

GLASGOW AIRPORT RAIL LINK BILL COMMITTEE

Monday 24 April 2006

Session 2

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GLASGOW AIRPORT RAIL LINK BILL COMMITTEE

3rd Meeting 2006, Session 2

CONVENER

*Margaret Jamieson (Kilmarnock and Loudoun) (Lab)

DEPUTY CONVENER

*Marlyn Glen (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Mr Andrew Arbuckle (Mid Scotland and Fife) (LD)

*Michael Matheson (Central Scotland) (SNP)

*Mr Brian Monteith (Mid Scotland and Fife) (Ind)

*attended

THE FOLLOWING GAVE EVIDENCE:

Robert Booth (Glasgow City Council)

Garry Clark (Glasgow Chamber of Commerce)

Jim Cunningham (Paisley Partnership Regeneration Company)

Valerie Davidson (Strathclyde Partnership for Transport)

Douglas Ferguson (Strathclyde Partnership for Transport)

John Halliday (Strathclyde Partnership for Transport)

Steve Inch (Glasgow City Council)

David Keddie (Roger Tym and Partners)

Paul Lewis (Scottish Enterprise)

Andrew MacDuff (Renfrewshire Chamber of Commerce)

Anne McGregor (Scottish Enterprise)

Tracy Walker (Scottish Council for Development and Industry)

CLERK TO THE COMMITTEE

Terry Shevlin

LOCATION

Renfrewshire Council Civic Suite, Paisley

Scottish Parliament

Glasgow Airport Rail Link Bill Committee

Monday 24 April 2006

[THE CONVENER *opened the meeting at 10:38*]

Glasgow Airport Rail Link Bill: Preliminary Stage

The Convener (Margaret Jamieson): Good morning. I thank members of the public, the press and witnesses for attending today. I ask everyone to ensure that they have switched off their mobile phones, pagers and any other electronic equipment because we do not want anything to interfere with the recording. On behalf of the committee, I thank Renfrewshire Council for its assistance in allowing us to meet here today and on future occasions.

I am well aware of the local and national interest in the Glasgow Airport Rail Link Bill. Before the committee hears evidence, I will say a few words about the bill and the parliamentary process that will be followed. The bill is currently at the preliminary stage of the parliamentary process, during which the committee will give preliminary consideration to all the objections that it has received. At the end of the preliminary stage, the committee will report to the Parliament on whether it recommends that the general principles of the bill be agreed to. There will be a debate in Parliament and a decision on whether the bill should proceed as a private bill. If the Parliament does not agree to the general principles, the bill will fall. Otherwise, the bill will move to the next stage, which is the consideration stage.

It is worth pointing out that the name of the promoter of the bill has recently changed from Strathclyde Passenger Transport Executive to Strathclyde Partnership for Transport. The committee will examine the circumstances behind that change in more detail at a future meeting, although today it is useful to simply put that fact on the record.

At today's meeting and at the next two meetings, we will hear evidence from the promoter and a variety of other witnesses on the general principles of the bill. In the simplest possible terms, that means that we will consider whether having a Glasgow airport rail link is a sensible policy to pursue. At a future meeting, we will take oral evidence on the documents accompanying the bill

to establish whether they are adequate to allow for proper scrutiny of the bill.

I thank all those who have provided written evidence and those who have agreed to provide oral evidence to us.

Members will recall that we invited the Confederation of British Industry Scotland, the Scottish Trades Union Congress, Inverclyde Council, Glasgow Community Planning Ltd, VisitScotland and Strathclyde fire and rescue service to provide oral evidence. For various reasons, they were all unable to provide witnesses for today's meeting. However, it is possible that we will be able to reschedule and hear from witnesses from those organisations at a later date. As we still have a large number of witnesses to get through today, we will now progress to oral evidence taking.

We will use various themes to shape our questions to the witnesses today. Those include a general overview of the bill and the need for a rail link; the economic and social inclusion benefits of the scheme, as claimed by the bill's promoter; the regeneration of the M8 Ayrshire and Inverclyde corridors; and the funding of the scheme. I ask members to try to stick to those themes when they can, although I know that that is not always possible.

I welcome our first panel of witnesses: Paul Lewis, director of competitive place, and Anne McGregor, transport manager, from Scottish Enterprise. The first question is from Marlyn Glen.

Marlyn Glen (North East Scotland) (Lab): Scottish Enterprise's submission states that

"the image created by a high quality airport rail link is likely to assist"

the cause of attracting new direct international flights to Scotland. Do you have any evidence for that statement? Have you discussed the matter with any airlines?

Paul Lewis (Scottish Enterprise): Scottish Enterprise runs the route development fund, which is the Executive's main tool in attracting new direct services. Until now, we have attracted about 30-odd new direct services to Scotland's main airports.

From our discussions with airlines, we know that when they take decisions, they are interested in the likely patronage of any service that they offer. Much of that patronage will be made up of individuals, but many direct services will be used by the business community. Airlines expect to see proper connectivity between the airport and main employment centres—in this case, the centre of Glasgow is particularly important to them. When the airlines take decisions, they also think about where to invest, not just in Scotland, but

internationally. If we consider comparable locations, particularly in Europe, we can see the importance of rail connectivity to airports, which seems to be a factor in airlines' decision making.

10:45

Mr Brian Monteith (Mid Scotland and Fife) (Ind): You talk about decision making, but the promoter's written evidence states that Prague, Helsinki and Dublin do not have rail links. Despite that, those cities are associated with success and economic growth. Do you believe that there is a causal link? Do you have any evidence that a rail link is a prerequisite for economic growth?

Paul Lewis: It would be challenging to make a direct causal link. My colleague Anne McGregor might have something to say about that in a moment. However, the large body of evidence that exists both in the United Kingdom and in Europe shows a strong correlation between transport investment and economic growth. That evidence includes, most recently, the report to the Office of the Deputy Prime Minister, "The State of the English Cities", and the recent statement that was made by the Treasury and ODPM in the budget report 2006.

There is a strong correlation—although, as you note, not an exclusive correlation—between places that are successful in terms of economic growth and investment in transport infrastructure, including airport rail links. We believe that the evidence is there, but the direct causal link is hard to demonstrate.

Anne McGregor (Scottish Enterprise): I have been involved in examining how transport affects the economy. Various methodologies are used, but it is important to understand that it is difficult to quantify the causal link. The matter is quite subjective. However, during the past four or five years, a body of evidence has been built up to show that transport is an integral part of what is needed to make a city and a region competitive. Transport investment definitely has benefits and improves the economy, but it is difficult to prove that.

Mr Monteith: Convener, we heard references to a large body of evidence. I wonder whether Scottish Enterprise could give us a brief note of its references.

Paul Lewis: I would be happy to do that, convener. There are the two recent reports, and we have other evidence.

The Convener: Thank you.

Michael Matheson (Central Scotland) (SNP): The importance of connectivity has been mentioned, and in its written evidence, Scottish Enterprise states:

"If the Glasgow cross-rail project is not delivered, SE would prefer the airport rail link to connect directly to Queen Street Station rather than Central Station."

Given that we are dealing with the promoter's proposed route, does Scottish Enterprise support the proposal as it stands?

Paul Lewis: Yes. We recognise the benefits of the link that is proposed, but in our written evidence we state that the real benefits of investment in transport infrastructure such as the Glasgow airport rail link will be realised if we have the crossrail in place as well. That will provide the proper connectivity to reflect the way in which the economy of the west of Scotland is moving. Connectivity through the city is important. We support the project in its current form, but we think that the true benefits of the link will be realised if the crossrail scheme is in place.

When we are planning investment in the Glasgow airport rail link, we also need to look west and ensure that we take account of the opportunities in Ayrshire, particularly around the proposed development at Hunterston. Consideration needs to be given to links east but also to links west. Hunterston should be developed—proposals exist for a deep-sea port there—and rail will be an important part of that.

Michael Matheson: If the crossrail issue is not resolved while we are considering the proposed route for the airport rail link, will it still be Scottish Enterprise's position that the route should go into Queen Street?

Paul Lewis: Yes. That is our position.

Michael Matheson: But you also support the promoter's proposed route.

Paul Lewis: We recognise that there are benefits from the proposed route. What we are saying is that the real benefits of the airport link are best made either by crossrail being in place or—our preferred option—by having the route terminus at Glasgow Queen Street.

Mr Monteith: You seem to be saying that you would prefer the line to go into Queen Street over crossrail. Will you clarify that?

Paul Lewis: That was not what I said.

Anne McGregor: No, it was the opposite. If crossrail does not go ahead, we would prefer the line to go into Queen Street.

Michael Matheson: It sounds as if your support for the bill is conditional, so we may want to come back to that issue later. Your evidence and what you have said today indicates that if the crossrail issue is not resolved, you want the line to go into Queen Street. That is different to what is proposed in the bill.

You mentioned the transshipment hub at Hunterston. In your evidence, you refer to the fact that the line could also be used for the shipment of containers. That is an additional benefit. Have you discussed with the bill promoter the possibility of greater use of the line for the hub at Hunterston?

Paul Lewis: I do not think that that discussion has taken place yet. We merely flagged up the potential of Hunterston and that consideration needs to be given to it.

Michael Matheson: You mentioned that the line could help the regeneration of the Ayrshire and Inverclyde corridors through the development of rail capacity in those areas. What assessment have you made of that issue and the regeneration benefits that it will bring?

Paul Lewis: Some areas have the potential to benefit quite considerably from improved connectivity out to Glasgow airport and beyond. That is particularly the case with Inverclyde, given that it is a major focus for investment by public and private sector partners and has recently been established as a regional ministerial priority. Inverclyde will benefit from improved access as a result of the rail link.

Mr Andrew Arbuckle (Mid Scotland and Fife) (LD): Your submission is largely supportive of the project. Will you support it financially?

Paul Lewis: No. It is not the role of Scottish Enterprise to fund transport infrastructure. The Executive's transport agency has been established to do that. We work alongside transport infrastructure investment to try to realise its economic benefits. For example, I spoke about Inverclyde as a potential beneficiary from improved transport connectivity. Scottish Enterprise, along with other public agencies and the private sector, is planning to invest considerably to release the economic development potential that would come from that, but we are not a funder of transport infrastructure. We do not build railways.

Mr Arbuckle: Could any aspect of the project, such as the access to Glasgow Central station, be considered to be non-transport?

Paul Lewis: No. When we consider any transport scheme, there are specific areas in which economic development will be unlocked, principally the main stations and the terminuses. Alongside partners such as Glasgow City Council, Scottish Enterprise is already investing heavily to unlock the economic development potential of the Clyde waterfront. That will be enhanced by connectivity into Glasgow city centre as a result of the bill, but we are not a transport agency; we do not build railways or rolling stock in that way. We try to unlock the economic development potential that can come from investment made by others.

The Convener: Has the promoter demonstrated in practical terms how GARL will improve social inclusion and accessibility—particularly in areas of Glasgow and Renfrewshire where there is low car ownership and high deprivation—and provide economic opportunities?

Anne McGregor: The new connection and the increased frequency of services between Paisley and Glasgow will bring about some regeneration benefits. There will be an improvement in accessibility because people will have access to Paisley and to employment opportunities at Glasgow airport. In addition, if services on the lines to Ayrshire and Inverclyde become more frequent as a result of the new rail link, that additional connectivity will feed through into regeneration.

Paul Lewis: Connectivity is one issue to consider in relation to social inclusion and social justice, but no matter how good it is, connectivity alone will not solve problems of exclusion. Strong partnerships will have to be put in place, and hard work will have to be done, to ensure that people can benefit directly from employment opportunities both at the airport and in businesses in the wider region that will benefit from the link. Specific mechanisms—beyond those that are simply to do with transport—will have to be put in place to ensure that people are given access to those jobs.

The Convener: If the bill progresses and the link is established, does Scottish Enterprise feel that areas such as Renfrewshire and Inverclyde will become more attractive to people who wish to relocate within Scotland, or to people who wish to come to Scotland for the first time?

Paul Lewis: Yes. We believe that the new transport infrastructure will improve the competitiveness of the region. That will be attractive both to existing businesses and to new entrants.

Mr Monteith: I was interested in what you said about Scottish Enterprise not investing in transport infrastructure, or not building railways now that we have Transport Scotland. In the past, you have managed—together with the Scottish Executive—the aviation route development fund. Will that still be within your remit? Have any airlines that you have dealt with ever expressed a view on the pros and cons of GARL?

Paul Lewis: Until the Executive decides otherwise, we will continue to run the route development fund on its behalf. Our assumption at the moment is that we will continue to run it.

I said that we do not fund rail but, as you have rightly pointed out, we have a role in the external transport connections from which Scotland can benefit; no other agency operates in that area.

However, clearly there is a transport agency for transport within Scotland.

We discussed earlier the conversations that Scottish Enterprise has had with a number of airlines. Rail connections, and plans for them, have come up during those conversations, but I would have to check whether GARL has been specifically raised by any airline. In general, airlines seek the best possible connectivity with their marketplaces—the businesses in the particular regions to which they are providing services.

Michael Matheson: In your evidence, you highlight the importance of connectivity and you state that any new line should provide “maximum connectivity throughout Scotland.” Has Scottish Enterprise considered any other model or route to Glasgow airport that would better fulfil that objective? If so, could you tell us about it?

Paul Lewis: I am sorry—I am not sure that I completely understand the question.

Michael Matheson: You have raised concerns about the connectivity of the existing proposal. My reading of your evidence is that you do not believe that the existing route, without the crossrail network, provides the “maximum connectivity” that you regard as important. Has Scottish Enterprise considered any other models for the route to Glasgow airport that would provide greater connectivity?

Paul Lewis: As our evidence says, we believe that greater connectivity could come through the implementation of the crossrail scheme, or, if that scheme is not implemented, through a route directly to Glasgow Queen Street station. Are you asking whether we have considered a specific alignment?

Michael Matheson: Yes.

Paul Lewis: No, we have not. I do not think that that would be our role; our role is to articulate, in terms of economic growth, the case for greater connectivity.

The Convener: As there are no further questions, I thank you very much for your written and oral evidence. Please ensure that you send us the further information that you offered us this morning.

Paul Lewis: I would be happy to provide that.

11:00

The Convener: I welcome Robert Booth, director of land services for Glasgow City Council, and Steve Inch, the council’s director of development and regeneration services.

Marlyn Glen: Can Glasgow City Council explain why it thinks that the promoter should allow for the provision of a new station at Ibrox, as presumably that would slow down the speed of the rail link?

Steve Inch (Glasgow City Council): The council’s position is clear. We do not want any future development of the line to be compromised. Our view is that there is a market for passenger transport at Ibrox. The scheme would allow for a station to be added there in due course. We accept that that would slow down the line, which is why we see it as a long-term objective, rather than something to be built into the system immediately.

Marlyn Glen: Can the council assure the committee that disabled passengers will be able to access the rail link from Glasgow Central station?

Robert Booth (Glasgow City Council): We have had discussions with colleagues in SPT. The proposal is that we will develop a number of parking bays in the NCP car park that gives direct access to platform 11 of Glasgow Central station. A disabled dropping-off point will be developed at the Gordon Street entrance to the station. That is an improvement, because it will give direct access to the main concourse and will be nearer the ticket booths.

Marlyn Glen: Will there be any problem when Gordon Street is closed, with the night zone provisions that are in place at the weekends?

Robert Booth: There are night zone restrictions, but we will be able to ensure that disabled access is available when the station is open.

Marlyn Glen: We will need to consider that issue in detail.

The council is a mandatory consultee, which means that it has a right to comment to the committee on the consultation that was undertaken by the promoter. Does the council have any concerns about that consultation?

Steve Inch: We are aware of the extensive consultation that has been undertaken throughout the development of the project to date. A significant number of leaflets went out and there was consultation with business. The initial consultation involved more than 3,000 people, and there was an extremely high response, which was extremely favourable. There has been on-going dialogue with the council for a substantial period. We are well aware of how SPT has gone about the consultation process and are satisfied that it has been as exhaustive as we could have wished it to be at this point.

Marlyn Glen: That is helpful.

The promoter was also required to consult the council, broadly speaking, on environmental

matters. Does the council have any concerns about the promoter's environmental statement, other than the matters that it raised in its submission?

Steve Inch: Several times during the preparation of that study, we met Faber Maunsell, the company that undertook the environmental work. We are satisfied that the environmental issues that we wanted to be raised have been addressed.

The Convener: On disabled access, you indicated that Gordon Street could be used only within the opening times of the station. What are those times?

Robert Booth: I meant that, when the station is open, access will be available. If the opening hours varied, the access times would vary as well. If the station closes at 11, access will be available until 11.

At the moment, access to Gordon Street is restricted to vehicles loading and unloading, taxis and buses. We would intend to include assisted travellers' vehicles in the vehicles that are allowed access to the street.

The Convener: So you would vary the order to accommodate that. Would that have an impact on the policing of the night zone?

Robert Booth: No. We already have similar arrangements in place in relation to traffic regulation orders in the city centre. For example, the restriction in the Buchanan Street pedestrian precinct is from 10 in the morning to 5 at night. However, disabled people are allowed access to Buchanan Street in order to be dropped off. We have the same arrangement in mind for Gordon Street.

The night zone is enforced by a combination of council officers and police officers. We are just about to conclude discussions on an arrangement whereby two police officers will join the land services department's traffic management group to ensure that we deal with traffic hotspots in the city centre. Gordon Street and Union Street are key areas in that arrangement.

The Convener: Therefore, whether or not the rail line goes ahead, the issue will still have to be looked at by the council.

Robert Booth: Yes.

Mr Arbuckle: On the financial side, the council's submission is supportive. Do you intend to support the project financially if it goes ahead?

Steve Inch: The only direct financial support from the council would be through the contribution that is made to the running costs of SPT. There would be no finance over and above that.

Certainly, none is being considered at the moment.

Mr Arbuckle: Would you visualise changing your financial agreements with SPT to take into account the fact that the proposal is a large capital project and will be running at a loss for the next three decades?

Steve Inch: On the capital side, the reality is that Glasgow City Council is running an extensive capital programme at the moment and a substantial part of that is oriented towards transport investment. Another large part of that programme is concerned with riverside regeneration, the Clyde gateway and land remediation. The council would find it difficult to find additional financial resources at this point, particularly when our ability to raise capital is constrained by the prudential borrowing framework.

On the revenue side, the council is always open to an approach from SPT to look at the revenue costs of the line, particularly on the Glasgow to Paisley stretch. That would require a change in the council's policy, but I think that it would approach such a suggestion with a reasonably open mind.

Mr Arbuckle: Bus companies and taxi operators have made submissions to the committee saying that the new rail line will cause them to lose money. Do you think that such an effect would be felt in the centre of Glasgow? There is quite a bit of traffic between the centre of Glasgow and the airport.

Steve Inch: That issue has to be considered in terms of the overall predicted growth of the airport. The figures suggest that there will be a shift in share from road-based traffic to rail-based traffic in the context of a substantial growth in the number of passengers using the airport. The number of journeys that would be undertaken by road would not change significantly. The bulk of the growth will go into rail-based transport and there will still be business for taxis and buses based on journeys that do not start in Glasgow city centre.

Robert Booth: One advantage of GARL is that it will remove a significant number of vehicles from the road network. As part of traffic management in the city, we are promoting in conjunction with the Executive new public transport initiatives—quality bus corridors come to mind, as they provide 120km of bus priority lanes in the city. GARL will release capacity on the road network, so public transport options will be more attractive to people who move about the city. Given that the first of the eight quality bus corridor routes experienced an increase in patronage of 100,000 in its first year, GARL will have indirect benefits, because if people are given reliable public transport options, they will use them. Options will be available

because GARL will give us capacity on the road network.

Mr Monteith: Does the council have evidence of how Glasgow's existing rail and underground network contributes to economic growth, which would show how GARL might do the same?

Steve Inch: We have not examined that in the systematic way that you suggest, but it is clear that a sophisticated transport system is a prerequisite for and an outcome of effective economic development. The Scottish Enterprise witnesses spoke about inward investment. I tend to be the person in the council's team who deals with inward investment, and when I deal with companies such as Dell, Morgan Stanley and JP Morgan it is clear that connectivity is vital to their decisions. Almost inevitably, one of the search criteria for major multinational mobile investments is whether an international airport can be reached easily and quickly and whether services go from it to a wide range of destinations directly or provide transshipping.

In Glasgow, we have tried to ensure that the transport systems—particularly buses, the underground, which was mentioned, and suburban rail—provide fast access into and out of the commercial heart. The advantage of GARL is that it would provide easy connectivity to the airport, from which would arise economic growth and mobile investment benefits.

Mr Monteith: Given the high levels of deprivation in Glasgow, has the promoter demonstrated how GARL will improve social inclusion and accessibility?

Steve Inch: At the last count, we estimated that about 43,000 people who live within 5km of the airport live in what used to be social inclusion partnership areas. We take the line that the first panel pronounced: many of those people could access a railway station for a train to take them to Paisley and the airport link. That would increase access to the airport for people who live in areas where there are low levels of car ownership—the typical ownership figure is below 40 per cent in some social inclusion partnership areas. Being able to access a system quickly and at a reasonable cost must surely benefit residents of such areas.

Unemployed and workless people in social inclusion partnership areas will not simply benefit from increased connectivity and access. Training mechanisms will need to be in place and deals will need to be done between airport operators, airport businesses and organisations such as the Paisley Partnership Regeneration Company and the Govan Initiative, which specialise in developing training programmes to allow people to access foundation work.

The pattern of airport growth shows that another benefit is that airports provide people with a tremendous amount of entry-level jobs, such as baggage handlers, food processors and catering staff. Our experience in Glasgow is that one of the best mechanisms for people to improve their personal circumstances is to find a foundation-level job, train with the company and then move up the employment ladder.

The traffic and employment projections for Glasgow airport suggest that opportunities will be available for some of the more disadvantaged residents of the city of Glasgow, Paisley, Ayrshire and Inverclyde.

The Convener: Paragraph 65 of the promoter's memorandum quotes Glasgow City Council's city plan, which states:

"The absence of a rail link to Glasgow Airport places it at a disadvantage compared with other UK and European airports."

Is there a correlation between a prosperous city and an airport rail link?

11:15

Robert Booth: A city that has no rail link from the airport to its centre has to overcome an additional hurdle in an increasingly competitive market. There is no doubt that if GARL is put in place with a reliable service of four trains an hour and a journey time of 16 minutes it will be a tremendous boost to the city's competitiveness. The bus journey to the airport is meant to take 23 minutes, but anyone who lives in the area, as I do, knows that congestion on the M8 frequently lengthens the journey.

Steve Inch: As I said, in the past few years Glasgow has been successful in attracting major multinationals to invest in the city. We are currently at peak levels of international job creation in the city—4,000 jobs were created last year. International connectivity is regarded by the multinationals as extremely important and it tends to be measured in all the national inward investor perception surveys. Some investors with whom I have dealt say that it has become the norm to consider locating only in cities that have good connectivity between the city centre, the place where they want to locate and the airport.

Dublin is a good example of a city that has been choked by the poor connection between the airport and the city centre. The Irish Government is spending a huge amount of money to improve connectivity, because it is finding that investors do not want to spend inordinate lengths of time between arriving at the airport and reaching the city centre. The Irish Government acknowledges the need for investment if Dublin is to retain its

international competitiveness. Glasgow City Council adopts the same line.

The Convener: Your answer neatly leads on to my next question. Prague, Helsinki and Dublin do not have airport rail links, but are they less prosperous than Glasgow?

Steve Inch: I can talk about only Dublin, where there is great concern that the city has lost a number of inward investments to other locations, including Glasgow, partly because of transport problems between the airport and the city centre and the fact that the city is extremely clogged up. I think that Prague is at a different stage in its development, but if it continues to grow at the current rate I would not be surprised if the lack of a rail link becomes an issue. I am not familiar with Helsinki.

Mr Arbuckle: In answer to a question about bus and taxi users, Robert Booth said that Glasgow City Council is promoting several initiatives to encourage more people to use public transport. Would you achieve that objective if you dedicated one of the lanes on the M8 between the airport and the city centre to public transport?

Robert Booth: It would be impractical to dedicate a lane on the M8 exclusively to public transport. Congestion is such that vehicles would not move if we took a lane away from motorists. That is why we support GARL: it enables us for the first time to envisage a significant reduction in vehicles on the road network.

Mr Arbuckle: Is that a personal view or a professional opinion? Has work taken place to confirm it?

Robert Booth: I am giving my professional opinion, which is based on statistics in the environmental statement that demonstrate projected growth at the airport. The road network cannot cope with such growth.

Michael Matheson: I assume that the witnesses listened to the evidence from the Scottish Enterprise representatives, who also emphasised the importance of connectivity for economic growth. In its written evidence, Scottish Enterprise states:

"If the Glasgow crossrail project is not delivered, SE would prefer the airport rail link to connect directly to Queen Street Station rather than Central Station."

What is the council's response to that proposal?

Steve Inch: Our most recent position, as set out in a report that was put to committee in March, is that we fully support GARL, and our support of the crossrail project is set out in the city plan and various other documents. The two projects are not mutually exclusive. We should bear in mind the fact that Glasgow Central serves a catchment area

to the south of the city that it would be difficult to serve with the crossrail link.

The council feels that constructing both the crossrail link and GARL would strengthen the transport system by opening up a much wider catchment area to the north of the city for the airport and protecting the requirements of passengers from Lanarkshire, the Borders and Dumfries and Galloway, who naturally gravitate to the city via a rail link to Glasgow Central.

Michael Matheson: The promoter makes quite a few claims about GARL's main quantifiable wider economic benefits. For example, it states that it will deliver approximately 650 jobs to Glasgow and Renfrewshire over the next 10 years and that it will help to support Glasgow's estimated £115 million conference sector. Are those figures accurate and reasonable?

Steve Inch: Such studies are always difficult to carry out, but my gut feeling is that those figures are a bit conservative. There has been a lot of property development around other UK and European international airports, because people who come into them do not want to move very far away from them.

The rail link project will boost the centre of Paisley, because of its connections through Gilmour Street station, and will be fundamental to an increasingly competitive conference and convention market. As the inward investment person on the council, I have the closest working relationship with Glasgow City Marketing Bureau and have been involved with pitching the city to major conferences. Conference organisers need to know whether they can get delegates to the city and whether they can get them easily and quickly into and out of the city. We should also remember that short-stay tourism has been a major growth area in Glasgow. The shorter the stay, the less time people want to spend getting to their city centre hotel.

If we can get the airport rail link to work effectively, we will substantially increase our competitiveness in those markets. I think that the promoter has underplayed that aspect.

The Convener: I thank the witnesses for their evidence.

I welcome to the meeting our third panel of witnesses: Garry Clark, policy and campaign executive of Glasgow Chamber of Commerce; Andrew MacDuff, operations manager for Renfrewshire Chamber of Commerce; and Tracy Walker, policy analyst with the Scottish Council for Development and Industry.

Michael Matheson will kick off.

Michael Matheson: My questions are for Garry Clark. In your written evidence, you claim that the

development of the Glasgow airport rail link will enhance the appeal of the city, which will help to promote investment and to promote the city as a tourism and convention centre. You also state that it will make Glasgow attractive as a location for corporate headquarters. What evidence do you have to support those claims?

Garry Clark (Glasgow Chamber of Commerce): One major appeal of a rail link to the airport is accessibility to the UK market through London and regional airports and to an increasing number of European and worldwide markets through direct air links. There is evidence to suggest that, if we increase Glasgow's accessibility as a destination, people will make more use of its already substantial attractions. An example is the increasing number of venues in the conference market. The extension to the Scottish Exhibition and Conference Centre and other developments in the city centre will be major attractions if they are made more accessible through a direct air link with a rail link to the city centre. The Heathrow express in London, which most of us will probably have used at some point, has revolutionised London's accessibility and its ability to compete on a world stage in the major conference and incoming tourism markets.

Michael Matheson: Does Glasgow Chamber of Commerce have any hard evidence to demonstrate the benefits that you believe the rail link to Glasgow airport will bring?

Garry Clark: Benefits have accrued to Glasgow as a result of the existing rail link to Prestwick airport. That link has a high take-up rate—I think that about 30 per cent of airport users use the railway and many of them obviously come to Glasgow. The Glasgow tourism industry and the tourism industry in the west of Scotland and further afield have benefited from that. Even greater benefits would accrue from a direct connection to Glasgow airport, which has a far larger number of passengers—about 8 million annually.

Michael Matheson: One issue that has arisen in evidence this morning is the importance of connectivity, particularly in promoting inward investment in areas such as Glasgow. However, concerns have been expressed about the proposed crossrail development from Glasgow Central station to Glasgow Queen Street station. Will the benefits of GARL be realised to their maximum extent without the crossrail development?

Garry Clark: There will be benefits from GARL without the crossrail development, but they would be substantially enhanced by it, as it would enable direct access to the east and north of Scotland. To make the most of GARL, we want the crossrail development to be in place.

Michael Matheson: In your written evidence you express concern that the timescale for the compulsory purchase of land is 10 years rather than the normal five years. Can you give more detail on that and say what you think the timescale for the promoter should be?

11:30

Garry Clark: Our opinion—and the opinion of our members—is that we want the rail link to be up and running as soon as possible. There are many reasons for that. For example, if we are looking at a 10-year timescale, we might not have developments in place by 2014, when Glasgow is hoping to host the Commonwealth games, which would require a substantial degree of public transport access from Glasgow airport and throughout Glasgow, the west of Scotland and Scotland as a whole. That is one example of how a 10-year timescale would not allow us to make the best use of GARL.

The Convener: I have questions for Andrew MacDuff about his evidence. You indicated all the supply chain opportunities that would arise from airport growth. Will you explain what you mean by that? Could such opportunities be delivered without the Glasgow airport rail link?

Andrew MacDuff (Renfrewshire Chamber of Commerce): My members argue that they probably can be supplied without the rail link, but they are anxious to stress what they see as the catalytic effect on the Renfrewshire economy of developments that allow Glasgow airport to grow.

We are contributing to the Glasgow airport zone initiative, out of which has come a comparison with Lille and the enormous addition of facilities to service its airport. My members want Glasgow airport to grow, so that it attracts into Renfrewshire additional associated services such as hotels, restaurants and freight forwarders. My members argue strongly that evidence that we have collected from continental Europe and elsewhere in the UK through the Glasgow airport zone initiative suggests that there is the potential for enormous growth in the Renfrewshire economy if we can grow the airport.

The Convener: Will you expand on what you said about the Glasgow airport zone initiative, because I am not familiar with it?

Andrew MacDuff: The Glasgow airport zone initiative is a piece of research that is being carried out, and is part funded by BAA, Renfrewshire Council and Renfrewshire Chamber of Commerce. I believe that you will hear this afternoon from Jim Cunningham, who is a member of the council and is on the committee of the Glasgow airport zone initiative. We have retained a group of consultants

to consider how best the Renfrewshire economy can be served by the growth of Glasgow airport.

The Convener: Given that a lot of our questions have been about the economic growth of the surrounding area, would it be possible to have a copy of that report?

Andrew MacDuff: I do not see any reason why not.

The Convener: Thanks very much.

My other question is about the impact on businesses in Paisley that would be close to the rail link and could be compulsorily acquired or have part of their premises demolished. Would that have an adverse impact on the local economy?

Andrew MacDuff: Renfrewshire chamber's members do not believe so. Given the amount of vacant industrial and commercial space in and around Paisley, there are plenty alternative sites. Indeed, the opposite view could be taken: that if we make access into the centre of Paisley easier, we might draw in more businesses than we have at present.

The Convener: So rather than being negative it would be a gain.

Mr Arbuckle: All the submissions from the panel have been positive about the economic benefits for the area, but so far we have not identified anybody who is prepared to put their hand in their pocket and help the investment forward. Do the witnesses believe that the airport operators should help to fund the project in some way to ensure that it goes ahead?

Andrew MacDuff: I cannot speak for BAA, but it is an active member of Renfrewshire Chamber of Commerce and it has made it clear from the very beginning that it is an airport operator and that it has no great interest in running a rail line. I believe that it is happy to host a railway station and to maximise the service that the railway will bring to the airport, but it would argue that it is not, first and foremost, a rail operator.

Mr Arbuckle: Do other members of the panel want to give their views?

Garry Clark: Andrew MacDuff has encapsulated the position. As far as Glasgow Chamber of Commerce is concerned, the benefits of the airport rail link extend far beyond the airport operators themselves. Many businesses in the west of Scotland could benefit from the greater accessibility provided by the rail link, so perhaps it would be unfair to single out individual ones to pay for it. The benefits reach far wider than BAA.

Mr Arbuckle: So there are no individual offers so far. I would like to ask Tracy Walker the same question. Perhaps we should not be looking only

to the airport operators, as the airlines will also benefit financially. As Andrew MacDuff and Garry Clark have indicated, a lot of businesses will benefit from the rail link. Does it all come back to the Scottish Executive?

Tracy Walker (Scottish Council for Development and Industry): Our main concern is about the possibility of additional costs being passed on to the airlines, which would make it more expensive to operate into and out of Glasgow airport, and obviously conflict with things such as the route development fund. We are trying to attract new direct flights into Scotland, which is important for the Scottish economy, and additional costs would jeopardise that and conflict with aims in other policy areas.

Mr Arbuckle: Would not that be offset by the development bringing in increased business, as operators would be busier and would have more throughput and, hopefully, more profit? Do not you see a need for them to become financially involved to help to develop the project?

Garry Clark: The Scottish Executive has set out economic growth as one of its key objectives, and we view the development as a means of helping to achieve that.

Michael Matheson: It is clear that all three of the witnesses support the idea of a rail link between Glasgow and Glasgow airport, but do you think that what the promoter is currently proposing is the best option? If not, what could be done to make it the best option?

Garry Clark: We are certainly comfortable with the layout that is being presented. One of the key benefits, other than the link to the airport itself, will be the increase in line capacity between Glasgow and Paisley Gilmour Street, which will have huge benefits for the accessibility of not only Glasgow and Paisley but the west of Scotland, in particular Ayrshire and Prestwick airport. We could be looking at an increase in passenger numbers at Glasgow airport from 8 million at the moment to anything up to 24 million, which is the figure that the airport is projecting for 2030.

We need to reduce the number of car journeys on our roads, and the Executive rightly sets a target for doing so. At present, something like 94 or 95 per cent of passengers access Glasgow airport by road and there is huge congestion on the M8 corridor. We need to get those cars off the road, and the airport rail link will be of huge benefit in doing that.

We certainly view the layout as a positive option because of the increased line capacity and its potential to reduce the number of car journeys—or at least to reduce the impact of the increased number of car journeys in the west of Scotland.

Tracy Walker: The Scottish Council for Development and Industry is satisfied that a number of alternatives were considered and that the proposed layout seemed to be the best when judged against criteria such as the need for not too much residential property to be affected and the cost-effectiveness of the route. Our only concern would be to do with the Glasgow crossrail, which was discussed earlier. We do not feel that the potential of the Glasgow airport rail link will be realised if the crossrail project does not go ahead.

Andrew MacDuff: The members of Renfrewshire Chamber of Commerce would be concerned if the benefit fell on Prestwick airport and Ayrshire, as Garry Clark mentioned, and Paisley and Renfrewshire were simply bypassed.

To return to cost, I understand that there is a suggestion that BAA Glasgow, but not Prestwick airport, should make a contribution to the cost of the airport rail link. My members are concerned about a Renfrewshire company—BAA Glasgow—making a contribution for a development that enhances Ayrshire's situation and simply makes Paisley a crossing point.

Michael Matheson: How do we address that concern?

Andrew MacDuff: There was a feeling among my members that the light railway link between Glasgow Braehead—the attractiveness of which has recently been enhanced by the Xscape development—and Glasgow airport was an attractive proposition as it would bring Braehead into the network.

Xscape is an interesting illustration of how Renfrewshire tends to be bypassed: the development is in Renfrewshire but is advertised as Xscape Glasgow. It is a difficult point to argue against, because Renfrewshire exists in the shadow of Glasgow. Renfrewshire companies really hope for the spin-off from Glasgow's growing attractiveness but, at the same time, Renfrewshire has to fight its own corner. Although there is a great deal of support among the retailers and local businesses generally for increased capacity between Glasgow Central station and Paisley Gilmour Street station, there is a real concern that that will only make it easier for people to get into Ayrshire, so that Renfrewshire will simply be bypassed.

Michael Matheson: Would it be fair to say that what the promoter has proposed is not necessarily the first choice of Renfrewshire Chamber of Commerce?

Andrew MacDuff: There would be strong support for that from some of my members. However, the view that has been taken is that we are considering the final option and it is now a question of arguing the case to ensure that

Glasgow airport and the businesses of Paisley and Renfrewshire are on a level playing field with the enhancement of Ayrshire. It is fine for those involved in Glasgow-based activities to argue that they want Ayrshire to be developed. Ayrshire is part of Glasgow's hinterland, just as Renfrewshire is. However, in Renfrewshire we must argue for Renfrewshire, and my members want to see the maximum benefit falling on Glasgow airport as a catalyst for our economy.

Michael Matheson: That is helpful—thank you.

11:45

Mr Monteith: Renfrewshire Chamber of Commerce's evidence states that the airlines that presently operate from Glasgow do not want to contribute to the cost of construction and servicing, as they remain unconvinced about the benefits. How did you come by that evidence?

Andrew MacDuff: Our offices are in the administration block at Glasgow airport and I have fairly easy access to the airlines. I simply talked to the airlines and that was the majority opinion.

Mr Monteith: BAA is a member, but the airlines are not members, are they?

Andrew MacDuff: No.

Mr Arbuckle: The SCDI submission indicated that it would like the line to be developed in future for use by freight. Surely that would mean the creation of freight depots at either end of the line. What basis is there for that? Is there a great demand for freight transport to and from Glasgow airport?

Tracy Walker: We want that to be explored further in the long term to ensure that we are not missing an opportunity. Encouraging figures have shown that air freight cargo out of Glasgow airport increased in 2004, which means a lot more freight on the roads to the airport. If air freight cargo continues to grow, we would like the use of the line for the Glasgow airport rail link to be explored to establish whether there would be any benefits. We understand that there are difficulties—we support the move of freight from road to rail, but it is not convenient for many forms of freight. However, where it can be used, it can have significant environmental benefits.

Garry Clark: We have a well-developed freight terminal at Hunterston in Ayrshire, which transports a lot of coal to coal-fired power stations, particularly on the east coast and in Fife. All that traffic has to cross the Paisley to Glasgow line at some point. One benefit of increased line capacity would be that it might make it easier to move that coal from Hunterston, which may become a superport in future.

Marlyn Glen: Many of you do not seem to agree with the promoter's idea that the rail link will stimulate economic growth. The promoter suggests that the rail link might support the development of up to 135,000ft² of office accommodation in Paisley town centre, providing the opportunity for a further 675 jobs for Paisley town centre over three to four years. Do you entirely disagree with that? Is that not a possibility?

Andrew MacDuff: We do not disagree with that at all—we would argue that there will undoubtedly be a benefit to Paisley and Renfrewshire, but it might be a relatively short-term benefit and it might be only a modest gain in comparison with what Glasgow airport and the Renfrewshire economy might lose to other areas further down the rail link.

Marlyn Glen: So you would be in competition with those areas.

The Convener: All the witnesses have said that increasing numbers of passengers are expected in the next few years. Is there any evidence on whether more money is spent by passengers leaving Glasgow airport than by passengers arriving there?

Garry Clark: That is possibly the case. Figures that I have read would suggest that. I cannot remember the exact figures, but Glasgow is a big terminal for holiday flights, package flights and charter flights. I have not seen figures on business spend, but we want to increase Glasgow's attractiveness as a site for corporate headquarters and improve its already excellent reputation as a conference venue. We will certainly bring additional investment into Glasgow by improving accessibility to the airport. We cannot close down the borders and prevent people from flying out of the country and choosing to spend their money elsewhere, but the airport link will increase the attractiveness of Glasgow and the surrounding area as a business destination.

The Convener: If there was evidence that those who arrive do not spend as much as those who leave, there would surely be a knock-on effect for the local economy.

Garry Clark: As I said, I do not know the figures for business spend, but I have seen figures for overall spend. Perhaps the reason for the imbalance, with people leaving Glasgow to go elsewhere, is that Glasgow is not attractive enough to encourage people to the city for conferences, short-stay tourism and so on. By increasing accessibility, we will help to redress the balance.

The Convener: Does Renfrewshire Chamber of Commerce have any comments?

Andrew MacDuff: I am not aware of any firm evidence of different spends between people arriving and people departing. Anything that I reported would be anecdotal.

Mr Monteith: We heard earlier from Scottish Enterprise, which will not support the rail link financially. Glasgow City Council, for its own reasons, does not support funding or contributing to the significant costs of GARL. We know from the promoter that the preliminary financial appraisal shows an average annual deficit of £1.32 million over a 30-year appraisal period. We have heard from the three witnesses that, for a variety of reasons, their members might not be expected to contribute to the costs of GARL. Do they still support the scheme if it will cost £1.32 million per year for 30 years?

Garry Clark: We would still expect increased benefits to Glasgow, the west of Scotland and the wider Scottish economy and we remain supportive of the scheme. However, we want it to operate at a profit if at all possible and we want to see measures in place to ensure that that is at least the objective. The scheme could be tailored accordingly.

Andrew MacDuff: Renfrewshire Chamber of Commerce members are broadly enthusiastic about the scheme. I suspect that they would argue that it is an important part of the infrastructure of the west of Scotland, that it is not specifically targeted at Glasgow airport and that it is an attempt to make a logical link between east and west. Our members would argue strongly for a cross-Glasgow link. They would say that, without that, the airport rail link makes no sense at all.

Tracy Walker: We would obviously agree that the ideal situation would be for the link to operate at a profit, but the real issue is whether we can afford not to have it. Much of our written submission concentrated on the importance of image. Air passengers now expect a rail link from an airport into a city, so we cannot afford not to have the rail link.

I am not sure about the exact figures, but I think that the subsidy levels would be comparable with those for the rest of the First ScotRail network. I would need to check that that is right.

Marlyn Glen: We have touched on this issue already, but I invite the witnesses to expand on it. The committee asked the promoter to predict how much traffic would be removed from the M8 as a direct result of the rail link. The promoter replied that 159,000 person trips would transfer from cars and taxis in the opening year and that 279,000 would transfer in 2030. Do you believe that the rail link would contribute to the sustainable regeneration of the M8 corridor?

Garry Clark: Yes. The proposed rail link has huge potential for taking passengers off the roads. As I said, about 30 per cent of Glasgow Prestwick airport's 2 million passengers a year use the airport's rail link to access the airport. Glasgow airport has about 8.7 million passengers a year and currently about 6 per cent of its passengers use the railway to access the airport. If we assume that a similar percentage of passengers would use a direct rail link to Glasgow airport as use the link to Prestwick and extrapolate the figures, we can see that an awful lot of passengers would come off the road and go on to other methods of sustainable transport, such as the railways. Projecting that into the future, with the potential for 24 million passengers a year at Glasgow airport by 2030, we see that a huge number of journeys could be taken off the road. Of course, that would require a service with the capacity to handle such passenger numbers.

Marlyn Glen: Does anyone else want to answer?

Tracy Walker: We feel that reducing the number of car journeys would benefit everyone who uses the M8 route. The rail link will provide reliable journey times for those travelling on the trains and the people who transfer from road to rail will free up extra space on the roads. We would hope that that would cut journey times for those who still need to use the road network, such as freight carriers, which we mentioned earlier.

Marlyn Glen: The master plan for Glasgow airport predicts that air passenger numbers might eventually grow to 24 million passengers per annum. Will the rise in air passenger numbers maintain or increase the volume of traffic on the road network, which will partly negate the benefits that the Glasgow airport rail link will deliver?

Garry Clark: It is obvious that passenger numbers at Glasgow airport are liable to increase whether we have the airport rail link or not. Without the rail link, we will end up in a far worse position with road congestion in central Scotland, particularly on the M8. From a transportation point of view, it is essential that we have the ability to take a substantial number of people off the roads at least to alleviate the situation somewhat.

The Convener: I thank the witnesses for their evidence.

I suspend the meeting. We will reconvene after lunch, at 1 o'clock, when we will take panel 4, which consists of the Paisley Partnership Regeneration Company, and panel 5, which consists of the promoter's representatives. I thank everyone for their attendance and hope to see most of you back at 1 o'clock.

11:59

Meeting suspended.

13:04

On resuming—

The Convener: I thank everyone for returning to the meeting. I also thank Jim Cunningham, the chair of the Paisley Partnership Regeneration Company, for coming along and being the witness who will kick us off this afternoon. I invite Marlyn Glen to start the questions.

Marlyn Glen: Will the people you assist be able to get the jobs that will be directly created by the GARL project?

Jim Cunningham (Paisley Partnership Regeneration Company): I will explain a bit about the background to the Paisley Partnership Regeneration Company. It was established as the vehicle through which a range of partners involved in the economic regeneration of Renfrewshire could focus their efforts on the particularly deprived parts of the Renfrewshire Council area. We have a successful track record in working with major operators and developers in the wider Renfrewshire area and securing jobs for the residents of the areas with which we are particularly concerned. We feel that we have mechanisms in place that we would want to use with the rail link's developers in the construction phase, and thereafter with the airport operators—depending on the extent to which the rail link contributed to the airport's vitality—to secure jobs for local residents.

Marlyn Glen: Have you spoken to the promoter about the creation of jobs and whether your clients could benefit from that?

Jim Cunningham: We have made our existence known. As the proposal emerges, we will have to go into more detail when talking to the promoter's staff.

Marlyn Glen: So you plan to talk to them.

Jim Cunningham: Yes.

Marlyn Glen: What will the overall impact of GARL be on the people you assist?

Jim Cunningham: As I said earlier, I come at this from the perspective that Glasgow airport is a major generator of employment opportunities locally and, indirectly, at a regional and national level. Our view is that anything that increases the airport's vitality must benefit the local area. Our task then becomes one of working with the developers and the operators to secure local jobs. Whether people in the area can take up the jobs will depend on their skills and availability. Our role is to ensure that our residents can compete for

jobs that are created directly through the construction of the rail link and, thereafter, through the airport's growth.

Marlyn Glen: Do you envisage that those who got jobs at the airport would use the rail link to get to their work?

Jim Cunningham: Yes.

The Convener: On the capital investment that is envisaged should the link go ahead, how many jobs do you believe that that would generate for your clients?

Jim Cunningham: I am afraid that I do not have a specific number for that. As I said, we envisage working closely with the airport operators at the development stage to define how many jobs would be created. Thereafter, we would work to help our local residents to compete for and obtain the jobs.

The Convener: You do not have figures that indicate that for each job for which you assist somebody, X amount of capital expenditure or whatever in running costs is required.

Jim Cunningham: No. My experience is that it is a case of sitting down with the developers and tempering our enthusiasm to a certain extent. I have research figures for projects such as Braehead or the Renfrew riverfront, through which we helped to secure jobs for local people who are clients of the Paisley Partnership. However, the residents were able to take up only a relatively small number of jobs. We must remember that we work in a regional economy and that contractors will already employ people when they move on site. We recognise that the ability to secure a defined number of local jobs is limited.

Michael Matheson: In evidence at this morning's session, Renfrewshire Chamber of Commerce expressed concern about the possibility of Renfrewshire not benefiting economically to the level that it would hope from the rail link development because the upgrade of the railway line might result in more people bypassing Renfrewshire and heading down to Ayrshire to get a flight, rather than helping to develop Glasgow airport. However, the chamber recognises that there will be some benefit from the rail link. Does the promoter's plan offer the best opportunity of maximising job opportunities and regeneration in Paisley and Renfrewshire?

Jim Cunningham: Research has been undertaken and a line has been proposed that will pass through part of the domain of the Paisley Partnership Regeneration Company. Our role is to work with the promoter, developer and airport operator to ensure that we maximise job opportunities for local residents.

The Convener: If there are no further questions, I thank the witnesses for their evidence.

I welcome panel 5. The witnesses from Strathclyde Partnership for Transport are Douglas Ferguson, who is director of operations; John Halliday, who is head of transport planning and integration; and Valerie Davidson, who is head of finance. David Keddie is a partner in Roger Tym and Partners.

Mr Arbuckle: The Sinclair Knight Merz report reached pessimistic conclusions, which is a bit daunting as we start to consider a major project. Why was SKM so pessimistic about the project?

Douglas Ferguson (Strathclyde Partnership for Transport): We were represented on the management group of the SKM study, which was sponsored by the Scottish Executive, so we signed up to and agreed with the study's technical conclusions. However, it was acknowledged at the time that the conclusions should be regarded in the context of the remit that SKM had been given, which was to take a narrow look at the benefits to air travel of having airport rail links. At the time, we argued—and the argument was accepted—that consideration of the wider benefits of a link to the airport could lead us to make an economic case for the scheme. The Scottish Executive accepted that and said, "Go ahead and do that work". That has led us to our current position.

Mr Arbuckle: You are right in saying that the consultants took a narrow view. However, they concluded:

"The factors that could materially improve the case for a rail link to Glasgow Airport include: increased parking charges or tolls at the Airport; increased highway congestion levels and therefore increased decongestion benefits".

What is your view on that?

13:15

Douglas Ferguson: There are perhaps two issues in that question. Those factors are sensitivity tests that SKM suggested could be carried out: if the parameters were varied and it was assumed that there might be more congestion or that parking charges might be higher, the rail scheme might be justified.

Our argument is slightly different. We argue that benefits that go beyond the scheme should be considered, such as the benefits that would accrue because of the improved frequency of services between Paisley and Glasgow, or the improved reliability of services to Ayrshire.

Mr Arbuckle: Going beyond that, you said that potential major benefits were not included in the SKM assessment and that they could have been used to make a stronger case for the scheme. One of those is the increased economic benefit of £49 million that will accrue to non-airport rail passengers in the Paisley to Glasgow Central

station corridor. That amount of money could transform the equation.

Douglas Ferguson: I will ask John Halliday to say something about the detail of that particular benefit.

John Halliday (Strathclyde Partnership for Transport): As Mr Ferguson said, the SKM study was a narrow study of passengers travelling only to the airport. We broadened it out and examined what could be done on the Paisley to Glasgow corridor. Many people travel on that corridor and by analysing the patronage increases that could result from punctual and reliable additional services, we could establish an economic benefit for those people. We could therefore quantify the fare-paying passengers as well as the time benefits that accrue from reliable services, and that would add to the case for the scheme. In our view, that benefit is significant and it should be properly factored in to the case.

Mr Arbuckle: I take that point. However, another significant economic factor was thrown in: increased reliability is said to be worth £41 million. You are on thin ice there because several of us tried to get from Glasgow Central station to Gilmour Street and we could not do it by train; we had to revert to road transport. Where does the £41 million figure come from? Again, it would swing the equation tremendously.

John Halliday: It comes down to the difference between the existing line and the new infrastructure that we would put in to it. I will give an example.

There is a very important junction on the rail network called Wallneuk junction, which is just to the east of Paisley Gilmour Street station. That is where the trains cross over. At the moment, that junction is operating at capacity and it has several operational problems. By investing in the project, we propose to move, renew and remodel the junction. The proposal is that there should be three lines, so there would need to be a completely new layout. Providing all that infrastructure will in turn provide a much more reliable system for the trains that have to pass through the junction. There will be fewer delays and economic benefits will accrue.

That is just one example; several other crossovers are proposed along the whole length of the line.

Douglas Ferguson: Those figures were not just plucked out of the air. They are based on accepted standard methods of assessing transport projects. A great deal of technical analysis was done on reliability to satisfy everyone that real benefits were going to come out of the scheme, and the quantification of those benefits was accepted.

Mr Arbuckle: I am pleased to hear that the figures are based on evidence because they are major figures and they could influence the whole project.

I have a final question on the number of people who will use the line. There will be those who use the line to go to the airport, but have you included the figures for those who use it but might not be going to the airport? Is that a significant number of people?

John Halliday: Yes, we have factored in all the people who would use the service. As regards the additional trains that will use the corridor, services will stop at Paisley Gilmour Street, which is the fourth-busiest station in the Scottish network. People will access the services and that will benefit existing services that run along that corridor.

Mr Monteith: The bill was introduced on 31 January with a grand total cost of £160 million. Then on 16 March, the Minister for Transport and Telecommunications said that costs would range from £170 million to £210 million. You have already explained some of the background to that in written correspondence. Will you confirm for the record that the £210 million allows for inflation on top of the previously calculated £160 million?

Douglas Ferguson: That is correct. The only difference between the two figures is the timeframe imposed on them. The £160 million figure was based on 2004 calculations; the £170 million to £210 million figures are based on calculations for 2010. The difference between them is made by inflation. One is a range and the other is a point, but one could equally have chosen a point somewhere between £170 million and £190 million.

Mr Monteith: Is it fair to say that although the promoter has prepared an estimate of expense and a funding statement for us, if the bill is approved, the promoter will continue to provide more detailed funding proposals up until the completion of the link?

Douglas Ferguson: I ask Valerie Davidson to answer.

Valerie Davidson (Strathclyde Partnership for Transport): It is our intention to provide at various stages full updates on where we are with potential funders. We are in the very early stages with potential funding partners and we are more than happy to provide updates as we go through the preliminary and next stages.

Mr Monteith: That would be welcome, given that there have been difficulties matching up the figures for other bills.

The promoter says:

"all endeavours will be made to ensure the avoidance of cost escalation falling on council tax payers".

If there were to be a cost overrun that impinged on council tax payers, which local authorities would impose the increase? Although we are talking about a Glasgow airport rail link, the new part of the line will not go through Glasgow. Might one or more local authorities impose an increase on council tax payers?

Valerie Davidson: I will give you some idea of how we are planning to manage and control the cost of the project. We are developing a procurement strategy for the construction phase that will take on board a full assessment of all the procurement risks in the project and where they lie. We are endeavouring to ensure that appropriate risks sit with the appropriate partners. That will include minimising, where we can, any risk to the public pound.

In the unlikely event of a cost overrun, we will look to a number of funding partners. If costs rise in the event of an overspend, it will be built into the funding strategy, although the long-term strategy is to ensure that the cost will not fall on council tax payers. As members might be aware, SPT covers all 12 local authority areas in the west so the scheme would benefit the whole region. However, the funding package and accompanying strategy will include details of where any overrun would sit within all local funding partners.

Mr Monteith: So would it be fair to say that local authorities who are partners in SPT will have some knowledge of what their liability might be, should there be such an unfortunate cost overrun?

Valerie Davidson: We are at an early stage with our potential funding partners and I do not want to pre-empt our negotiations with them. We have a number of partners, including Transport Scotland. We still have to bottom out with them exactly what would happen in the event of an overrun. However, there is precedent for our entering into an agreement on overruns. In the case of the Larkhall to Milngavie line, we had a funding package that involved more than one funder. It included provision for what would happen in the event of a cost overrun. We are applying a similar strategy to the GARL project.

Mr Monteith: I take it that you are not able to give a guarantee that some costs will not eventually be placed on council tax payers.

Valerie Davidson: I cannot give such a guarantee at this stage. It would be quite inappropriate for me to do so, as we are at a very early stage of our funding negotiations.

Mr Monteith: This morning we heard a great deal about the possible benefits of the scheme to the private sector in Renfrewshire, Glasgow and

more generally. Could more be done to seek funding contributions from the private sector?

Douglas Ferguson: The issue of who—in the private sector, in particular—benefits from transport projects is being discussed nationally. There is a view that the tax system should be adjusted to enable those benefits to be recovered from the people who receive them. The reality today is that it is very difficult in many instances to capture benefits that the private sector gets from transport investment. In this case, the main beneficiary in the private sector will be the airport. As you know, through Transport Scotland there are discussions about capturing some of the benefits to the airport. It is difficult to capture a financial equivalent to the economic benefits that other people will garner.

Mr Monteith: I want to look at the same issue in a slightly different way. This morning we heard organisations such as Glasgow City Council and the Scottish Enterprise network express support for the scheme. Other members will explore that issue further. However, it is clear that, collectively, those organisations will not put their hands in their pockets to fund the project. At the same time, we are aware from your evidence that you hope to receive some support from the local enterprise organisations, rather than Scottish Enterprise centrally. Can you clarify whether you have a working relationship with those organisations and how that is progressing?

Valerie Davidson: We met both Scottish Enterprise Glasgow and Scottish Enterprise Renfrewshire at an early stage to discuss possible contributions. To date, neither has contributed directly to a transport project, but SPT's strategy has always been that, where there are benefits that we can demonstrate, we try to seek some contribution from the local enterprise organisations, to the point where, if funding is not directly attributable to this particular project from that individual party, where we can demonstrate additionality benefits, we enter into discussions with them to secure that additionality. It is a longer term strategy. The GARL project has spin-offs, as the committee heard this morning from other witnesses. We consider both sides of the argument. We have entered into discussion with the Scottish Enterprise bodies that I mentioned and Glasgow City Council, as the manager of the city region fund. The fund is not Glasgow City Council's, but one that the council manages on behalf of eight local authorities in the west.

13:30

Douglas Ferguson: There is an important timing issue with the funding streams. In many ways, we are comfortable with the fact that all the bodies accept that economic benefits will come to

them. However, I understand exactly why they all say what they are saying about financial contributions. A point will come at which the deal will need to be struck. We do not want to rule out the possibility that all those organisations might yet put something into the project at that point. However, I understand where they are in that process.

The Convener: I ask Valerie Davidson to give us the names of the eight local authorities that she mentioned.

Valerie Davidson: They are all the authorities in the west of Scotland, excluding Argyll and Bute Council and the three Ayrshire councils.

The Convener: Right. I think that we will be able to work that out.

You are talking to other public sector organisations and, from your evidence today, you appear to be sure about the project's benefits for the public sector. However, you are less able to demonstrate the benefits for the private sector. How are you trying to square that circle? We can only cut the public purse so many ways.

John Halliday: An understanding of how we arrived at the projected benefits would be helpful. The methodology that is used in such projects is fairly well set out. The benefits that will be accrued can be quantified, but, in reality, they will be spread throughout the economy. By considering the footfall, we can identify how many people will go through the airport. That is the easy part—we know how many passengers will be attracted by the airport rail link and how many will flow through the airport. However, it is rather more difficult to say exactly where people will come from and go to, but that does not mean that our global understanding of how many people will travel on the service and what they will pay is less accurate, nor that our understanding of the wider benefits that will accrue is less accurate. The issue is about scale—it is difficult to define the benefits for particular businesses, but we can say in a broad sense what the benefits will be and we can capture the quantities.

Michael Matheson: I will stick with economic growth and the quantifiable benefits that may arise from GARL. The promoter claims that the project would generate in the region of 52,500 additional UK and overseas visitors, along with £10 million of additional expenditure every year in Glasgow, Renfrewshire and Inverclyde. How did you arrive at those figures?

Douglas Ferguson: I ask David Keddie to answer that.

David Keddie (Roger Tym and Partners): We used existing baseline data on visitor trips. We looked at the profile of visitors, such as overseas

visitors and those on overnight stays, and we assumed that there would be a small percentage increase in trips as a result of the increased connectivity that the GARL project would provide. There is no absolute evidence to show that the percentage increase that we selected will happen, but we believe that the estimates that we have put forward are at the modest, conservative end of the range. The earlier witnesses from Glasgow City Council suggested in response to one of the committee's questions that our estimates were somewhat conservative and could perhaps have been increased significantly. We felt that it was more robust to take a conservative view.

To answer your question about visitors and expenditure, we set up an equation using existing numbers and then selected a small percentage to estimate the likely uplift, or additionality, in the number of visitors and the proportion of overnight stays.

Michael Matheson: You said that some parties have suggested that the figures might be somewhat conservative. Against what comparator would they be considered conservative?

David Keddie: Indeed. With tourism and visitor data, one must understand that figures for a variety of metrics and measures, such as hotel nights, overnight visitors, trips from various countries in Europe, Japan or the United States, can vary by up to 25 per cent plus or minus year on year. The figures vary as a result of factors such as poor weather conditions, exchange rates moving against a visitor's own currency and terrorist events such as 9/11 and 7/7. All those events influence visitor patterns. Visitor patterns show that there is a considerable spiking effect in variation of up to 15, 20 or 25 per cent. Our view is that a 2 to 5 per cent increase in visitor numbers is a reasonable prospect, given increased connectivity through GARL and the other comparative evidence on how visitor numbers change year on year depending on wider circumstances.

Michael Matheson: Okay. Is the £10 million additional expenditure a result of the 52,500 additional visitors?

David Keddie: Yes, that is correct. The figure is based on existing VisitScotland data on expenditure per head by various types of visitor.

Michael Matheson: One of the other quantifiable wider economic benefits that the promoter suggests might arise from the development is the creation of 65 jobs in Glasgow per year, or 650 over a 10-year period. How did you arrive at those figures and what sort of jobs are we talking about?

David Keddie: I will give you an answer in three parts. We have to base our assumptions,

projections and estimates on the existing data that are available. We used the existing published data on employment projections up to 2011, which were the data available to us at the time, for Glasgow, Renfrewshire, Ayrshire and Inverclyde. We applied a percentage of 1.35, which might seem precise, but it was derived from the business survey that we undertook with businesses throughout Lanarkshire, Glasgow and Renfrewshire. Using the businesses' responses to our questions about how GARL would influence recruitment patterns, investment and so on, we worked out that the percentage would be about 1.5 and applied that figure to published projections over the period. As we had no other data to go on, we made a straight-line projection beyond 2011, which is more representative of GARL's operating period, and came up with the figure that you have just quoted.

Michael Matheson: I suspect that I will have to look back at what you have just said to get a better feel for your methodology, because I cannot pretend that I have understood you entirely.

Are the 650 jobs that it is predicted GARL will bring to Glasgow and Renfrewshire over the next 10 years directly associated with the increase in visitor numbers, or are they over and above the number of jobs that will be gained from that increase?

David Keddie: They are separate from and additional to the jobs that will be created by the increase in visitors. We have endeavoured to ensure that the general figures to which you have referred—the 65 jobs per annum and so on—are spread across the spectrum of skill and employment types. Moreover, certain tourism and leisure-related jobs will be derived from enhanced and increased visitor expenditure.

Jobs will also be created specifically in Paisley town centre because of the creation and induction of a property market in the area. I can explain that matter separately. Furthermore, there will be about 266 construction jobs which, although temporary, have been converted to full-time equivalents. Each of those elements is additional and can be added together.

Marlyn Glen: One of the bill's stated policy objectives is to improve social inclusion and accessibility. Which of the project's benefits will impact on social inclusion?

Douglas Ferguson: The project will benefit two key areas, the first of which is the very issue of job creation that we have just discussed. Obviously, creating more employment will impact on social inclusion and unemployed disadvantaged groups. As we have said, that impact will be felt across a wide range of jobs, but will primarily affect the kinds of jobs that are likely to be attractive and

available to people who already work in those areas.

That said, there is no point in creating the jobs if people cannot access them. In that respect, the rail link will also allow people to take up those job opportunities. Certain statistics suggest that unemployed people do not take up available jobs because they cannot get to them. As a result, a huge part of our transport strategy, of which the airport link is an element, is about removing such barriers and improving the accessibility of jobs. Indeed, the rail link should be seen in the context of the entire rail network. Despite some members' experiences on the network this morning, the interchanges at Paisley and Glasgow Central will mean that many more people will generally have easier and more reliable access to those job opportunities.

Marlyn Glen: So the project will, for example, benefit people who do not own cars.

It has been suggested that the possible deficit could be offset by having a higher fare structure. However, such a move would not square with the scheme's social inclusion aims. Are you considering introducing concessionary or even free travel arrangements for socially excluded rail link passengers?

Douglas Ferguson: The fare structure that is set out in the financial business case for GARL is the same as that for buses. If people had to pay that fare twice a day, five days a week, you would be correct to say that it would be an expense for them. We have not gone into detail on concessionary fares, but we envisage that rail season tickets and zone cards, for example, would apply. All that should help to reduce substantially the cost of regular travel five days a week to the airport.

13:45

The Convener: I will pick up on some answers that have been given. My question is about the regeneration of what you call the Ayrshire and Inverclyde corridors, which are the regeneration areas that the Minister for Communities identified recently. Submissions say that a third track between Shields junction and Arkleston junction would benefit Ayrshire and Inverclyde. Will you expand on what that statement means? To which parts of Ayrshire do you refer?

John Halliday: As some of you may know, the services that flow through Paisley Gilmour Street station are basically the Inverclyde services on the south bank of the Clyde estuary and those from North and South Ayrshire. Such proposals are not part of the core scheme; we have simply flagged up the point that regenerative effects are clear and that providing reliability and capacity on the main

corridor should afford the ability to develop services to those areas.

We know that there is a large demand for travel from those areas. Demand from the Ayrshire coastal area—North and South Ayrshire—is particularly high. On some services, there is standing room only from Paisley to Glasgow. Providing additional capacity on the bottleneck between Paisley and Glasgow will benefit other routes. That is not part of the core case, but we have identified it as possible.

Another element is that Glasgow Central station has reached capacity, which means that it has no more room for trains to stop. Part of our proposal is a new platform, which will provide additional capacity for all the other services into the station. The proposal has the wider benefit of enabling additional services to be developed.

The Convener: How do the suggested additional services translate into complying with the regeneration statement? I do not know all of the west of Scotland as well as I would like to, but I understand that there has been an issue to do with the station at Greenock. Will that area be regenerated? Are you talking just about the generality of regeneration and of bringing people to and from particular areas or will the economy of such areas be assisted in regenerating itself?

John Halliday: The statement was not particular in the sense of identifying precisely where regeneration effects would be felt. We said that the regeneration of some areas would be helped. The proposal is simply another plank in the strategy of developing services, assisting travel and providing an alternative to those areas. The statement stands because providing rail travel on a busy corridor will assist the movement of people sustainably and support the regeneration of those areas.

Douglas Ferguson: The other benefit will be that although people travelling from Ayrshire or Inverclyde will not be able to catch a train direct to the airport, if they change at Paisley Gilmour Street, it will be much easier for them to get to the airport by public transport. It is accepted that such accessibility to an airport that has good onward air connections is good for the local economy. That benefit should come through.

The Convener: You have indicated what you believe to be the fare structure for journeys to Glasgow airport. Will the Glasgow airport rail link be put at a disadvantage by the concession that is available to people who travel by rail to Prestwick airport?

Douglas Ferguson: Those are two different markets. Although there is a concession for people who travel to Prestwick, I guess the fact that it is a longer distance to Prestwick means that most

people travelling there pay a similar fare to the one that they would pay to go to Glasgow airport.

The Convener: It is free.

Douglas Ferguson: Perhaps we could clarify that. My understanding is that it is only free at the initial stage of any new air route.

The Convener: It currently continues.

John Halliday: There is an issue of great interest here. Valerie Davidson mentioned our discussions and negotiations with BAA. Glasgow airport clearly has a commercial interest in developing such incentives. It is a straightforward application of market forces to generate a market. Glasgow Prestwick Airport Ltd clearly takes the same view, so it has negotiated that mechanism. It is not beyond our wit to expect that, in our negotiations with it on funding, BAA might seek a similar mechanism. However, such an arrangement would be of a commercial nature.

We have set out the project and laid out the principles behind it. We think that there is a case for it. When we come to the development of fare structures, it will be very much for Transport Scotland, as the rail franchise operator, to set the fares. We are in discussion with Transport Scotland about how the fare structure will fit in with the economic picture that we have painted. I am sure that Transport Scotland will take into account a settlement for an investment opportunity by BAA in the project.

Douglas Ferguson: Would you mind if we come back with a note on concessions for travel to airports?

The Convener: That is not a problem. We do not expect you to be able to give us every detail now. You can forward the information to the clerk as soon as you can.

I will ask another sweep-up question. Mr Keddie referred to the survey that was conducted among businesses. He indicated that it was conducted in Glasgow, Renfrewshire and Lanarkshire, but we are hearing about regeneration benefits for Ayrshire and Inverclyde. To my knowledge, that is the first time that Lanarkshire has been included. Why was Lanarkshire included and why were the other areas excluded?

David Keddie: The main Glasgow conurbation was the focus of the exercise, as it is the core of the project. We examined the business structure of the conurbation and took the view that, given the scale of business representation in Lanarkshire—it is a main focus in the overall conurbation—it was necessary to include Lanarkshire to provide a structured view of the business infrastructure across the conurbation. The industrial concentrations in the conurbation are largely in Renfrewshire to the west and

Lanarkshire to the east, with most of the services being contained in Glasgow. Hence, the business survey covered those three areas as the core of the area. The Inverclyde and Ayrshire areas were regarded as additional lines, which provided additional advantages. However, the core element was within the core conurbation, hence our coverage in the business survey.

The Convener: In that case, do we know what the additionality will be for Lanarkshire if GARL goes ahead?

David Keddie: In what sense do you mean "additionality"?

The Convener: Will the people in Lanarkshire benefit in terms of economic growth, jobs and so on?

David Keddie: Yes. The aggregate response to the business survey suggested that there would be around a 1.3 per cent employment uplift. We also looked at Inverclyde and Ayrshire and took the view that, given that the improvement in services in those areas would not be as great as it would be in the area between Glasgow airport, Paisley and the city centre, the uplift in that area would be slightly less, at about 1 per cent.

Mr Arbuckle: What percentage of the capital costs would require to be implemented even if this project did not go ahead? You mentioned the spaghetti of the railway lines to the west of Gilmore Street. Would those lines require to be untangled regardless of whether the project went ahead? Similarly, given the shortage of platform space in Glasgow Central station, would not the issue of the construction of an extra platform at that station be tackled regardless of the outcome of our deliberations? If those projects would go ahead in any case, do you agree that their inclusion in the capital cost of the project might be seen to be inflating the overall cost of the project?

John Halliday: In order to respond accurately, I would like to come back to the committee with the precise figures. At this point, however, I think that I can give a view.

First, Network Rail does not have plans for that particular section of line, nor does it have plans to install a new platform at Glasgow Central station. It is simply a fact that the capacity has been reached. Although there is a known problem, there are no plans for a major infrastructure enhancement. To some extent, one could say that that is not Network Rail's job, as its job is to run and maintain the network. What we have always said is that the airport rail link project stands on two feet, one being the service to the airport and the other being the improvement of the corridor between Glasgow Central and Paisley Gilmour Street.

In terms of the quantum of the issue, I will come back to you with the exact details. However, my recollection is that the figure is about £80 million for the corridor, although it might be slightly more. That is a substantial investment.

Mr Arbuckle: In response to a question that was asked by Brian Monteith, it was indicated that there would be a difference between the original £160 million, at 2004 prices, and the final figure of £210 million, at 2010 prices. However, the reality is that, if the project goes ahead according to the timetable, it should be halfway through by 2008. That means that the inflation in the construction charges that has been factored in for the four-year period between 2004 and 2008 is equal to only about 7.5 per cent. However, construction costs have been rising in double figures in recent years. Have you underestimated the inflation figure?

Douglas Ferguson: Those figures have been based on specific indices for the relevant costs that make up the total cost of the scheme. Like any prediction of the future, they are subject to being wrong and it is almost certain that the figure will not be what we have estimated it to be. Nevertheless, we have used the figures that are nationally accepted for this category of work. We do not think that we have overestimated or underestimated the figure, but the estimate is based on what will happen in the wider economy and we might well get that wrong.

14:00

Mr Arbuckle: None of us can see four years ahead. In this project or indeed any capital project, it might be more helpful to give a range of figures and say that, if inflation remains at its current rate, the figure should be X, but if inflation rises or the project is delayed, the costs will be Y. On my figures, the cost would increase by about £1 million per month because of inflation if the project were delayed.

Douglas Ferguson: The reason why we gave a range of figures the second time was to make some attempt to give that breadth. Clearly, that was done within a range of assumptions. We are happy to give you alternative figures for a situation in which inflation happened to be twice what we predict, although that is straightforward arithmetic and you could do the sum yourself.

Valerie Davidson: The approach that was taken in calculating the figures followed the Treasury's guidance and what is referred to as the green book. In addition, we have been in discussion with the Scottish Executive's financial partnerships unit and it is satisfied that the approach that has been developed is robust.

Mr Monteith: I have a number of questions that relate to earlier evidence. First, I presume that the

range of costs that we have just been talking about are based on the timetables that you understand will operate from the airport to Glasgow Central station, but it strikes me that they could change; for example, flights will continue to arrive at the airport after the final scheduled trains.

Who decides when the train services will run? Can you run them beyond the time that you have earmarked, which is 12 o'clock at night, or is there a problem with Glasgow Central station's being closed at that time? I ask because it leads me on to the question whether running more trains later at night would cause larger operating losses. In some businesses, the more one works, the bigger the losses. Is it possible that costs that we have not envisaged will arise because, given your interest in customer service, you will end up putting on more trains?

Douglas Ferguson: First I will answer the question about who decides. Transport Scotland, in consultation with us, will decide what services it wants to be operated on the line. On the second part of your question, if Transport Scotland specified a service to operate all night, for example, it would need to ask Network Rail and First ScotRail how much it would cost to provide that. The figures that we have submitted do not allow for that, so if that specification was made, the costs would increase.

On whether that would represent value for money, the answer is that we do not know. We know that not many passengers fly in to the airport at night, so there would be a relatively small customer base and I suspect that many people would choose not to use the rail link at that time. As a result, demand would not be high, I suspect.

Some of the operating costs would be proportionate to an extra couple of hours' operation—we would need drivers for another couple of hours—and such marginal costs usually make quite good economic sense in a business case. However, as Mr Monteith suggested, there would, if trains were to run into Glasgow Central station all night, be significant infrastructure maintenance issues for Network Rail. Therefore the economic case for running trains beyond the times that we propose is not attractive.

Mr Monteith: That is helpful.

Witnesses from Scottish Enterprise told us that the best-case scenario would be for GARL to go ahead at the same time as the crossrail, but if that does not happen their preference is for an airport link that runs into Glasgow Queen Street station. The witness from Renfrewshire Chamber of Commerce said that some chamber members think that a light rail link that included Braehead would bring more benefit to local businesses than would a link from Paisley Gilmour Street station to

the airport. Have you considered and dismissed those suggestions, or were they never runners?

Douglas Ferguson: I will speak about crossrail and John Halliday will talk about the light rail options that we considered. It is no secret that SPT's preference—in the organisation's previous existence—would have been for a single project to develop an airport rail link and crossrail because there would be synergies in developing the two schemes together. However, after discussion with the Scottish Executive, we accepted that we should at this stage promote only the Glasgow airport rail link. That approach has benefits that are to do with containing risk and working on a bite-sized chunk that we can be confident of delivering. Difficulty could have arisen had we been unable to justify the airport rail link to Glasgow Central station in its own right, because we could not have drafted a bill, although there would still have been benefits of building a link as part of the crossrail scheme. Fortunately, we were able to make a good case for building a link from the airport to Glasgow Central station.

Crossrail remains a clear ambition in our regional strategy for the rail network. We want to progress a crossrail scheme because it would improve connections from the airport to Glasgow Queen Street station and consequently to the rest of Glasgow and the north and east of the country. However, the airport rail link proposal does not depend on such a scheme. Crossrail would not just benefit the airport; it would be a strategic scheme to link the rail networks to the north, south and east of the country. Given that we have made the case for an airport link in its own right, there are advantages to treating the two schemes separately.

Mr Monteith: If GARL ran into Glasgow Queen Street station, would that be crossrail by another name?

Douglas Ferguson: Yes. Crossrail is the means by which we could run the Glasgow airport rail link into Queen Street station.

John Halliday: Although Brian Monteith's assumption is correct, crossrail is a lot more than that. We are considering the crossrail case in the context of SPT's developing strategy. The generation of many of the benefits of crossrail might require that other projects be carried out. For example, additional line capacity might be required in relation to the Kilmarnock dynamic loop.

The Glasgow Airport Rail Link Bill proposes a scheme that would stand on its own and bring the benefits that we demonstrated. A crossrail project would be much more complex and strategic if it were to deliver all the benefits that would be sought.

You asked whether we investigated a light rail link. Earlier in the development of the project, we considered the option of taking light rail through Braehead and Renfrew, but we decided on balance that the project that we are discussing would be the most economically advantageous. I will explain that. We accept that a light rail project serving Braehead and south of the River Clyde would potentially benefit those areas. The Clyde waterfront regeneration initiative is a major initiative, and we recognise that a light rail project in that area might be worth while. However, light rail is different from heavy rail. The proposition is that there would be fast and frequent services on the Glasgow airport rail link. A fast service is important in order to save time, but light rail services are much more local services that typically stop about every 600m and so serve much more local markets. The airport rail link project involves a fast connection and use of the heavy rail network. Basically, the route that we selected came out best in the earlier study.

Mr Monteith: We heard evidence—if we can call it that—from Renfrewshire Chamber of Commerce that the airlines are unconvinced of the benefits of the proposals, but we do not have anything from them. Have you had any discussions with the airlines, rather than the airport authorities? If so, what was the result?

When we tried to get to the bottom of the evidence that backs up some organisations' support of the bill, Glasgow Chamber of Commerce told us about the uplift to the economy and to Prestwick itself that resulted from the Prestwick halt, and it told us about the Heathrow express. In gathering evidence and making calculations, did you consider the impacts of introducing the Prestwick halt and the Heathrow express and the lessons that they might provide for GARL?

John Halliday: I will kick off. Getting any response from the airlines has proved to be challenging. In the very early stages of the project, we received a response from Emirates Airlines that supported the proposal, but we have not received much else, which is understandable because the market is highly competitive.

Landing charges are the key focus for the airlines. I suspect that much of BAA's nervousness results from those. In a way, we are seeing an airline industry response with respect to its nervousness about additional direct costs, which is understandable, but we think that the airport rail link will provide major surface access benefits.

The comment about the Heathrow express that was made earlier was interesting. Heathrow Express Ltd is operated by BAA, which is interesting if we consider what we are doing at Glasgow. However, Glasgow airport is a regional

airport, and we would never claim that a like-for-like comparison between Heathrow airport and Glasgow airport could be made. The flows in London are different from those in Glasgow, as are the issues. What is happening is therefore not surprising to us as the bill's promoter. We have taken the view that the project would be to the benefit of the wider Scottish economy and of the local economy of the west of Scotland, and that we should carry it out in the light of the constraints of, and issues relating to, the existing transport network.

14:15

Douglas Ferguson: I will speak about the experience at Prestwick airport, which Brian Monteith asked about. We developed the rail halt there in partnership with the then owners of the airport, who made a significant contribution to the cost of the scheme. That was done before the real Prestwick market took off. I am not entirely sure what contribution, if any, the airlines made to that. We know that, now that the rail link is there, Ryanair, which is the major user of Prestwick airport, sees it as absolutely essential to growing its business at the airport. It takes a huge interest in the rail link being in place.

Mr Arbuckle: I return to finance. One of the financial appraisals that has been made suggests that there will be a loss of £1.3 million on the revenue side over the next 30 years. I am tempted to ask about SPT's optimism over the length of that period. Instead, however, I will ask this: after two or three years of sustaining such a deficit, will there be a great temptation to reduce the service, raise fares or tweak the arrangement in some other way?

Valerie Davidson: The operating deficits that were reported in the primary business case are consistent with the rest of the rail network in Scotland in terms of scale. The actual specification for the services and the fares will be a matter between Transport Scotland and the franchise operator. That will form part of the next franchise to be let.

Although SPT, as the promoter, has its vision for the scheme—which we have based on what we think the pattern should be—it will ultimately be a matter for the franchise exercise, which is due in 2010. We have a long-term aim to ensure that the patterns are in place, but that will need to be written into the franchise.

John Halliday: I will add to that. In developing the case we considered downsides as well as the core case; in other words, we have done a lot of sensitivity testing. We considered patronage and downside patronage figures, so we can supply information on that.

Basically, Mr Arbuckle was asking what would happen if patronage dropped. Even with a significant patronage drop, we would still have a positive central case. As far as I know, it is rarely the case on the rail network that a service that is good for the passenger and which is still used by a significant number of people gets closed.

Douglas Ferguson: The patronage figures are a bit like the costs in that they are estimates. Actual use of the line that we opened most recently—the line to Larkhall—has been 30 per cent to 40 per cent more than the estimates, so there is reason to think that patronage of the airport line will be more than, rather than less than, what the modelling has predicted.

Mr Arbuckle: Do you not think that there is an irony here? You heard the evidence that we received this morning: everyone spoke about the economic benefit. One of the figures that has been going around suggests an expected economic benefit of £64 million, with only the SPT bearing any financial burden.

Douglas Ferguson: Clearly the public purse will bear the burden. In a way, most transport investment is made on that basis. The public purse supports transport because, ultimately, it supports the economy and the social objectives of the Government. There is no easy way to get the beneficiaries to pay for it directly, so it is accepted that it will be funded in that way.

Marlyn Glen: Glasgow City Council requested in its submission confirmation that the present design allows for future provision of a station at Ibrox. Have you considered that proposal? Would it fit?

John Halliday: A station at Ibrox was not included in the project, but we have examined our proposal and it does not preclude development of an Ibrox station in the future.

Marlyn Glen: You do not believe that such a station would slow down what should be a speedy link.

John Halliday: Our understanding is that it would not. The project's banner title is "Glasgow airport rail link", which means that services would not stop at intermediate stations. They would go from Glasgow Central station and stop only at Paisley Gilmour Street station. However, local services currently run on the two tracks and they will continue to do so. In essence, if an Ibrox station was developed on the line, it would fit into the future case and would be built on that basis. The analysis would be about how we could stop trains there and what patronage would be at such a station. We have confirmed that an Ibrox station could, if necessary, be built in the future.

Douglas Ferguson: I have been warned not to stray into this area but, clearly, if there was a major event such as a big European football match at Ibrox stadium, special arrangements could be made for trains to stop at Ibrox.

Marlyn Glen: Thank you for that reassurance.

The Convener: We have finished questions for today, but I forewarn witnesses about our next meeting, at which we will want information regarding the on-going consultation of the British transport police and Strathclyde police, particularly in relation to the proposed anti-terrorism measures that the Home Office is working up. We will want evidence on that and on levels of compensation. We will want to know how compensation will be decided for people whose homes and businesses will be affected by the GARL proposals. It is right and proper that we flag up those issues for you today for the next meeting instead of springing them on you then. As I said earlier, we do not expect you to have all the answers with you at any given time.

That brings us to the end of today's oral evidence session. I thank all the witnesses who have given evidence and I thank Renfrewshire Council again for the use of its premises. The next meeting of the committee is on Monday 8 May at the Scottish Parliament.

Meeting closed at 14:23.

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