". Under the English scheme, there is a national offering, with a set fare level being provided for journeys—a £2 cap on journeys. The offer from Lothian Buses means that, if someone keeps buying singles or whatever, the price will never go above a certain value. I think that there is a similar scheme in London. Capping that at an operator level provides a fantastic offer to passengers. There has been uptake of such schemes, and operators will probably extend them across Scotland.

The next challenge, which will probably be dealt with by the national smart ticketing advisory board that is just being set up, is how we turn the current schemes into multi-operator schemes. At the moment, Lothian Buses will set its cap according to its particular situation, while FirstBus or Stagecoach might have a different cap. The

question is: how do you provide a regional fare structure in which that kind of capping is available?

**Roz McCall:** And that is more plausible than the other capping scheme that you were talking about.

**Paul White:** What Lothian Buses is doing is purely a commercial thing; there is no Government funding for it. It is a commercial offering, as it is with other operators. If an output of the fair fares review was a recommendation for a daily cap of X and if that figure was lower than Lothian's current cap, you might have to look at whether that would mean an expense to Government. Would Government fund that? If you say, "This is the cap," and it does not meet the current cap, there will be a cost to that.

**Roz McCall:** Thank you—and apologies again to James Dornan.

**The Convener:** Can I just clarify whether the cap is for one journey or multiple journeys?

**Paul White:** The cap offered in England is per journey—that is, no journey is going to cost you more than £2. The Lothian Buses offering is per day. In other words, if you buy four singles, you will be charged not for those four tickets but at a capped level that will be less than that.

**Roz McCall:** Thanks for clarifying that. I will now let James Dornan back in.

**James Dornan:** No bother. Thank you, both, for those questions.

Mick Hogg, what is the scope for integrating concessionary travel entitlements across different modes of transport, and what are some of the barriers to achieving that?

**Mick Hogg:** As I understand it and as far as RMT is concerned, concessionary travel does not go far enough. For a long time now, we, as a trade union, have been campaigning for concessionary travel to go wider and to cover more people, and we certainly feel that something similar to what has been put in place for young people on the buses should be applicable to trains, too. That is our view on that issue.

**James Dornan:** Thanks for that, but what are some of the barriers to achieving that?

**Mick Hogg:** I think that we need more of a working relationship with ScotRail, Transport Scotland and Scottish Rail Holdings. We certainly feel that there is a lot of bureaucracy involved in running Scotland's railway, and if there were less of it, more progress would actually be made in running Scotland's trains.

**James Dornan:** Perhaps I can ask Paul Finch for his view.

Paul Finch: It is possible to do the sort of thing that you have asked about; for example, rail concessions in the SPT area go wider than what is available nationally. Historically—if not currently—Fife has had a scheme. I am not entirely sure about it—I apologise for that—but there is definitely a scheme in the SPT area.

If it is possible, one might well then think, "Why is it not happening?" Is it about having the ambition to change the status quo, or is it about the revenue funding that is available to the whole transport sector? Those are probably the main barriers. There are, no doubt, technical issues, too, but given that it is being done in a particular area, it seems possible to do it elsewhere.

The question, then, is this: is it the best use of the revenue available to the transport system? Moreover, would it achieve our overall objectives of alleviating child poverty and assisting people into work? We know that affordability is an issue, but availability and household circumstances are issues, too. I guess that there is that balance to consider.

I would also say—I made this point earlier—that, with regard to modes of transport, different parts of Scotland have different access to different transport systems, so, again, that might have to be considered.

09:45

**James Dornan:** Thanks for that. Paul White, do you have anything to say on that matter?

Paul White: Again, I would probably say that it would be for the Government to consider whether it wants to extend concessions to other modes of transport. Rail fares are already heavily subsidised by the Scottish Government. ScotRail would be able to provide the committee with the exact figures, but I think that, overall, the subsidy for rail travel is probably greater than the money that is spent on the concessionary bus fares scheme. That gives you an idea of the quantum that we are talking about.

Extending free fares to certain groups of rail passengers would have a huge financial cost. It would probably also have an impact on bus use. Therefore, it is important to look holistically at the impact of those schemes across all modes of transport. We are asking the Government to monitor the impact on bus travel of the removal of peak-time rail fares, so that we understand the consequences for other modes of transport. If it results in the cancellation of bus services for certain areas because people have shifted to rail transport, what do we do about that, holistically? We hope that that will be covered in the fair fares review.

**Bob Doris:** I want to put on record my thanks to Paul Finch for bringing us back to the focus of the inquiry, which is child poverty and parental employment. I absolutely get that all three witnesses have been talking about affordability, the quality of the service and the safety of female travellers—a whole variety of things—but the focus of the inquiry is child poverty and parental employment. There are lots of factors in relation to transport in that inquiry.

I again need to put on the record the fact that we could do more on that if, rather than a national minimum wage, we had a real living wage, which would make fares more affordable. I must also say that 69 per cent of children living in poverty are in working households where at least one person is working and that 80,000 children in Scotland are impacted by the United Kingdom Government's two-child benefit cap.

Before I come to the substantive questions, may I ask the witnesses whether they believe that ending the two-child benefit cap and moving from a national minimum wage to a real living wage would represent a substantive move towards making transport more affordable for parents who are trying to get into work or get more hours in their working day?

**Mick Hogg:** The quick answer to that is yes, Bob. It would make opportunity more possible. The cost of transport has been highlighted as a barrier to parents' taking up employment. Giving families and young people the opportunity to travel at a reduced fare or even free would go a long way to addressing child poverty in Scotland.

**Bob Doris:** Mr Finch, I do not know whether you will be drawn on that, but I would not be doing my job properly, as an MSP for constituents who are directly impacted by this, if I did not ask the question: would those measures make a difference to the affordability of transport?

Paul Finch: I feel unwilling to respond to that, because I have come here as a transport expert with regard to that particular issue. Obviously, there is a wider constellation of issues around enabling people to access transport. We know that affordability is one of those issues, and I guess that affordability can be addressed by the cost basis of the provision of the service but also by aspects of the wider support that can be given to families.

**Bob Doris:** It would be interesting to hear your thoughts.

**Paul Finch:** I feel uncomfortable, because I have come here as a transport planner—

**Bob Doris:** Okay. I am going to ask transport questions in a second—do not worry, Mr Finch.

Mr White, will you be slightly more bold than Mr Finch?

**Paul White:** Like Paul Finch, I am here to address transport issues. What I can say is that part of the solutions to the issues that we are addressing today is making buses more affordable and that another aspect of that is increasing the money in everyone's pockets. However, I cannot really be pressed further on your particular question.

**Bob Doris:** But can you confirm that income—not just price—is a key aspect?

**Paul White:** The more money people have, the less onerous it will be for them to meet a cost, whether for travel or anything else. That is clear. However, as a transport expert, my ability to comment on how we generate that income for people is limited.

**Bob Doris:** I felt the need to ask that question.

Let us look at the some of the specifics of affordability, on which the UK Government is doing some decent work. I make it clear to my unionist colleagues that I am not trying to make a party political point. Jobcentre Plus provides a travel discount card for people who are seeking employment, which, in some cases, can be used in the first month once they get into employment. There is a partnership deal with ScotRail, whereby parents can travel by rail for free once they get into employment. There is also the flexible support fund. There is a mix of stuff. The Scottish Government has the parental employability support fund, which can make a contribution towards transport costs, and Fair Start Scotland has a role to play there, too. There is also a £74 million community bus fund.

Why have I listed all those resources? I have done so because I want to make sure that the witnesses believe that the money that is in the system is being used strategically. I am talking about the money that the UK Government and the Scottish Government are providing to support outof-work parents to get into employment and to make that sustainable, and to support those parents who are in part-time employment to pick up more hours, get into full-time employment and have the opportunity for career progression. There might not be enough money being put into that, but there is still quite a lot of money whirling around the system. Is it being used strategically and effectively? Do you have a view on that, Mr Finch?

**Paul Finch:** In my written submission, I made the point that, for many people who live outwith the core urban areas, public transport is not an option. A working parent needs a viable public transport service with a certain level of frequency to enable them to access childcare and work.

They need to be able to get to work, to get from work to the childcare provider, to get back home and to work out how they will do their shopping. In my experience, the public transport offering is very limited in the majority of geographic areas outside the main built-up areas in Scotland. Achieving those things without a private car is a very difficult task.

Bob Doris: That is a very valid answer, but it is not an answer to the question that I asked. Earlier, you spoke about affordability and cost. My question was about the money that we are putting into the system to support affordability. You started to talk about the issue of the rural transport offer and whether it is fit for purpose for working families and parents who are trying to find work, which I am sure will come up later in the session. I am asking whether the money that is already in the system for affordability, whether that is provided by the Department for Work and Pensions or the Scottish Government, is being used well enough, strategically speaking.

Paul Finch: I would like to come back on that. The point about affordability becomes moot if there is not a viable service for people to spend that money on. Where a viable service is available, such measures are welcome. From a strategic perspective, the situation is complicated. There is a range of hoops that have to be gone through. However, for many areas, the approach is not strategic because it is not achieving its aims, not because of a lack of affordability but for the more fundamental reason that people do not have the option of getting to work unless they have access to a private car. I think that that is a fundamental consideration when it comes to the question that you asked. Strategically, there are many interventions, but they are not having the impact that you want them to achieve.

**Bob Doris:** But we have just spent 10 to 20 minutes talking about affordability, and it was not a moot point then. I agree with everything that you have said. Other members will ask questions about the issue that you have raised, and you will be able to put your points on the record. I will support you when you do so. I totally get the point that you are making, but you are not answering the question that I asked.

I will make one more attempt to ask the question. If you do not want to answer it, that is okay. I am not trying to be rude; I am simply trying to elicit some information that would be helpful to the committee in its inquiry.

The inquiry is about how transport plays a role in child poverty and parental employment. Is the money that is provided by the DWP and the Scottish Government being used strategically, and well enough, in your opinion? That is a reasonable question.

**Paul Finch:** I would say it is not, because of my previous point.

**Bob Doris:** I do not think that that is an answer. Mr White, do you have anything to add?

**Paul White:** Is the money being used strategically and well? Probably not. You could make an argument about local solutions and say that having pots of money locally and a better understanding of local issues is positive. If you are asking whether there is a joined-up view of spending across Scotland and whether everything is moving in the right direction, I would say that that is lacking. It might be addressed in the fair fares review.

You mentioned the community bus fund. The situation with that is also quite unclear. You would think from the terminology that the fund is going to be used to improve community bus links to help people who are in poverty, but my understanding is that the money can be used by local authorities to pay consultants to look at the powers within the Transport (Scotland) Act 2019, which is not exactly delivering what the title suggests.

The situation is piecemeal at the moment and we could do with a joined-up approach. That is not a criticism of any of the schemes or of the work of the DWP, because I am sure that it delivers good results.

Bob Doris: I am not suggesting a criticism.

I will bring Mr Hogg in, because I am interested in the partnership between the DWP and ScotRail. I think that the idea of one month's free rail travel is welcome, but I do not think that it goes far enough; it could be extended to providing bus travel for parents who are moving into employment and whose children are in poverty. That is what this inquiry is about. Perhaps there could be six months' free travel, or perhaps three months could be fully free and the next three months could be tapered to 50 per cent support. There could be a more substantive offer, or there could be a partnership between ScotRail, the bus companies and the UK and Scottish Governments. I am trying to think about how we can deliver something that is substantive and meaningful and that actually drives change for the people that I represent, rather than just talking about things.

Mr Hogg, do you have any views on that?

Mick Hogg: Affordability is the key. As I said earlier, I believe that transport plays an important role in getting people to work. The RMT welcomes the Scottish Government's strategy to tackle child poverty, as set out in "Best Start, Bright Futures—Tackling Child Poverty Delivery Plan 2022-2026". I absolutely believe that the Scottish Government can do more, but what it is doing at the moment is a step in the right direction.

**Bob Doris:** My final question is for Mr Hogg, because Mr Finch and Mr White cannot speak for individual bus operators but Mr Hogg can talk from years of experience of the workforce within the railways.

One issue is that we want to have trains that run later, start earlier, or run more frequently. That all comes down to cost but it also comes down to supporting workers' pay and conditions. Have there been discussions between ScotRail and the RMT about how we could run trains a bit earlier, or later, in a way that is affordable? There will be additional staff costs, but have we started thinking about how we can reshape the railways to be more responsive in supporting children in poverty and parental employment?

Mick Hogg: There are continuing discussions about resources within Scotland's rail system. The harsh reality is that there are not enough resources. As things stand, any suggestion of running more earlier or later trains is not possible. For example, Sunday is not part of the working week, so Sunday services very much rely on existing staff working overtime. The elephant in the room for ScotRail, Transport Scotland and the Scottish Government is the need to address the issue of Sunday not being part of the working week and to put more resources in place. If we had more resources in place and made Sunday part of the working week, I am absolutely convinced that, with good industrial relations, we would be able to deliver more early and late trains.

10:00

Bob Doris: Thank you very much.

Jeremy Balfour: I want to move us on slightly with regard to where we are now. How has the end of Covid support funds affected the availability and affordability of bus services? With those support funds now gone, what has been the impact on rural and urban communities? Perhaps Paul White could start.

Paul White: The impacts of the pandemic are still affecting all modes of public transport. Rail and bus patronage are down, and there are costs, so there is a gap. In England and Wales, there is still a level of continued support to help to bridge that gap. In Scotland, the support ended at the end of the previous financial year, and there has been an impact on fares and services, given that there had to be a reaction to the removal of that support to allow the wider network to remain commercially sustainable. Fares have increased, as have the prices of many other products that we all purchase daily and services. Lots of areas may have seen only frequency reductions but, where services are being cut, that is always very

emotive; it is always felt very keenly. Ideally, we would like to avoid those.

**Jeremy Balfour:** Is there a marked difference between rural communities and urban or city communities, or is there a similar picture throughout Scotland?

**Paul White:** The provision of transport in rural areas is challenging not only across Scotland but across the UK and more widely. Fewer people use buses in rural areas, and the costs are high because of fuel costs and journey lengths. That makes many of those services marginal in respect of their viability. The removal of a support grant, such as the network support grant plus scheme, which was the support for the sector during Covid, will have a larger bearing on the marginal services, which are largely rural.

**Paul Finch:** In the north-east of Scotland, there has been a significant impact from that change. There has been a significant impact for operators as a result of Covid, changing travel patterns and people's reluctance to get back on buses. That has been noted.

We have seen fare increases on tier 1 mainline bus services, the clipping of operating days, and reductions in frequency from 15-minute to 20-minute or 25-minute frequencies, for example. The services are still viable, but there has been a diminution of service.

The tier 2 services, which were perhaps commercial or commercial and part subsidised, have been hit. Routes have been shortened and some routes have been withdrawn.

The tier 3 wholly subsidised services have been affected by some of the wider issues relating to local authority revenue availability for discretionary funding.

My head of service at Aberdeenshire Council said that the situation was almost akin to a commercial collapse of the bus service. There have had to be significant impacts to support some of the services because, without that, there would have been towns without buses, which, in living memory, would never have been thought about.

There are significant impacts in certain parts of Scotland, and some of the pressure has been transferred on to local authorities' revenue to continue the almost lifeline availability of bus services in some areas.

Mick Hogg: It is clear that Covid has had a massive impact on the income coming into Scotland's railway in order to sustain it. Obviously, no fares were taken during the height of the pandemic, so—believe it or not—passengers thought that using Scotland's railway was free of charge, and convincing them after the pandemic

about the need to start paying to use Scotland's railway was a challenge. It is still a challenge to get people out of their cars and off buses to use Scotland's trains.

**Jeremy Balfour:** As the deputy convener said, we are here to look at child poverty, in particular. What effect has subsidising buses had? Is that a way of helping people to get to work or to school, which helps with employability?

**Paul White:** There clearly has to be a review of rural transport provision, and we need to look at technologies and the different ways in which we provide services to help people to address child poverty and other issues that might impact those living in rural areas.

However, during the past five years, commercial mileage has dropped by 7 per cent, whereas subsidised mileage—that which is supported by local authorities—has dropped by 34 per cent. The commercial sector has faced challenges and it has made cuts, but local authorities have also faced severe challenges because of budget constraints, and they have had to look at their supported bus budgets and make cuts there as well.

In that context, in which money is tight across the board, we need to consider how we provide transport links. That is where aspects like demand-responsive transport and community transport might play a role. They could be new solutions to link people to key bus corridors where people can shift from a community bus to a transport hub where they can get the train or an inter-urban bus. Those are the kinds of things that we need to look at.

Jeremy Balfour: I will just follow that up. Obviously, Edinburgh is the best place to live—[Laughter.]—and Edinburgh buses probably provide the best service of anywhere in Scotland. The service is owned by the three local authorities, but it makes major profit. If Edinburgh can do it, why can other cities not do it?

**Paul White:** Sarah Boyd, who is the managing director of Lothian Buses, speaks well about that. If the committee is looking for more witnesses to speak about this, I recommend asking her.

I recognise that Lothian Buses is a fantastic company and that it does things very well. It works as a commercial operator and it makes a profit, but it has the benefit of the demographics of Edinburgh and there is no suburban rail network here.

I will compare Edinburgh with Glasgow. I live in the south side of Glasgow, and I would probably use a train to get into the city centre, whereas most people use the bus in Edinburgh. There is a larger market in Edinburgh because there is no competing rail network. There is also a network of bus lanes through Edinburgh that assists bus provision, which is lacking in other cities, and there are car parking charges in Edinburgh that probably reflect the true cost of the car to the local environment, which other places might not have. Glasgow has a series of large car parks around the city that can be accessed quite cheaply; it is not cheap to bring your car into the centre of Edinburgh.

Yes, Lothian Buses is a fantastic company, but there are other factors that lead to the success of that municipal operation, and I could point to municipal operations in other parts of the country that have essentially ceased to operate because of challenges. It is not that municipal operation is the panacea.

Bob Doris: That was a really interesting question from Mr Balfour. I am a Glasgow MSP, Mr White, and on the Cathcart circle or the Maryhill line, in the north of the city, there is competition between the suburban rail network and buses. I am not clear whether regional transport authorities, bus companies and ScotRail complement each other or whether they try to be strategic in how they work in partnership in relation to that. Is that issue systemic, or are there examples of where the rail network and bus companies work properly in strategic partnerships?

**Paul White:** I am from the Cathcart area, so I know that issue well.

The creation of the bus network and the creation of the rail network have been separate exercises. There are opportunities for looking at the fuller picture of public transport provision across the city region or more widely, and there is a role for regional transport partnerships. I think that work has been done in Glasgow—I forget the name of the document—looking at mobility planning more widely across the region.

Bus and rail are aligned in providing sustainable transport links, but somebody moving from bus to rail has an impact on bus, and vice versa.

**Bob Doris:** Paul Finch, that relates to rural transport, where there might be gaps in the service. Perhaps it is even more vital to get that co-ordination between rail hubs and lifeline bus routes. Does that partnership work in the more rural parts of the country?

**Paul Finch:** Thanks for the question. In my written submission, I was clear about the strength of public transport in core urban areas. Increasingly, suburban areas are struggling, not just rural areas. I live in a settlement on the edge of Aberdeen, which you might think could sustain a bus service; however, that bus service is subsidised. I live only four or five miles from the centre of Aberdeen. When talking about the rural

aspect and about whether services are subsidised, we have always, traditionally, thought about that in terms of small villages and rural areas. However, increasingly, because of some of the pressures that I have noted, the level of viability is sometimes closer to urban areas than you might have thought.

I come back to a point that was made earlier. A lot could be improved to get the bus network and the rail network to work better. However, unless there is a franchised system, the levers that the public sector has for achieving that are relatively limited, because, for the majority of Scotland, the system is based on the Transport Act 1985 and on the presumption that commercial operators will make the best choices about what they do.

For a regional transport authority, therefore, which does not have those powers, it is difficult to influence operators, and to dictate to, say, Stagecoach, that it must run feeder services into the Kintore or Inverurie stations. Sometimes, operators do it because it works, but it is difficult to mandate under the current environment.

There are examples of good partnership working. There are bus partnerships. The prospect of bus service improvement partnerships is coming down the line. Those may well provide an opportunity for an approach that is better joined up. Certainly, I have conversations with senior managers at ScotRail, who say, "Well, we have a strong rail corridor here. It would be to everybody's benefit if the local bus services could be redesigned to feed into that."

I will give an example from a place where the local authority has the relevant powers. A few months ago, we were in Belfast, which has a wholly franchised system: the public sector has control over the buses as well as the trains. In that environment, they were able to arrange the Glider service, for example—that is a tram-like rapid bus transit service—and they were able to deliver feeder services into that.

Co-ordination is possible and there is a willingness to do it, but the issue might also be about the levers that the public sector partners have for achieving it.

**Bob Doris:** Mick Hogg, do you want to add anything?

**Mick Hogg:** Yes. I would go a step further and say that there needs to be a better approach to transport links in the bus, rail and ferry networks. Those networks are inextricably linked, and, if a better approach or strategy were to be put in place, that would serve the people of Scotland a lot better.

10:15

The Convener: I will bring Jeremy Balfour back in

Jeremy Balfour: I am conscious of the time, but, if it is okay, I want to ask just one more question. Do you have any comments on the potential use of the community bus fund, its level of funding and how it might fit in with what we are going forward with? Paul White might have something to say about that.

**Paul White:** We touched on the issue of regulatory models in our responses to the previous question, and there are certainly powers in the Transport (Scotland) Act 2019 that local authorities are free to investigate. Some good work is being carried out in certain areas of Scotland to bring local authorities and bus operators together through partnership models. Indeed, Glasgow is a good example of that, and the partnership there allows people to look at the network of bus services and consider, say, the issue of fares and a whole range of benefits.

As for the community bus fund, it seems that it is being driven in the direction of allowing local authorities to bring in consultants to investigate the powers in the 2019 act and consider what might possibly be the best solution for them further down the line. For example, SPT has done some early work on the costs of bringing in a franchise model to the Strathclyde region—largely greater Glasgow—and the timescales for introducing something like that.

My own opinion is that the community bus fund should, as its name suggests, prioritise improving bus links for communities and tackling the kinds of issues that the committee is looking at-in other words, immediate and absolute priorities—instead of being invested in considering options that might take five to seven years and cost lots to deliver. The truth of the matter is that, no matter whether a bus has First, Stagecoach or any other operator's name on the side of it—or, indeed, whether it has SPT on the side of it—the challenges that affect costs for users are exactly the same: congestion, the evolution of travel patterns as a result of Covid and so on. None of those issues is resolved by who owns the buses, so I would like the fund to be targeted more at those things that allow people to access buses and which make buses available and affordable.

**Jeremy Balfour:** Do the other two witnesses have anything to add?

**Mick Hogg:** Briefly, this is not my gig, but I would just say that there is a lot of fragmentation. Certainly what is coming over loud and clear is that the benchmark for running a community partnership is Lothian Buses, which delivers this sort of thing very well in the Lothians.

**Paul Finch:** As I understand it, the community bus fund is a capital fund, and the crying need is for revenue support or revenue interventions that can promote innovation in particular areas. That might be a limitation on the practical use to which local authorities and others can put that money to immediately address the problems that are being considered in this inquiry.

Jeremy Balfour: Thank you.

**Paul O'Kane (West Scotland) (Lab):** I just want to expand on the theme that colleagues have been interrogating.

The 2019 act gives local authorities the provision to run services. We have already had some discussion on that, and I appreciate Paul White's comment about municipality not necessarily being a panacea. We know that local bus services in Scotland have dropped 38 per cent since 2007, and thousands of routes have been lost. Often those routes connect communities to other services such as rail services, but they also help people in rural communities get to and access work.

We have had a four-year delay in the secondary legislation to enable local authorities to explore and take forward much of this work. In your view, what impact has that delay had? Perhaps I can come to Paul White first of all.

Paul White: I think that the issue of routes lost since 2007 was featured in a Scottish Labour press release two or three weeks ago. I have written to Mr Sarwar about that, because there was a statistical correction to the number of routes in Scotland in 2020-21 that that release does not take account of. Prior to 2020-21, the traffic commissioner for Scotland would publish reports that showed the number of routes in Scotland, but some were double counted in 2020-21 due to routes crossing local authority boundaries. I do not have the figures in front of me, but it was around 800, so the total of more than 2,000 dropped all of a sudden by 800. There was a net drop of 40 routes, but the figure was readjusted by 840. I have written to Mr Sarwar to say that he has not recognised the statistical correction that is clear from the traffic commissioner's report and that a figure of 1,300 for routes lost is factually incorrect; it is about 400, which is not ideal.

**Paul O'Kane:** You would acknowledge that a drop of 400 routes is a serious issue for communities across Scotland.

**Paul White:** Yes, but it is not thousands. We would like to see progress on the secondary legislation for all aspects of the Transport (Scotland) Act 2019. There have been delays for good reason. Covid has interrupted the process. We all switched our attention to looking at how to fund and operate public transport through the

pandemic when patronage levels went down to below 10 per cent of normal levels.

We do not shy away from discussions that might be had around the 2019 act powers, be they on franchising, municipal operation or bus service improvement partnerships, but that has been delayed and will go into 2024. I am sure that that frustration is shared with our local authority partners.

**Paul O'Kane:** If no one else wants to comment on that, I will go on to digital demand responsive transport.

Paul Finch: I say again that local authorities are eager to engage with the Transport (Scotland) Act 2019 provisions and work to see what works for their particular examples and what they are trying to achieve while also taking into account their budgetary and risk profiles. Many authorities, such as those that have benefited from access to the bus partnership fund, are looking at BSIPs and franchising models. The guidance and the secondary legislation coming out has been welcomed, and we are keen to engage proactively with Transport Scotland officials on that journey.

Paul O'Kane: I opened by talking about rural issues, particularly rural transport. For many rural communities, accessing transport that takes you to work or opportunities for various levels of education or sport is a huge issue. I am keen to discuss the potential of digital demand responsive transport. Although it has been highlighted that it should not be a replacement for wider services, it has had a role to play—for example, people will remember that dial-a-bus services were a feature of our transport network for some time. Can you comment on the potential of such transport to support people, particularly in rural communities, who need extra help to get to the various places that I have mentioned?

**Paul White:** From my perspective, it is fantastic to see new technology such as digital demand responsive transport coming in and helping the situation. The more that we can provide access to information on the availability of buses, the timetable, how to get one, how much it will cost and those types of things, the better.

Digital demand responsive transport, like all demand responsive transport projects, can be quite costly to provide. That is a factor because you are not dealing with a set number of passengers or set routes, so low usage can mean that the cost per passenger journey can be quite high. That can be a challenge for those types of projects. Kick-start funding to try to get the thing established and get usage up to a certain level can be useful in reaching the stage where it is sustainable locally. New technology certainly provides us opportunities to trial that type of thing.

**Paul O'Kane:** The interesting thing about that is that you have to have access to the technology. Do you see those two things as sitting quite close together? We need to deal with the digital exclusion part as well as making the services available to people.

**Paul White:** You are exactly right. There are two aspects to that. Do people have the technology to use the service? There is also the accessibility angle of whether it is easy for people to use or access if they are visually impaired or have other accessibility issues. We must take that into regard.

**Paul O'Kane:** Mick Hogg, how does digital use affect the rail network and people's ability to access new services? Is there a concern about people with additional support needs, who may rely on digital but also need human staff there to support them? Do we need to look at both those things?

**Mick Hogg:** We welcome new technology; we are not dinosaurs, despite the fact that we have been accused of that and of living in the dark ages. We welcome new technology and work very closely with ScotRail. The four trade unions have a good working relationship with ScotRail and we recognise that new technology and the accessibility of that technology are key to the future of Scotland's trains. We certainly welcome new technology.

**Paul O'Kane:** Paul Finch, do you want to comment?

Paul Finch: Aberdeenshire Council recently had a Ready2Go scheme, which was responsive to digital demand, in and around Inverurie, which is a town of about 10,000 or 11,000 people about 15 miles from Aberdeen. That scheme brought new people to the public transport market and enabled access to employment and to nurseries. It helped young people to get out and about because they could actually use their youth cards and were no longer reliant on their parents providing a shuttle bus or taxi service in the area. A scheme like that is a different product. You are not buying a fixed route bus or a fixed timetable; you are buying a more flexible product.

Aberdeenshire Council's experience was very positive, but the scheme was expensive and, unfortunately, the funding was withdrawn because of the cost. However, useful lessons were learned. Scotland is at a relatively immature stage at the moment. The software needs to expand or mature to better serve the market. I am very enthusiastic about digital demand responsive services in rural areas. There are some legislative concerns. As it stands at the moment, those services cannot be put in where they might undercut a commercial

operator, so the legislation limits where you might deploy such a service.

In relation to what the committee is talking about, the experience was very positive. Objectives can be achieved in an area where there is no strong and reliable bus service or where the bus service runs along a particular corridor when employment or services might be off that corridor and in a variety of locations, which is something that you often find in market towns outside the main cities. I believe that we should ensure that the technology can mature to better serve particular circumstances, while recognising that it is just one tool in the toolkit and that community and voluntary transport, subsidised taxes and active travel links can all be part of the toolkit for a particular community.

Roz McCall: You are talking about a specific example just outside Aberdeen, which sounds great and certainly goes with the other evidence that you have given us today about fitting transport into people's lives, because it is a bit more user friendly. Your concern was that the funding stopped and so the whole process stopped. Was that because it was not commercially viable; was it because of concerns about undercutting or getting in the way of other transport models; or was it primarily because the service was just never going to stand on its own two feet?

**Paul Finch:** CoMo UK and Transport Scotland did a wonderful report on digital demand responsive transport, which I commend to the committee because it provides an overview. That kind of transport will very rarely be commercially viable and will always be subsidised, but we should note that the majority of Scotland's railways are also subsidised.

10:30

I should say that Aberdeenshire Council has a budget of around £3.2 million per annum for its bus network, but this approach was costing an additional £470,000 per annum on top of the fixed bus routes, and there were other pressures on that budget to ensure that, as I said, all towns across Aberdeenshire had access to a bus. The local authority could not withstand the situation, despite positive and beneficial outcomes such as achieving accessibility, widening the availability of transport and making it affordable particularly to marginalised groups who, for whatever reason, did not have access to a private car.

Roz McCall: Just to make sure that I have got this right, you are saying that, within the remit of our inquiry, which is about getting parents back into work and looking at child poverty, this is an avenue that might work, as long as the funding process is there.

**Paul Finch:** Yes, and I would also say that, over time, people respond to certainty. If they see it as a pilot service and keep wondering whether it will be there or not, they get nervous about taking it up. Sometimes a longer-term commitment can help, but it is the case that, sometimes, you need that learning experience, too. It is a chicken-and-egg situation.

The Convener: I will bring Paul O'Kane back in.

Paul O'Kane: On the question of how we might sustainably support services to offer additionality in the core services in bus, rail et cetera, Paul Finch mentioned community transport, and a lot of community transport organisations do an excellent job on additionality but struggle with the sustainability of funding. Do these digital demand responsive services and community services need to become much more involved in mainstream funding instead of just being pilot innovations that do not command confidence?

Paul Finch: It would be really good to see that evolution, given what we have seen in the past few years with the main line public transport network. People in many areas of Scotland are crying out for support so that they can get around and not be wholly reliant on the car. The problem is that people are becoming forced car dependants; because they have to run a car to get around, they cannot feed their families. There needs to be a solution, and what has been suggested seems to offer one way of doing that. It would be good to see the remit of the fair fares review and other initiatives extended in that respect or, at least, to have some consideration how this technique can be made appropriate instead of our having a situation in which some of these really great organisations live almost hand mouth with their year-to-year allocations. It might help to address the voluntary nature of some of their stuff and perhaps allow them to invest the decarbonisation of their options.

**The Convener:** Thank you very much. I thank all our witnesses for taking part and sharing their expertise today.

That concludes our public business for today. Next week, we will conclude our evidence taking for the inquiry with a session with the Cabinet Secretary for Social Justice, the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, the Minister for Children, Young People and Keeping the Promise and the Minister for Higher and Further Education. After that session with the Scottish Government cabinet secretaries and ministers, we will hear from the Cabinet Secretary for Social Justice about other priorities relevant to the committee.

We now move into private to consider the remaining items on the agenda. Once again, I thank our witnesses.

10:33

Meeting continued in private until 11:26.

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