Official Report
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DRAFT

Transport Committee

Comataidh na Còmhdhail

Wednesday 4 November 2026

Session 7

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TRANSPORT COMMITTEE
10th Meeting 2026, Session 7

CONVENER

*Willie Rennie (Fife North East) (LD)

DEPUTY CONVENER

*Lloyd Melville (Angus South) (SNP)

COMMITTEE MEMBERS

*Iris Duane (Glasgow) (Green)
*Zen Ghani (Glasgow Cathcart and Pollok) (SNP)
*Donald MacKinnon (Na h-Eileanan an Iar) (Lab)
Graham Simpson (Central Scotland and Lothians West) (Reform)
Collette Stevenson (East Kilbride) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

David Giles (Asphalt Industry Alliance)
Scott Grant (Chartered Institution of Highways and Transportation Scotland)
Russell Jackson (Railway Engineering Institution)
Amanda Lindsay (Central Scotland and Lothians West) (Reform) (Committee Substitute)
David Macdonald (Civil Engineering Contractors Association Scotland)
Joanne Maguire (ScotRail)
Lee Pounder (Rail Industry Association Scotland)
Liam Sumpter (Network Rail Scotland)

LOCATION

The Alexander Fleming Room (CR3)

Scottish Parliament

Transport Committee

Wednesday 4 November 2026

[The Convener opened the meeting at 09:15]

Interests

The Convener (Willie Rennie): Good morning, and welcome to the 10th meeting in 2026 of the Transport Committee. We have received apologies from Graham Simpson, and I welcome Amanda Lindsay in his place. We have also had apologies from Collette Stevenson, who is unfortunately not well today. Martyn Day may or may not be joining us later on.

With perfect timing, Donald MacKinnon has arrived—a little bit late, but we are grateful that he is able to join us.

As it is Amanda Lindsay's first appearance at the committee, our first item of business is to invite her to declare any relevant interests.

Amanda Lindsay (Central Scotland and Lothians West) (Reform): Thank you, convener. I have no relevant interests to declare.

The Convener: Thank you, and welcome to the committee.

Pre-budget Scrutiny 2027-28

09:16

The Convener: The next item of business is our second pre-budget scrutiny evidence session. The committee has agreed to focus on road and rail developments. We will hear from two very different panels of witnesses this morning.

On the first panel, we have David Giles, who is chair of the Asphalt Industry Alliance; Scott Grant, who is vice chair of the Chartered Institution of Highways and Transportation Scotland; Russell Jackson, who is chair of the Railway Engineering Institution; David Macdonald, who is regional director of the Civil Engineering Contractors Association Scotland—I welcome him back again, as he is a regular feature at the committee—and Lee Pounder, who is chair of the Rail Industry Association Scotland.

I declare an interest, as I had dinner with Lee Pounder last night, so we are going to give him the hardest questions.

I ask members and witnesses to keep questions and answers as short as possible. I will start. Last week, the committee heard from road and railway campaigners about just how long the process for agreeing new road and rail developments takes. Do you have any observations about how the system works and how it could be improved? Who would like to go first?

Scott Grant (Chartered Institution of Highways and Transportation Scotland): Good morning. Obviously, these infrastructure projects are generally complex in nature and require investigations to be carried out in order to understand the prevailing ground conditions and anything else that may affect the engineering of the scheme. Once the final scheme is arrived at, there is consultation with members of the public and interested parties, and that can sometimes lead to delays if there is opposition or if there are grounds for opposition that have to be assessed and engineered out. There is also a need for environmental compliance to ensure that schemes have as minimal an impact on the existing environment as possible. Those factors together lead to a process that takes time. Sometimes, at the start of a project, it is difficult to ascertain exactly how long it will take as a result of what may come out through either the investigation process or the consultation process.

The Convener: Could it be faster?

Scott Grant: I believe so, yes.

The Convener: Which bit of the process do you think could be sped up?

Scott Grant: Schemes of national importance and significance, which obviously have a significant impact on the economy and make a positive contribution to how we move people and goods around Scotland, sometimes face opposition from a very small number of very local people who are affected by the schemes. While their concerns have to be heard, the process of resolving those issues can sometimes take a significant period of time. There are examples of projects—not necessarily in Scotland, but elsewhere—that have been wrapped up for a number of years in legal challenge from what is a very small group of objectors.

The Convener: What about observations from the rail side?

Russell Jackson (Railway Engineering Institution): I will build on what Scott Grant said in a couple of areas.

First, from a global perspective, I completely agree that, with prioritisation of national infrastructure, the consenting approach is often challenging. Prioritisation has been difficult, and we see other countries around the world trying to change legislation to streamline the process. Scott Grant eloquently explained the engineering challenges and a lot of the other information that needs to be provided. That creates a very large volume of information for the public to assimilate and assess. The people who tend to have the time for that are often retired, and they are going to see much more of the detrimental aspects of a project. It is much harder to get input from working families with children who are going to benefit from these very long-term projects. Many countries are looking at streamlining and simplifying the consents process for national infrastructure, and at trying to change legislation and policy.

My second point builds on the point about the prioritisation of national infrastructure. Two things that often delay new infrastructure are utilities and right-of-way acquisition. If the Government is better able to ensure that utility organisations and, in particular, public ownership of land are prioritised, that is another opportunity to accelerate delivery.

Lee Pounder (Rail Industry Association Scotland): From a rail perspective, the recently published "Rail Recharged: Scotland's Fleet Transition Strategy" is a great example of how we are actually moving things forward in rail. We are now starting to integrate things such as rolling-stock strategies with infrastructure and power strategies. Significant investment is required across all three workstreams. Aside from the issue of consents that my colleagues spoke about, we need to look at how we invest strategically in rolling stock, infrastructure and power and at how we integrate the three together to ensure that we can actually deliver, or continue to deliver, in a timely way for our paying passengers and the public.

David Macdonald (Civil Engineering Contractors Association Scotland): I have noticed, with a number of clients, that early contractor involvement seems to be becoming more prevalent in the industry, and I think that makes a difference. It goes back to collaboration—it is better if we are working together to an end goal rather than working separately, and contractors getting early input would assist in and accelerate that process. I have noticed it with a number of clients, who are now looking at that model as a way forward.

Scott Grant: To pick up on David Macdonald's point, as well as accelerating delivery, early contractor involvement significantly derisks delivery, as it brings in the contractor's view of how they ultimately want to construct the scheme and makes sure, at the initial design stages, that the construction solution is as efficient as possible. It allows contractors to bring their expertise and knowledge in construction to the table earlier in the process, and we see benefit in that.

David Macdonald: Yes, it allows the party with the best solution to manage the risk—that is the way that it should be.

The Convener: On the development of new railway opportunities, such as new stations or lines, Lee Pounder and I were talking last night about the difference between Balgray and Winchburgh. Lee, do you want to say a wee bit about that, and about how the timing of when you do something makes a difference to its cost and its delivery?

Lee Pounder: Balgray has been a great example of how to do it. The station has been delivered ahead of schedule and to budget, and decisions have been made in a timely way. The outcomes for the station were predominantly derived from the contractors rather than through output-based contracting, as a couple of the other gentlemen here have said.

Winchburgh, on the other hand, has had significant delay in decision making. The housing and infrastructure there have moved ahead of the rail corridor, which means that going back to build Winchburgh station will probably cost more money and will take longer now, causing more disruption to passengers. The model of forward planning, strategic thinking and early decision making has definitely contributed towards a successful job at Balgray.

The Convener: I want to talk about budgets and about the investment that you make in skills, new technology and different ways of doing things.

What is your experience of fluctuations in budgets in recent years, and how has it impacted on your members' confidence about investing?

Scott Grant: Single-year funding models make it very difficult for those in both the public sector and the private sector to plan any investment in infrastructure. Major roads or rail schemes involve programmes that can take many years to come to fruition. Having a fully funded pipeline over a number of years allows the industry to invest in skills, bringing in the right people and the right resources and allowing for innovation. CIHT has done some research that shows efficiencies of somewhere between 5 per cent and 10 per cent in moving to a multiyear model. For projects costing hundreds of millions or billions of pounds, that could bring a significant saving to the public purse.

The Convener: Give me some examples of the consequences for your members, in terms of redundancies, for instance. Perhaps you have seen tech from other parts of the world that you could bring into the United Kingdom, but you do not really have confidence that the budgets will be there to justify that investment. Do you have any examples of things that you would like to do, or of negative consequences of not having multiyear funding?

Scott Grant: There are some very real examples happening at the moment. We have a booming energy sector in Scotland, with significant investment in energy—which is the right thing to do. However, the core skills that the energy sector is looking for and would like to grow can be found in the highways sector and in transportation more widely, so our sector is losing some very experienced people, particularly to the energy sector and the water sector, which seem more sure about future funding and are paying bigger salaries to get those individuals.

The Convener: How much bigger are the salaries? Do you have examples?

Scott Grant: Anecdotally, the difference is in the order of 20 to 30 per cent. I have heard that from individuals who have moved to the energy sector.

The Convener: Do others have experience of that?

Lee Pounder: Yes. There is now a huge disparity, certainly between rail industry wages and what is now being offered in energy and utilities. There is currently a civil service job for roads paying a civil engineer circa £60,000. That seems hugely disproportionate to what is now being paid in energy. I would estimate that an equivalent role in energy would go for about £80,000 to £90,000. That is the disparity that we can see.

The Convener: Where is that position? What is that person getting offered £60,000 responsible for?

Lee Pounder: It is the same job as a senior civil engineer, either in roads or in energy. I would say that the disparity in wages goes from £60,000 in roads to £90,000 in energy.

Scott Grant: That challenge exists at a senior level, among project management and project leadership staff—people with real experience—who are being tempted out of the industry and out of our sector into energy. That could present a challenge for the future planning and delivery of schemes if that trend continues.

09:30

David Giles (Asphalt Industry Alliance): My evidence is from England and Wales. The Asphalt Industry Alliance carries out the ALARM—annual local authority road maintenance—survey of all local authorities, where we ask questions around funding and the condition of the highways.

We call for longer-term funding horizons, because the cost of short-term funding horizons is, to put it very simply, the potholes that we see in the roads, the number of which has grown to an astronomical level. I recently said, in relation to our last ALARM survey, that our roads in England and Wales have reached a state where they are an absolute national disgrace. It is not difficult for people to see the proof of that when they drive along the roads.

I cannot speak to Scotland, because the Scottish authorities have not put any data into the ALARM survey for a number of years.

We have called for the front-loading of investment. When investment happens, in years that the Government puts in extra money, we see an attempt to catch up. However, the scale of the backlog of maintenance has now become so huge that highway engineers simply cannot keep up with the maintenance that is required. To turn it on its head, the Department for Transport's own data estimates that, for every pound that is spent on the roads, we get up to nine pounds return on that investment.

If we take that evidence, and also the anecdotal evidence of road users, it is not difficult to see that we have got into a cycle of patch and repair in England and Wales, which is costing us more money than a properly funded maintenance regime would.

Lloyd Melville (Angus South) (SNP): To pick up on the point that David Giles made about potholes, I am interested to hear that the Scottish

authorities are not submitting any data to you. When did that stop?

David Giles: We stopped collating data from Scotland about 10 years ago, partly because of the number of people who were interested in submitting, but also because, at that time, the Scottish Government was going to do its own survey of the condition of the highway. I understand that you do sideway-force coefficient routine investigation machine—SCRIM—testing and so on.

I will be honest with the committee and say that the condition of Scottish roads is, in some areas, better than in England but, in other areas, it is not. We do not have the data for Scotland, as we have for England and Wales, to enable us to give the committee reliable evidence. However, we sort of extrapolated the scale of the problem. The last time that we looked at the Scottish shortfall in funding, it was around £700 million to £800 million. If we were to extend that to today, the backlog in maintenance funding would run into many millions. However, we do not have the data between those points, unfortunately.

It is safer for us to stick with the England and Wales evidence.

Lloyd Melville: You might be aware that the Scottish Government made a commitment during the election campaign to put in place a £350 million better surfaces fund, specifically for potholes. Will that make a difference?

David Giles: Of course it will make some difference. However, without knowing the backlog that you have in Scotland, it is difficult to make a proper comment on that.

In England and Wales, every time that a sum of £500 million is added to the road budget, it comes with conditions. Those conditions can mean providing data to the DFT on the condition of the local authorities' roads, which we strongly support, because the only way that we will see improvement is through data. Normally, however, the additional money ends up being spent on filling potholes, rather than on properly maintaining the roads.

Lloyd Melville: That is where I wanted to get to. Obviously, it is all well and good to do a patch-up job, but more potholes will appear if the quality of the road is not kept up. What is the best model for road maintenance, rather than patching potholes?

David Giles: The best model is to leave the experts—the highway engineers—to define the condition of the road and put in place a long-term maintenance programme, which includes repair. That maintenance programme will include many types of interventions, with everything from surface dressing to resurfacing of the road.

In many locations in England, the surface of local authority roads is so poor that they are beyond patching and require resurfacing, but there is insufficient money to do that. Therefore, the patching continues, which is a waste of public money, because it has to be done again and again.

Lloyd Melville: I think that I remember seeing in the figures that we have for Scotland that, in 2025, the condition of one in three roads in Angus, which I represent, was red or amber. Therefore, that is an issue that we are very alive to.

Scott, do you have any reflections on road maintenance and, in particular, the £350 million fund that the Government announced?

Scott Grant: Yes. To pick up on David Giles's point, in Scotland, we use the Scottish road maintenance condition survey to assess the condition of the roads. That process is undertaken by the Society of Chief Officers of Transportation in Scotland. As is mentioned in the briefing pack, it categorises roads as green, amber or red. The 2023 backlog and steady-state maintenance model estimated that, at that time, the total cost of repairing the red and amber sections would be about £2.2 billion and that around £333 million per year was required just to maintain the roads in a steady state. It found that significant investment was required in the road infrastructure. As I am sure that David Giles would attest, the cost of the core materials that go into a road surface—bitumen and other oil-based products—has increased significantly due to inflation, so that figure is likely to be low.

That survey showed that the condition of roads had improved since the previous survey but, as the figures that I mentioned show, sustained investment is required simply to maintain the current position. At the moment, many local authorities face a challenge in finding the funding to maintain the roads in a steady state each year. Most local authorities know from the condition surveys of the network that they are not doing that, although some are finding the funds to invest in that, because they recognise the benefits of addressing the condition of the roads.

Lloyd Melville: Indeed. It is positive that Angus Council has set up a specific infrastructure fund to invest in the roads.

I want to press you on the £350 million fund, because you have just said that it costs about £333 million a year to keep the roads as they are. We are not clear, because we have not yet had the budget, whether that £350 million is for the whole parliamentary session or whether it will be front loaded. Do you have a view on what is required in that regard in the budget?

Scott Grant: You could ascertain what that figure should be by speaking to local authorities in Scotland to understand their maintenance backlog. Most authorities will have an indication of the current condition of their roads and what their steady-state funding is. Information could be collated on the gap between the money that is required to maintain the roads in their current condition and the funding that would be required to deal with the backlog, because they will have records on that.

As has been mentioned, any investment in the road infrastructure is very welcome. I am concerned about the terminology of a "better surfaces fund", because the road surface is one thing, but there is also the issue of the surface of footways. In dealing with public liability claims, it costs local authorities more to settle claims from people who were injured while walking or cycling on a footway than it does to settle claims relating to the carriageway, which might involve the cost of replacing suspension, tyres and so on. In general, the cost of settling footway claims is far higher for local authorities than the cost of settling carriageway-related claims. If we take a wider view, there is also the issue of the impact on the national health service.

Lloyd Melville: I turn to David Macdonald. Do you have any views on the subject of road maintenance?

David Macdonald: No, not particularly.

Lloyd Melville: That is fine. In that case, I will move on to rail, as we have some witnesses from the rail industry, and I want to include everyone and keep all our witnesses happy.

I will start with Lee Pounder. For control period 7, Network Rail has moved from regular cyclical maintenance to a more risk-based—and, therefore, more targeted—approach to maintenance. Do you agree with that approach? Have you noticed any impacts as a result of that change?

Lee Pounder: I do not represent Network Rail, so it is probably wrong for me to answer on its behalf.

Lloyd Melville: Would your members have a view on how effective that is?

Lee Pounder: Network Rail is spending something like £1.95 billion over five years on renewals and maintenance. I think that our members' view is that, similarly to the situation with roads, it is costing more to do less or the same. Therefore, the investment in rail for renewals is becoming harder.

There is now a big focus on how we can change that to investment in new infrastructure. That is a good segue to what we are talking about with road. Something like 73 heavy goods vehicles can be taken off the road if we open up freight routes on rail. That would alleviate some of the pressures on the road related to maintenance and other things. There is a huge link there. To maintain the assets that we have, we need to do something differently, with technology and innovation. Otherwise, with the current infrastructure, we will either stagnate or actually deteriorate, because we will not achieve the same volumes for the same value.

Lloyd Melville: Russell, I have the same question for you. Do you agree with Network Rail's approach? What has its impact been?

Russell Jackson: I will just build on what Lee Pounder said. Network Rail's approach is risk based, but it is also based on evidence and data. However, one of the key drivers of the efficiency of work is access. If access is very limited, that will push up the costs. In Scotland, there is a much closer relationship between track and train, which I think affords a better opportunity. The UK Government is moving towards that model south of the border. There are a lot of proven ways of working when it comes to maintenance and renewals that Network Rail has been doing in Scotland that are more efficient. That is a good basis for the approach. I will just say that the less access that there is, the more difficult it is to do a full renewal of any asset. That is a really important point when it comes to driving efficiency.

Lloyd Melville: I will pivot slightly to infrastructure again—

The Convener: Before you move on from access, I want to ask a question. Russell, can you explain and give examples of how good and prolonged access changes the cost of doing a project?

Lee Pounder: I can give a recent example. We have just had various parts of the Fife circle line shut for a total of 18 days. We managed to achieve six months' worth of work that traditionally we would have done during our evening access windows. We estimate that it is probably at least 50 per cent more efficient to do such work in blockade scenarios where we have uninterrupted 24/7 access. That is quite a large statistic.

The Convener: So that is cutting the cost in half. Did you say 18 days for six months' work?

Lee Pounder: Yes—half a year.

The Convener: Do you have examples, Russell?

Russell Jackson: I want to add a bit on what happened in Fife. That project was not just one renewal; it was trying to do as much as possible across all the assets at once. That is where we

need to be: driving efficiency by looking across all the asset types.

I can give an opposite example. When four-hour windows are given to do work on the railway, an hour of that is used closing the railway safely and mobilising people, and an hour is for taking people off the work and reopening the railway. It is the most inefficient way possible of doing things.

Also, from a staffing and talent point of view, an offer to young people of roles on the railway where they will work only for four hours at night, in the middle of the night, is not the most attractive thing. Doing a huge job such as that one in Fife drives the success of the industry and also attracts people and capabilities to the industry.

The Convener: I notice that that is being done more on roads as well—roads are being closed completely for a period to get the work done. Is that a pattern?

09:45

Scott Grant: Yes, I have seen evidence of that. Rather than deal only with potholes, we can empty the gully pots, clean the sign faces and do other things of that sort in one closure. That applies especially in the trunk road network, where traffic moves at high speed and the workforce needs to be protected. It is much more efficient to take a holistic approach across asset classes and deal with maintenance in one intervention, or a series of planned ones, under a total closure.

David Macdonald: I totally agree. A mindset change is going on at the moment, and we are accepting short-term pain for long-term gain. As the guys have said, that approach is definitely more efficient.

The feedback that I get from Network Rail is that there is frustration from the supply chain. As Russell Jackson pointed out, if there is a four-hour closure, probably only an hour's work is done during that. It is difficult for people to understand that, because they are not getting anywhere during that period of time. Based on what we have seen, some sense is starting to flow through in relation to closures. More work can be done, and it can be efficient. The downside is that there is frustration from road users and, potentially, the people using rail services—such as myself, a couple of weeks ago. However, it is 100 per cent the right way to go.

The Convener: Fifty per cent is a huge saving.

David Macdonald: Yes.

Lee Pounder: We have seen the short-term pain, but the passengers and the public come back. Across ScotRail, passenger numbers are up by, I think, 3.1 million over the past six months. Even with blockades on the Fife circle line or the jobs at East Kilbride and Glasgow Barrhead, all the evidence suggests that the passengers come back. They would prefer the short-term pain.

Russell Jackson: That is especially the case if the work is well planned. Much of the evidence points to planning well in advance. Lee Pounder and other colleagues have talked about that applying to inputs, contractor involvement and making it clear to the public exactly when the disruption will be so that they can plan their journeys accordingly. There are many reasons why long-term planning and a lack of change from when that planning starts to when the project is implemented provide a platform for successful outcomes.

Lloyd Melville: I will keep this next question brief, in the interest of time. You will be aware of the increasing number of storms and severe weather events that we have been having, and those have a significant impact on our infrastructure. Russell, is enough being done to embed climate resilience into infrastructure planning and delivery?

Russell Jackson: Some events during the past few years have been highly disruptive. The evidence is there that increased monitoring is needed. A lot of technology is being brought in by Network Rail.

Lloyd Melville: Is the budget there for that?

Russell Jackson: That is the challenge. There are two big pressures on the transport budget. The first is inflation, which colleagues have talked about, and the second is budgeting for climate resilience. Capital projects are getting more expensive because there is a need to increase resilience. It is the right thing to do, but doing so is more expensive.

Lloyd Melville: On the flipside, the longer you delay embedding climate resilience, the more expensive it will be further down the line.

Russell Jackson: It increases the risk, as there will probably be a bigger impact further down the line.

Scott Grant: I support what Russell Jackson said. It would be good to have Government investment in resilience funding and to ensure that that is ring fenced. That can be done not only after an event, but by looking at the Scottish transport network and understanding where there are particular vulnerabilities and where better investment can mitigate those. An example is the length of the diversion routes on the A83 and some of the problems that such things can cause.

There are particular pinch points in the network, and additional investment to build more resilience

would be welcome. We need to understand where the pinch points are, so we could do modelling on that. For example, we could ask "What would be the impact on the Scottish economy if X happened to Y road?"

It is also important to recognise that roads carry more than people and goods, and that critical infrastructure is often buried underneath them, because utilities generally sit along the road corridor. Landslips can have an impact on more than the movement of goods, because they can take out critical services, too, so there is a wider perspective than just the transport one.

Lloyd Melville: David, do you have a view on that?

David Giles: I cannot speak about the amount of money put into Scottish roads, but there is clear evidence that taking a reactive approach to maintenance makes it difficult to build in any kind of resilience to deal with climate change. We are seeing the already very short funding that local authorities have being used to patch up roads, and that problem has become bigger because of the climate issue.

One simple but important factor is the cleaning of gullies and drains. If an articulated lorry drives over a pothole when the edge of the road is flooded, the hydraulic pressure adds to the existing stress on that road, which will break up more quickly. More extreme temperatures, both high and low, will do the same thing, because you get freezing and thawing.

Products that can resolve that have been on the market for a long time. In Scotland, you have been using modified binders in your asphalt for a good 10 years and have developed the use of stone mastic asphalt. Less of that, and less modified binder, is used in England and Wales. Those products are more expensive but, where a long-term approach is taken, we see a payback for that investment in high-quality materials.

Another point about climate resilience is that asphalt is 100 per cent recyclable. The resilience of our roads must be based on adopting a whole-life cost model, rather than a short-term one. Some recycled products will not last for as long as new or virgin materials, but they come with an opportunity to significantly reduce the amount of carbon expended in the maintenance and construction of highways.

Lloyd Melville: Lee, do you have a view on climate resilience?

Lee Pounder: For unfortunate reasons, our tactical response is getting much better. Whether for proactive or reactive reasons, we are much better set up to deal with storms.

It all comes back to the need to be serious about modal shift, about net zero and about investment. Last year, the ScotRail electric fleet took out more than 122,000 tonnes of carbon dioxide from our country and the planet. The statistics are there and we can see for ourselves that the frequency of storms is increasing, so we must act now.

Lloyd Melville: What do you think, David?

David Macdonald: We have noticed that sustainability, resilience, net zero and future proofing are now built into the design of all projects, but the timing could not be worse. There is not much money going around to invest in those projects and their real-life cost has gone up because of those measures.

Lloyd Melville: To cap off my line of questioning, I am aware of flood defence schemes that were designed to last for a significant period of time but have become redundant much more quickly because of the pace of climate change. That is a danger for infrastructure projects on our roads and railways, too.

That is everything from me, convener.

The Convener: We move to questions from Donald MacKinnon.

Donald MacKinnon (Na h-Eileanan an Iar) (Lab): I thank the panel members for joining us today.

Last week, we heard from John Gurr from the A83 Rest and Be Thankful campaign. That project is a perhaps quite extreme example of complexity, both as a road project and as an example of how to deal with road closures. I would like to touch on building relationships and communication, particularly with Transport Scotland. David Macdonald, you mentioned earlier how important early engagement in projects is in order to eventually reach good outcomes. How important is building relationships and communication in that process? Do you have reflections on the complex projects—not necessarily in relation to the Rest and Be Thankful campaign—in which that approach is important?

David Macdonald: We had one of our quarterly meetings with Transport Scotland a couple of days ago, and one of the discussions that we had was about early contractor engagement. That is now at the forefront of Transport Scotland's thought process when it begins projects, which can only be a good thing. We discussed its potential project portfolio and how it will engage contractors to get the best solutions. In the case of the Rest and Be Thankful, it will be going through a process with the contractors to come up with the best solution to the challenges there, which can only be a good thing. We have been crying out for that direction of travel

for a long time, and it now seems to be coming to fruition, which we whole-heartedly welcome.

Donald MacKinnon: So, has that relationship changed over time? Is that situation quite recent?

David Macdonald: Yes, that is a recent development. Before that, who did what in a project was very siloed, but now we are back to collaborating. That is a recent development that we fully welcome.

Donald MacKinnon: Does that have the potential to save money?

David Macdonald: In the long term, yes. We have to go through a process first, because how that relationship works is new to everybody, but it will, 100 per cent, have an impact on the whole-life cost of projects going forward.

Donald MacKinnon: Scott, I will come to you next. There is a similar question around the ongoing relationship and communication between industry and Transport Scotland. Do you have anything to add on that?

Scott Grant: To pick up on what David Macdonald said, the industry has a very good relationship with Transport Scotland. Some of our members work for Transport Scotland, so there is engagement with the industry.

Another important point is the need to engage with the public and consider what the industry can do to be more visible to the general public with regard to some of the major schemes that we are planning. Earlier, we discussed the disruption that projects can bring and some of the efficiencies that can be achieved through the trade-off of short-term pain for long-term gain. However, it is also important to work with the public and inform them about the outcomes of a scheme and what it will ultimately deliver once it is in place.

Donald MacKinnon: What could the benefits be of such engagement with the public agencies or with the public themselves? What are the benefits of such engagement for the ultimate outcomes?

Scott Grant: As we mentioned earlier, a big part of the process is consultation, and consulting more effectively and perhaps earlier in the process would lead to time savings, because, rather than presenting the finished scheme and saying, “This is what we’re going to come and do. What are your thoughts?”, involving them earlier in the process might resolve some of the objections to the schemes and therefore shorten the time a scheme might face if it is subject to objections.

Donald MacKinnon: David Giles, how important for the industry is that engagement when it comes to planning the pipeline for projects, the materials that will be needed and so on?

David Giles: My experience of engagement has been with the Transport Scotland-led Scottish road research board, through which there has been a tremendous amount of knowledge sharing in terms of standards, as well as new technologies and techniques. That feeds through into the issues that you have raised, because it means that, when a scheme is discussed, it is no great surprise if somebody proposes a new kind of material.

My experience, from attending industry events, is that Transport Scotland is very active in engaging with industry bodies and standards associations and in holding a two-way dialogue on new materials.

Donald MacKinnon: Does that help with industry planning? Does that help with understanding what will be coming down the line?

David Giles: In my day job, I work for a company that is involved in the construction and maintenance of roads, so my answer is yes, of course it helps. We do not operate in Scotland, but we have the same dialogue with the Department for Transport, National Highways and so on. That dialogue is essential, because there would otherwise be significant delays.

10:00

Scott Grant: I will pick up on what David Giles said and on your mention of a pipeline. That is aspirational without funding. Without funding, it is very difficult for industry to plan and bring on board the innovative techniques and plant that we need to construct our schemes—and, indeed, the people we need, from the inception of the process, to look at options, right the way through to construction on the ground. That requires a significant workforce and significant investment in skills. Without a fully funded pipeline, those things are aspirational. That goes back to the earlier point about funding.

Donald MacKinnon: It also feels as though the two things are linked. Early engagement—making sure that contractors and the industry are engaged and have an understanding of what the costs will ultimately be—will give more budget certainty. However, ultimately, the fully funded pipeline has to be there.

Lee Pounder: All our graduate and apprenticeship schemes last for three years. If we have in-year funding or year-to-year funding, it is hard to commit every year to taking on apprentices and graduates, given that we need three years to train them, get them through their qualifications and mentor them again after that. A pipeline is therefore brilliant. A funded pipeline would be absolutely great, but we need to be really aspirational and look for it to be longer than even five years—to be for 10 years or more—and at

what a pipeline would look like and how far in advance we could get a funded pipeline, because looking at things from year to year really constrains a lot of companies and businesses.

Russell Jackson: To build on that, and as a positive example, there are five-year alliances for track renewals, which are partnerships of Network Rail, a contractor and a designer. Those alliances enable much investment in people, which Lee Pounder has talked about—in junior people coming through—but also in things such as technology, innovation and efficiency. The repeatability of the work means that people learn. They work out what the challenges are, they are able to solve those and they are able to spot inefficiencies for the next project in that alliance. They can apply those learnings. Network Rail and the team can invest in and explore innovations because there is a long-term platform—a long-term contract with five years to run—in which relationships for the delivery and implementation of innovation can evidence those things alongside the efficiency challenges that such contracts try to solve.

That is just one example. Another concerns the programme of electrification that has happened in Scotland. That programme has one of the best track kilometre efficiencies for electrification, which is a testament to that long-term pipeline. A funded pipeline for a rolling programme of electrification is enabling the public sector and the private sector to learn how to drive repeatable efficiencies.

Lee Pounder: We have integrated really well with Transport Scotland over recent years. The forward planning of Bill Reeve in particular, with the decarbonisation action plan and the rolling programme of decarbonisation, has led to Scotland having the most efficient delivery in the UK by about 33 per cent. We have gone from £2.7 million per kilometre down to less than £2 million. Again, the numbers and stats are there. That continuity drives efficiency and quality.

What is really important is that we build on that and do not rest on our laurels.

Donald MacKinnon: I will go back to a point that Lee Pounder made earlier about Winchburgh. From what you were saying, it sounded as though the slow decision-making process had added to the complexity of the project and the costs—and probably the delays. That strikes me as another example of where early engagement and communication with industry on how a project could be delivered are important but have possibly been lacking. Have you any thoughts on that?

Lee Pounder: Yes. I would say that it is an example of where things have gone wrong. Contractors have had early engagement with key stakeholders, Transport Scotland and local government, but what has been really lacking is one controlling mind or decision maker. That has led to indecision, which has led, in turn, to conflict over who pays for what and who owns what asset. That scenario has perhaps been unique. However, with regard to the fundamental outcome of the process, I think that the answer to the question whether there was a need for a station and whether that station needed to be at Winchburgh to service the community was always known. The answer was yes, it was needed. At that point, it became about driving that outcome and that conclusion.

Donald MacKinnon: So, we are still waiting for a station, partly because of how things were set up in those early days, the relationship with the developer and so on.

Lee Pounder: That is correct.

Donald MacKinnon: Do you want to add anything, Russell?

Russell Jackson: I completely agree with Lee Pounder about that decision making. The only thing that I would add is that stations are part of the community that they are in. Therefore, the local government angle with regard to the future plans for the area needs to be built in, too.

However, what Lee said is exactly the case. That cannot be allowed to change things as you work through the project; you have to get that buy-in from stakeholders really early and then move forward with delivery. If you try to change things later, those late changes are very much blows to efficiency and the ability to deliver.

David Macdonald: Let us go back to the question that the convener asked at the very start, about how we can speed up these contracts. Consultation is everything. With a lot of these projects, not enough work gets done with regard to the hearts and minds of the local communities, and people find that, when they get to a certain point, the local communities start pushing back and do not accept the project. The planning gets pushed back, and jobs get pushed back, too.

Our perspective is that, if there were more collaboration with the local communities and the stakeholders at the start of these projects, there might be less challenge, and that would shorten the time it takes to get them from cradle to grave. We feel that that would make a big difference.

Lee Pounder: There are other successes that we could mention, such as the Borders line. Since the reopening of that line, the economic growth that has happened along it has surpassed all of our outcome expectations. The story, really, is this: if we build it, it will be successful and people will come. I think that it is a huge testament to making the right decisions at the right time.

Russell Jackson: I know that it is just south of the border, but the Northumberland line is a similar kind of scheme that, again, exceeded all expectations very early on in its life. Such projects can be real success stories when they are done as well as they have been.

Donald MacKinnon: Thank you for highlighting those examples. That is all from me, convener.

The Convener: I call Iris Duane.

Iris Duane (Glasgow) (Green): Actually, the issue that I wanted to raise has already been touched on, so I will cut some of my questions short. I thank the panel for their time, and it is nice to see David Macdonald again.

Russell Jackson and Lee Pounder touched on the decarbonisation and electrification of our rail network, which we are aiming to achieve by 2045—a later date—and it was good to hear their positive comments on its efficiency. Can you expand on that? Are there improvements that the Scottish Government could make in its approach to make things even more efficient, or have we already hit the top tier?

Russell Jackson: It is a really good question. It is important that we continue to back that pipeline. In addition, what needs to be made clear, well in advance, is the future direction of electrification, where you want discontinuous electrification and, indeed, where you are not going to electrify things. Those are the two things that will enable the supply chain to understand the Scottish Government's investment plans and how electrification fits into them.

I think that increased efficiency comes from continuing to do what you have been doing, and my ask would be to not waver from the path that you are already, and very successfully, going down.

Lee Pounder: I would say in support of Russell's remarks that major advances have been made in discontinuous electrification and battery electric trains—or BMUs, as we call them. Deploying partial electrification on suburban, non-congested or non-intercity routes to progress electrification and decarbonisation is absolutely the right strategy. That allows us to focus on where we need full electrification, to get the outcomes and schemes right, and to drive further efficiencies in those schemes.

However, to take on board Russell Jackson's comments on what I said earlier, we cannot rest on our laurels. We have done well to get to where we are. Do I think that we can do better? Yes, I think that we probably can, but that requires continued investment and an industry that is confident that we will back the pipeline, get the necessary skills and let innovation drive us forward.

Iris Duane: That reflects what we have heard from previous panels—namely that confidence in the Government's direction really helps the industry.

I will pick up on something that you said about partial electrification, especially on suburban routes. You have probably seen that, in March, ScotRail announced that it will replace 22 diesel-powered trains through an £80 million refurbishment programme, supported by a further £67 million investment from the Scottish Government. Those are transitional trains. They are not electric trains; they are still diesel powered. Is that a good use of public money, or would it be better if that investment were put into speeding up electrification and rolling out greater battery use?

Lee Pounder: We currently have the oldest fleet in the UK, so we need to do something with our rolling stock. The partial strategy is a good approach. It allows us to get to a semi-state more quickly and efficiently, enabling us to consider where we have genuine constraints and where we will require interventions. An obvious example is Dock Street tunnel as you come out of Dundee station. Electrifying the line through the tunnel would require extensive spend and engineering considerations, so having a partial solution that does not require electrification through the tunnel is, certainly in the short term, the right strategy for the industry.

Russell Jackson: We are talking a lot about infrastructure, but, ultimately, this is about benefits for passengers. If we can improve the passenger experience to drive greater use of rail and encourage modal shift, that is a good thing.

Iris Duane: That is positive.

I will move away from the net zero issue and focus on the passenger experience. We know that some of the oldest rolling stock, as we have discussed, will be cascaded to rural routes, which was not, of course, the initial vision. Train journeys showcase our fantastic natural environment, but we had hoped to see newer trains introduced, which would ensure that passengers are comfortable, because some of the existing rolling stock is not the best and can be quite cold.

Is the Government's approach to recycle very old rolling stock for redeployment on more rural routes a good one, or would greater investment in newer stock, or in refurbishing less old stock, be better?

Russell Jackson: I am not well informed on that, so I will simply say that it is dependent on considering the whole-life cost and ensuring that any decision is data driven.

Lee Pounder: I take a similar view. I think that we all recognise that new electric or bi-mode trains

are cleaner, greener, more comfortable and provide a greater passenger experience. The question is probably where investment has the greatest effect when you consider the whole-life costs and the wider strategy.

In the short term, some tough decisions might need to be taken about where you deploy some rolling stock that still has life left in it, but the aspiration in the 2045 net zero mandate is really about bringing cleaner, greener trains into our country and infrastructure.

Iris Duane: I have a slightly cheeky question. The initial vision was for decarbonisation to be achieved much sooner than 2045, and it was only relatively recently that the Government pushed that back. Could we achieve that faster?

Lee Pounder: I believe that the original mandate was 2045. I know that there was an aspiration to achieve it by 2035 when Nicola Sturgeon was First Minister. That might have been a little ambitious, if I am honest, but we need to be aggressive or assertive in our drive to deliver decarbonisation. We should not wait until the last minute; we should drive progress as quickly as we can.

10:15

Russell Jackson: I agree with Lee Pounder on that. All I would say, though, is that, not just in Scotland or the United Kingdom but around the world, we have seen a lot of boom and bust and trying to accelerate things overambitiously. Supply chains have a natural tendency to say, "Yes, we can do that", but we are then relying on a limited talent pool of people with relevant experience and capability, which is going to increase the risk and the pressures on successful, cost-effective, on-time delivery of those outcomes.

It is right to be ambitious and to try and push, but there is a limit to that. A steady pipeline of work enables efficiency.

Iris Duane: Yes, I agree. I am sure that we are all concerned—although it is perhaps not a matter for this committee—about the need to ensure that we have the workers and the skills in the country to deliver that.

I will move on from rail—I thank you for your contributions. I have a couple of very short questions for Scott Grant and David Giles, which follow on from something that I asked about last week. When we are looking at upgrading our roads and making sure that they are kept in good condition, we need to get the money from somewhere. The UK Government recently introduced a bill that would allow private companies to upgrade our roads, but they could also charge a levy on them. Is that something that you are supporting in your respective roles? Alternatively, are you against it, or is there perhaps a path through the middle?

Scott Grant: We have seen previous examples of road user tolls. The important point to consider for the public purse is the value of that. Wales has used the investment model; I understand that Transport Scotland looked at that for funding sections of the A9 and so on and it would have been more expensive to the public purse. It depends on what the situation is with international money markets and how attractive it is at that point for seeking private investment in roads.

We would welcome increased investment in transport and making our systems more resilient, as we have talked about throughout the discussion, but there is a public element to road user charging, and the Government would need to consider the impact of that on the road user.

There is a focus on roads, but there is—as has been mentioned with regard to rail—a need for modal shift to get people out of their cars, especially for short journeys, and to walk or cycle and look at alternatives to jumping in their car outside their front door. There is probably better justification for investment in active travel for the first and last mile and looking at an integrated transport solution. For example, when we are talking about rail stations, we need to think about how people get from there to their homes. If we can look at that in terms of modal shift away from the car to active travel and more sustainable forms of transport, it would have significant benefits for addressing health, social exclusion and so on. There is a wider benefit to modal shift that is about more than purely carbon.

Iris Duane: Absolutely. Do you have any reflections, David?

David Giles: My reflection is, first, that while—in the Asphalt Industry Alliance, clearly—we leave the funding to the politicians, changing the funding mechanism does not resolve the gap that has developed in England and Wales, where there is a £19 billion maintenance backlog. Simply shifting the financial model is not going to change the fact that the backlog is there. Costing that in, for a private company, is going to be a very big ask. I therefore respectfully decline to answer your question with an opinion.

Iris Duane: That is okay—the matter is complex, of course, and we do not know what such a measure might look like when it is rolled out. We do not want to not help our constituents by putting it in place—the roads might get fixed, but then they might not have access to them.

I will leave my questioning there, convener.

The Convener: I am conscious of time—we still have two members who want to ask questions, so I ask everyone to keep things a bit tighter if we possibly can. We go to questions from Zen Ghani.

Zen Ghani (Glasgow Cathcart and Pollok) (SNP): I will focus on Great British railways, which comes up in the Railways Bill that is currently going through the House of Commons. A few concerns have been outlined in various places by various bodies and people. From your perspective, what impact do you expect that the establishment of GBR will have on Scotland's rail supply chain, in particular in relation to things such as procurement and contracting arrangements? Is there a risk that decision making could become a lot more centralised, thereby making it harder for Scottish suppliers to access opportunities? Perhaps Lee Pounder can start.

Lee Pounder: There is a little bit of uncertainty around GBR at this moment in time. The discussions that we have been having with relevant stakeholders indicate that there will be no change to the devolved powers. That is hugely important—we have already touched on some of the successes in Scotland and how we are leading the market, or leading the UK, so it is crucial that the decision making stays in Scotland in order that we can protect our supply chain.

RIAS has more than 480 members, and 60 per cent of them are small and medium-sized enterprises. We need to ensure that we can get all those SMEs into market positions as we go forward, and that is best served by keeping the decisions here in Scotland.

David Macdonald: Building on what Lee Pounder said, CECA represents 115 companies in Scotland, and the majority of them are SMEs. They are really the engine room behind a lot of these projects, so ensuring that they are suitably looked after is key for us.

Russell Jackson: Track and train in Scotland are already intimately interconnected and have been so for a while, so it is good to hear positive reassurance that the changes that come through GBR should be relatively modest for Scotland. That is great for the programme of work that we have.

As Lee Pounder said, that devolution looks like it should continue and should be relatively unaffected. I would just say, however, that there is some nervousness around uncertainty and how that is going to affect future pipelines of work. Provided that that aspect is maintained in Scotland, however, that would be a fantastic outcome.

Zen Ghani: Could the creation of GBR have any implications for Scotland's rail engineering sector?

Russell Jackson: It is a bit early to tell. We need to look at the scope of what is going to be devolved versus what is going to be more centrally led—and some stuff needs to be centrally led, because of consistency of standards and materials and equipment and so on. Until that comes out, it will be hard to say definitively.

Zen Ghani: David, do you have any thoughts on that one?

David Macdonald: No.

Zen Ghani: That is fine.

How prepared is Scotland's rail industry for the transition to GBR? Are there any outstanding issues around how the new organisation will operate? I know that the detail is still quite vague, but do you think that Scotland's rail industry is ready for that transition?

Lee Pounder: Yes, I believe that it is. Again, if we look at the Scotland's Railway brand, we see that we have proven that we can successfully stand on our own two feet. The powers, and the processes and people, that have been put in place are robust. The one big uncertainty of which we need to be mindful will involve any of the cross-border services and how we react to or interact with them. How do we make decisions on cross-border requirements? That is probably the big unknown at the moment, certainly in my sphere.

Zen Ghani: What have your members said about that?

Lee Pounder: Again, it is just the uncertainty. I do not think that a clear blueprint is yet in the public domain. I know that there are aspirations about GBR going live as of 1 January 2027, but what does that actually look like and what does it mean? There are still many more questions than answers at the moment.

Zen Ghani: Do you expect GBR to have an impact on funding opportunities in Scotland?

Lee Pounder: That is the huge piece of devolution that we want to maintain, so that we do not have to go back to Westminster or the DFT to sign off every scheme. We have good momentum in Scotland, and we want to keep it going and, indeed, grow it. Adding another layer of decision making can be only detrimental. Again, as we touched on with regard to Winchburgh, we need to try to keep as much control as we can, certainly with regard to funding and decision making.

Zen Ghani: Absolutely, and I think that adding another layer of bureaucracy will just make things a lot slower and make it less likely to deliver in the timescales.

David and Russell, do you have any final thoughts?

David Macdonald: Going back to Lee Pounder's comments, I think that putting this down to Westminster would have an impact on our supply chain. We have the supply chain in Scotland to deliver the work that is needed, and if another layer were to go to Westminster, that would, as I have said, have an impact on that chain.

Zen Ghani: Absolutely. Russell?

Russell Jackson: I very much agree with what Lee Pounder and David Macdonald have said.

Zen Ghani: There are plenty of political points that I could make, but I will not do so.

The Convener: Thanks very much. Saving the best to last, I call Amanda Lindsay.

Amanda Lindsay: Thank you very much. We are almost done, but I have a couple of final questions.

The Scottish Government intends to bring Transport Scotland back into the core Scottish Government. What changes to administrative structures would you like to be made as part of that exercise, with a view to improving project delivery and road maintenance? I do not know who wants to take that first.

David Macdonald: Do you want to take that, Scott, or shall I?

Scott Grant: You go first, and I will see if I want to take it. [*Laughter.*]

David Macdonald: If that were to happen, we would not want to see more bureaucracy, and we would not want it to take longer to get projects on the ground. I do not know too much about where things are, whether this is going to happen and how far away it might be, but I think that we in industry have moved into a fairly solid place with Transport Scotland. We talk a lot and we collaborate. As I have said, we were talking the other day about early contractor involvement, or ECI; it is new on the radar, and we would not want it to be jeopardised in any way if responsibility for it moved under the Government.

Scott Grant: It is important to recognise that Transport Scotland only looks after the trunk road network in Scotland, and I have to say that the condition of that network is pretty good compared with the local road network.

I understand that the better surfaces fund would be directed more at local and side roads rather than trunk roads. If we are talking about improvements in the condition of the general road network, there is a question about the size of some local authorities and their ability to deliver road maintenance, given the funds that they have and the competing priorities that they face, especially in rural communities. Our membership has a view about the old regional council model, with the direct labour organisations; a lot of local authorities do not have that sort of thing and instead have to bring in the private sector to deliver these schemes on the ground. Therefore, there is possibly a question to be asked about the local government side of things rather than the Transport Scotland side, given its record in delivering outcomes and the fact that the trunk road network and associated assets are actually in a pretty good state of health compared with local roads.

Amanda Lindsay: That actually leads nicely to my next question, which is about the Scottish Government's proposed programme of significant local government reform, possibly reducing the number of councils from 32 to between six and 10, supported by a large number of community authorities. What impact might that reorganisation have on road development and maintenance?

Scott Grant: I have already mentioned the issues faced by some of the smaller local authorities. If we are thinking about the roles that a local authority has to fulfil, I would go back to the earlier point that was made about skills and the resources that we have. It is a very simple piece of maths: if you need only one role across 32 local authorities, you might have an opportunity to make reductions or potentially to improve the quality of some of the outcomes from those roles. Obviously efficiencies of scale can be achieved, too, through resource pooling with regard to the plant and equipment that local authorities carry, their buying power and their ability to deliver bigger programmes of work with an increased budget.

I come back to the earlier point about the multiyear funding model. If the rationalisation of authorities into bigger regions were to happen alongside such a model, significant improvements could be made to the road assets that we have and the local authorities' ability to eat into the backlog that David Giles mentioned earlier.

David Macdonald: If such a move meant a smaller funded pipeline, we would certainly support it, because it would give us that pipeline. Again, though, there will be pros and cons with regard to buying power, procurement power et cetera, and we would need to see that detail.

Amanda Lindsay: Thank you very much.

The Convener: I thank everyone for the very concise answers to our questions. I think that you have certainly educated us about the sector, the successes that you have already secured and the improvements that need to be made. We do appreciate that, and I hope that you will continue to follow our work in this area.

That brings us to the end of the first of this morning's evidence-taking sessions. I thank the witnesses again, and I will briefly suspend to allow for a changeover of witnesses.

10:31

Meeting suspended.

10:35

On resuming—

The Convener: I welcome our second panel of witnesses. Thank you for coming back to the committee.

Joanne Maguire is managing director of ScotRail, and Liam Sumpter is managing director of Network Rail in Scotland. If we could keep our questions and answers as succinct as possible, that would really help.

Lloyd Melville: Good morning. Joanne, you confirmed to the committee on 16 September, when you were last here, that ScotRail had received over 3,000 complaints regarding the launch of the app. Your letter to the convener yesterday said that the number of complaints had reduced. What does that look like in practice?

Joanne Maguire (ScotRail): Good morning, and thank you for the question. As of Monday 2 November, we had had just over 5,500 app-related complaints in total, and we know that that is absolutely not good enough. Again, we apologise to anyone who has been impacted.

There is some good news on the app: it is now in steady state. In fact, we now have more registered users of our new app than we did of the previous app. In June this year, 806,500 users had the app installed on their phone or mobile device, but we currently have 871,000 users, so about 65,000 more devices have our new app installed. About 128,000 people use the app on a day-to-day basis. The figure for the previous app was about 113,000, so we are seeing positive progress.

Lloyd Melville: Thanks very much for that. You also told the committee on 16 September that some of SilverRail's staff were based out of your office in Glasgow. Are they still there?

Joanne Maguire: They are not physically there, but we are in regular contact with SilverRail. We have been pleased to get the app to steady state. The next evolution is to launch some improvements to the app.

Lloyd Melville: Can you talk us through some of those improvements?

Joanne Maguire: Certainly. Some of the improvements involve push notifications. For example, there was a storm a couple of weeks ago, and we would enable a push notification for that. If you allow it, you will get a pop-up on the front of your screen. We are also considering capacity. People can see how many carriages will be on the train that they are going to travel on. A further evolution will be to see how busy the specific train that they are considering catching is.

Another area that we have been asked about a lot by the public involves connecting flexipasses to kids for a quid. Kids for a quid is very popular, but people can only buy those tickets in person at the moment. When the app recognises that someone has a flexipass, they will be able to buy up to four tickets for children to travel with them for £1. That is just a flavour of some of the improvements.

Lloyd Melville: Thanks. Your letter to the convener yesterday set out that there are still issues relating to some iPhone users. Has SilverRail given you an indication as to how long that might take to resolve?

Joanne Maguire: SilverRail is working very hard on it, but it has not given us a timescale. Just to give you a flavour, as of this morning we have had four contacts to social media about our app, which is a very small proportion of our daily contacts. I preface this by saying that I am speaking as a non-technical person, but the challenge is to do with your iPhone locating where you are. When you move between 4G zones—literally as you are walking down the street—it is trying to reconnect you and is logging you out. However, that concerns a very small proportion of iPhone users, and we are working to get a fix for that.

Lloyd Melville: I am glad to hear that the app is more stable.

I will move on to infrastructure and climate resilience, which we touched on with the previous panel of witnesses. I will start with Liam Sumpter. In its most recent control period, Network Rail changed its approach to maintenance from cyclical to more risk based. Does that allow you to be more targeted and efficient in the way that you spend money?

Liam Sumpter (Network Rail Scotland): Good morning. It is a good question, to which the answer is yes. When we initially go through the process of putting together our funding for a control period—as you know, we are halfway through control period 7—we assess what we believe needs to happen to the asset in order to maintain it at a sustainable and reliable level. We match that with the available funding and then decide on the treatment that we will give the asset in order to achieve the outcomes that the Scottish Government has specified for us.

As we have gone into this control period, we have balanced the different types of work that we do. To give you a bit of a walk through, there are, loosely speaking, four different ways to treat the infrastructure. First, you can do a full renewal, which involves going in and replacing everything. That lasts for a long time but costs quite a lot of money. Secondly, you can do a refurbishment, which is in effect a partial renewal in that you target only the components that are worst affected. It costs a little bit less money but lasts a little bit less time. Thirdly, you can do heavier maintenance, which involves going in and not changing any of the components but maintaining them more heavily. Again, that costs less but lasts less time. Fourthly, you can apply operational restrictions and do something different, which we prefer not to do.

In this control period, we have moved from doing more renewals to doing more refurbishment and heavy maintenance, which allows us to target the areas where the infrastructure needs specific focus. That allows us, in particular, to respond to the emerging challenge of climate change, the impacts of which we saw only 10 days ago.

Lloyd Melville: I want to discuss climate change a little bit later. On the previous panel, Lee Pounder of the Rail Industry Association talked about access for maintenance. For example, the Fife circle line was closed for 18 days but managed to achieve, in Lee's words, six months of work at a 50 per cent efficiency rate. Are you looking to set that model as standard in your future approach to maintenance?

Liam Sumpter: First, I concur with Lee Pounder's assessment. That is exactly the rate that we think that you could get from such a blockade. We always need to consider the balance. Lee was absolutely right in that there is certainly a saving that comes with closing the railway for a prolonged time, because you are not on-tracking and off-tracking machines in and out of the site. You can have staff work 24/7 rather than bringing them in for short access periods, which might be for as little as three or four hours overnight. There are clearly some benefits to doing that, but if you take that approach, you cannot run trains at all in that time, which impacts communities and people who need to get to places, and it also impacts revenue.

We consider that model in all our infrastructure work. We engage with our train operators, notably ScotRail but also cross-border operators, as part of a process that we call the decision impact assessment model—the DIAM—which allows us to look at major infrastructure work and determine the cost implications of different choices.

When it comes to Fife and future heavy activity, we will look at what the base-level costs would be for a 17-day or 18-day possession, what savings that approach would bring to the project, the cost that it would bring in lost revenue and the cost that it might bring to the local community, which is sometimes a bit more difficult to measure. We will go through that process with the train operators and with Transport Scotland in order to make, I hope, the best overall decision for the project, but also for the net impact that it has on Scotland.

Lloyd Melville: Thanks very much for that. That was really useful.

I will touch on finance, because I can see in your annual efficiency and finance assessment, which was published on 30 September, that Network Rail reported a £37 million financial underperformance against its year 2 CP7 delivery plan. Can you give us a bit of context around that?

Liam Sumpter: When looking at our delivery plan, you have to look at the plan across the five-year period. We have a plan that amounts to £4.2 billion across that timescale. In each of the five years, we have an allocated amount of money that enables us to achieve the outcomes that are set for us by the Government. The key outcome is that we deliver our overall renewal portfolio, which is worth about £2 billion of the £4.2 billion. Inevitably, there will be some movements between those years, as we balance the overall plan across the five years.

10:45

Lloyd Melville: You do not think that it is particularly significant.

Liam Sumpter: It is not significant.

In order to, I hope, satisfy what you might be asking, I confirm that we will achieve our full renewal portfolio over the course of the five years. We will probably outperform it and deliver more than 100 per cent of our stated renewals in that timeframe. Scotland will get value for money from what we do in this five-year period, which is not always the case elsewhere in Great Britain. It was not always the case even in Scotland. However, in this five-year period, we will deliver everything that we said we would.

Lloyd Melville: I will turn to climate change, which was brought up earlier. We have seen lots of severe storm events; it seems that the pace of them is increasing. What impact has that had on your infrastructure, Liam? Are the budgets to accommodate that there?

Liam Sumpter: I go back to the funding process. In control period 7, we are spending £2

billion on renewals, roughly £400 million of which is targeted specifically at climate resilience activity.

We understood from the way in which the climate was changing in Scotland before this control period that it would inevitably be a growing challenge for us. As we set out the plans for CP7 five years ago, working with Transport Scotland, we therefore ensured that we embedded in a large amount of funding to deal with climate change. That activity is focused on things such as improving drainage, improving embankment stability and removing trees. We are delivering all of that activity on schedule: we are halfway through the control period and we have delivered half of the work. That is having a largely positive impact on how we maintain and manage the infrastructure.

Five to seven years ago, we would routinely have flooding events across the network during each such storm, as well as landslips. We would typically have between four and six landslips a year. So far, in the past 18 months to two years, I do not think that we have had a landslip, and the incidents of flooding are way down, despite the fact that the climate context is getting harder. That £400 million investment is making a difference. We are removing sites that have a propensity to flood during drainage, we are removing trees that can come down in high winds from the line side, and we are improving the stability of our embankments so that they do not slip on to the infrastructure.

However, there is a lot more to do. Climate change is the challenge.

Lloyd Melville: Is that £400 million sufficient, or would you like to see more from the Government?

Liam Sumpter: That £400 million is sufficient for the current control period. We are doing a lot of infrastructure work, which is being successfully delivered. As I said, we are seeing the benefits of it.

However, we are now embarking on the process of looking at our funding for the next five-year process, which, confusingly, will be called funding period 1, rather than control period 8. Funding period 1 is the five years from 2029 to 2034. Right now we are engaging in a series of workshops through which we are talking to Transport Scotland, and to colleagues in ScotRail and across the Scottish Rail Holdings group, around what the next five years need to look like. As part of those conversations, we will set out what we believe needs to happen in the context of climate change, how we can manage that and how that will progress over the next five years.

Lloyd Melville: Joanne, what is the impact of severe weather events on ScotRail? I assume that you lose quite a bit of revenue.

Joanne Maguire: I will start by saying that we take the approach that we will never apologise for putting safety first. We are very clear that all our decisions around severe weather events are made absolutely on a safety-first basis, which I know that Liam Sumpter supports. For example, during storm Boelo, we had a 50mph speed restriction across the entire network for part of the Sunday.

We see an impact on revenue. However, we take the approach that we want to minimise customer disruption and keep everyone safe. We communicate early, and we aim not to take anyone to somewhere that we cannot get them back from, because we know that that is important to people. That is the approach that we take.

Overall, if we set aside severe weather, working with Network Rail, we are collectively delivering nine out of 10 of our trains on time across the year. Recently, Liam and one of my team were asked to go and talk about that at the network performance board. Collectively, Scotland was held up as—I would go as far as to say—a star performer in terms of what we are delivering for our customers in the context of the UK rail landscape, which we should be proud of.

Lloyd Melville: Positive though those numbers are, I would like to stick with the issue of weather disruption. Do you plan for the revenue implications of such disruption ahead of time?

Joanne Maguire: Absolutely. When we carry out our budget process each year, we look at the impact of such disruptions. We are experiencing more named storms each year, and—dare I say it?— we experienced some very warm weather during the summer, which can be disruptive, so that is part of our revenue-planning process.

Lloyd Melville: What does that look like in this year's budget?

Russell Jackson: I would have to check, but, from memory, we allocated £10 million in the current year's budget for that. There are different rules for when the railway is closed and for when we put different restrictions on.

Lloyd Melville: Thank you very much.

The Convener: I want to return to the issue of blockades. Who decides whether something requires a blockade or overnight works?

Liam Sumpter: We make a joint decision. I mentioned the DIAM process. We will set that out in advance—sometimes the process starts two years or more before any planned work—working with train operators and Transport Scotland to determine what will deliver the best overall impact for the railway.

Ultimately, under the current regime, Network Rail must seek permission from the train operators

for anything out of the ordinary to close the railway. The train operators are then compensated for that closure through the schedule 4 regime part of the track access contract. We will work hand in glove—seamlessly—to come up with the best overall solution for the network.

The Convener: You both agreed on the Fife blockade?

Liam Sumpter: Yes.

The Convener: Was there unanimity on that?

Liam Sumpter: I was not in the discussions, but yes, in order for us to get to a position in which we have a blockade, there must be agreement on the right approach.

Zen Ghani: I will start by asking about the fire at Glasgow Central station earlier this year before moving on to questions about Great British railways.

What have been the main operational impacts on Network Rail and ScotRail of the fire, and what lessons have been learned about managing that significant disruption, given that Glasgow Central is one of Scotland's busiest stations? Can I put that question to Joanne first?

Joanne Maguire: Of course. I will then pass on to Liam Sumpter, because Network Rail operates two stations in Scotland: Glasgow Central and Edinburgh Waverley.

The fire was devastating for Glasgow as a whole. We could not believe the scenes unfolding from the Sunday afternoon into the early part of the following week. Lots of small businesses were significantly impacted.

The railway came together with the emergency services in the first instance, and then with local authorities and other partners. We are still working our way through the process of full recovery for the area around the station.

We were very proud of the fact that we got the station up and running so quickly, that we got part of the station accessible and that we could resume some services in the very first week after the fire. Actually, lots of people enjoyed the nostalgia of walking up the old carriage driveway. I remember from my childhood that you could drive up it.

There was lots of innovation and teamwork between ScotRail and Network Rail, especially in those first days as we recovered and worked to get the full service up and running. The impact was massive. The circumstances were outside our control, but we probably recovered more quickly than we thought we would to begin with, and as quickly as we could for the customers whom we serve, especially those people who were trying to travel to and from work.

Liam Sumpter: Everything that Jo Maguire said is spot on. Clearly, the fire had a devastating impact that was felt viscerally. As soon as it happened, the railway responded very well. We led the recovery part of the operation. We were engaged with partners not only across the industry but outside the industry, with the council and other bodies, to ensure that we got the station opened as soon as possible, knowing what a critical link it is to the rest of the country. Our response was very strong in that regard.

On lessons learned, we are looking at what we could collectively do better. We have found out that we did a lot, that we have a playbook for such incidents and that we did everything that we thought that we would in an appropriate timeframe.

Could we tighten things up? Could we do better? Of course we could—we always can after such an incident. We look at our relationships and how mature they are with other partners to help us move through these things even more swiftly. Predominantly, however, we did a strong job in getting Glasgow working again.

I would also point out that the fire got very close to the Caledonian Chambers building, which is where ScotRail train crew are based. Certainly, we assumed at one point that the fire would spread into that building, which would have had even more devastating consequences not only for our ability to open the railway properly but for the rest of the building. Two or two and a half years ago, Network Rail refurbished the Caledonian Chambers building, and I remember looking at the costs and finding the fire defence activity that we were having to put in as part of legal requirements eye-watering. My goodness, though—what value for money that was in retrospect. We certainly learned a lesson about how modern buildings with modern fire resilience can protect our infrastructure—that is something that I have certainly learned in the process.

Zen Ghani: That is encouraging to hear, and indeed the response from ScotRail and Network Rail was outstanding in the way that you got the station back up and running and in the support that you were able to provide to people across the Glasgow area.

Were there any specific weaknesses in your contingency plans, or was there anything that you felt could have been a bit better?

Liam Sumpter: Nothing jumps out, but there will be constraints in any system. I mentioned the Caledonian Chambers building, where ScotRail train crew are based. Because the fire was right up against that building, we obviously could not use it for train crew until we were allowed to by the Scottish Fire and Rescue Service, so train crew had to book on at a different location. That was an

inherent challenge, because you need train crew to book on somewhere, get their marching orders for the day and so on. When that place is on fire and they have to go somewhere else, it inevitably adds something into the mix. I do not necessarily think that we would do that differently—it is just an inherent weakness in the system when you are facing an event of that magnitude.

That is probably the only area that I would highlight, but it is more of an acknowledgement that, when you are facing something so devastating, it is going to have a sizeable impact.

Zen Ghani: Absolutely.

Joanne Maguire: Something that I would highlight is the great support that we got from SPT and First Bus in those very first days when services were not running. In fact, I used the bus, and I know that they were absolutely overloaded. They provided tremendous support.

The lesson that I have tasked my team with learning relates to the proximity of Glasgow Central station to our head office on Waterloo Street, which some of you might be familiar with, and the fact that we were able to set up a temporary train crew base there. We did that not just for ScotRail; we extended the facilities to Avanti train crew who were booking on and to other cross-border train operators. Therefore, the task that I have given my team is to think about what plan B might be if the same thing were to happen in, say, Perth, Inverness or Aberdeen. Where would we be able to pull on those kinds of resources so quickly? After all, our ability to do that helped us massively.

As you might imagine, when the timetable was restarted and things were partially running, we had to deal with a lot of movement of people who were not working their normal shifts to their normal diagrams, as we call them, which are all about the trains that they take every day and so on. We were helped significantly by being in such close proximity to space that we could use, and my learning from that experience is to do with how we can replicate that across the network.

Zen Ghani: It is encouraging to hear all that. Hopefully, such a situation will never happen again, but if it does, you guys have learned a lot of lessons from the contingency measures that you put in place and your response to the incident.

I want to move on to Great British railways. How do you envision Network Rail becoming part of GBR changing the way in which Scotland's railways are, for example, managed or funded? In particular, how will decisions that are currently taken by Network Rail be made under GBR, and what safeguards will be put in place to ensure that Scotland retains sufficient influence over decisions that are being made?

Liam Sumpter: I will start by setting out where we are in the process. The Railways Bill is going through Westminster at the moment. It has been through the House of Lords. Within that bill is provision for three different structural options for Scotland, which are that Scotland's Railway could become a wholly owned subsidiary of GBR; Scotland's Railway could become a joint venture between what is currently Network Rail Scotland and the operator, which could be the Scottish Rail Holdings group or ScotRail specifically; or we could deepen the existing alliance between Network Rail in Scotland and ScotRail. The decision on which option to go for is a matter for the Scottish ministers. Irrespective of that, the change to which you referred will happen, in that Network Rail Scotland will become part of GBR at some stage—in the next year, probably.

11:00

We are going through a process. We have established a transition leaders group, which has representation from ScotRail, Network Rail, Transport Scotland, Caledonian Sleeper, Scottish Rail Holdings and the Department for Transport. We meet regularly to look at how the arrangements between the organisations will work in the future. The reality in the context of the GBR change is, I think, that there will not be a lot of change for our working relationship in Scotland.

You referenced funding. Scotland's Railway will continue to be funded in the same way. The Scottish ministers will continue to own ScotRail. Fundamentally, things will not change.

The relationship between ScotRail and GBR will need to adjust in the context of the overall change, but we are working through that closely. A number of accountabilities move around in the system, and we will make sure that, certainly, there is no adverse impact, and we hope that Scotland can benefit from the GBR change, irrespective of what structural change we end up with in Scotland.

I see it as a real positive. I hope that we can build on the work of GBR and, as it goes through the process of deeper integration, learn from it things that we could replicate in Scotland when we have decided on the appropriate structure.

Zen Ghani: A lot of the industry witnesses in the previous evidence session said that they felt that it would just add another layer of bureaucracy, with decisions then having to be made in Westminster in a much more centralised way. Do you have any views on that?

Liam Sumpter: I do not recognise that at all. I do not think that more decisions will need to be

taken at Westminster. As it stands, Network Rail Scotland is pointed entirely toward the Scottish ministers. They set a high-level output specification, which instructs me and my team what we must deliver across a five-year period. We are funded through that. We are generally scrutinised and held to account by Transport Scotland, with some support from the Office of Rail and Road. From that perspective, things will not change. No new decisions will need to be taken in Westminster that are not currently taken elsewhere in the system anyway.

It is possible that those witnesses were referring to the area of access and use. GBR will in effect own access and use. However, how that works across the system is currently under a consultation that concludes in December, to which we will feed in the views of Scotland.

However, I do not recognise that there will be any additional layer of complexity. In fact, part of the approach to GBR is to remove complexity. At the moment, multiple different train operators are working for the Department for Transport. Their being in one organisation with what is currently Network Rail will remove significant complexity from the system.

Zen Ghani: Sure. Of course. The buzzword among people in the previous panel was, I think, "uncertainty" associated with GBR. It is interesting to hear where things are from your perspective.

I will move on. Have there been any discussions between ScotRail and those establishing GBR about cross-border ticketing arrangements and how those would work?

Joanne Maguire: Although ScotRail will not be a GBR operator, that does not mean that we are outside of any tent. For example, every four weeks I go to a meeting with all the other train operating company managing directors, so the same information is shared with all of us, whether that relates to talks on DFT ownership or outside of that, for example, in respect of Transport for Wales.

There are ongoing discussions around ticket settlements—I am sure that all of you who travel with us will know that rail ticketing is not a straightforward matter—but no definitive decisions have been taken around, for example, ticket interoperability between ScotRail and other operators. However, we are very much part of those conversations.

Zen Ghani: What if GBR makes a decision on the wider network that ScotRail disagrees with? Is there any idea of what mechanism there might be for challenging that decision under the GBR arrangement?

Joanne Maguire: As it currently stands, some elements of fare setting are reserved to Scottish ministers and some are reserved to Westminster. We are working through what that process will look like in the future. However, until we have examples of where we might have a difference of opinion, it will be hard to tell.

We are all under a fares freeze in the current year, so that is straightforward. You could argue that ticketing in Scotland is currently simpler because we have abolished peak fares, so there is no ambiguity around which fare someone will pay at any part of the day. That is currently different south of the border, depending on which region and which operator a person is travelling with.

The Convener: I am a regular user of the Fife circle line and, frequently, I am still standing.

A fellow traveller contacted me to tell me that, on the Cowdenbeath train to Waverley, she was standing not only in the aisle, but also next to the toilets. She said that the train was dirty and tired, and that it has been getting worse over the past two years. What do you say to Erin?

Joanne Maguire: First and foremost, that is not good enough. The service that we have provided to Erin, and to anyone else who has experienced that, is not good enough.

We know that parts of Fife and the Borders have been particularly challenging in terms of cracking improved performance. Some of that is down to the older fleets that we are operating. The good news is that we are at the start of our fleet replacement programme and that we will replace two thirds of our fleet over the next 15 years. That is in combination with the good work that is being done by Network Rail on electrification right now, which will enable that programme.

We have made strides forward in our performance at ScotRail overall. We are cancelling fewer trains—fewer than 2 per cent of trains, which is fewer than any other large operator—through improving our driver training programme and recruiting 160 drivers.

Our ageing fleet, which is the oldest fleet in the UK, is still a challenge to us. We are committed to improving that in relation to both the fleets that we have and the fleets that we will acquire to improve the service.

The Convener: It is going to be three and half to four years before we get the new battery-electric trains in Fife. That is a long time to wait before we see an upgrade in the trains, and the current trains will be even older by then.

We know that you increased the seat capacity on that line, following the reopening of

Levenmouth, but we are still experiencing overcrowding. What measurement do you have of how overcrowded the trains are?

Joanne Maguire: We look at the percentage of seats that we provide by area of route, and we are committed to improving that.

Although the new suburban fleets that the convener referred to are some years off, when the 222s start to arrive on the network, we will be able to release some of our diesel fleet that we currently use to support the intercity journeys—the 170s and 158s—to better serve Fife and the Borders. We are not simply waiting for the new fleets. We know that the service that we are providing is not good enough just now.

The Convener: I know that you had reservations when peak fares were abolished, because you were worried about capacity. Some figures have been published showing trains being over capacity and the overcrowding on the Fife and Borders routes. Other routes, such as Balloch to Airdrie and Neilston to Glasgow, also have some of the most overcrowded trains.

When the Government abolished peak fares, did you tell it about your concerns about overcrowding on already overcrowded routes?

Joanne Maguire: Our customers have been delighted with the fact that peak fares have gone for good; indeed, we have seen as much through our social media sentiment analysis, and we have also seen it in the way that journeys are growing. In fact, our passenger journeys are growing quicker than in the rest of the UK, according to a recent ORR publication.

The Convener: Yes, but growth was supposed to go up by 10 per cent, so it has fallen short of what you were projecting.

Joanne Maguire: As it stands, if you compare quarter on quarter, the ORR statistics published in October show that ScotRail grew passenger journeys at 8 per cent, while the figure for the rest of the UK was 2 per cent. That shows that we are growing passenger journeys ahead of the rest of the UK, and we know that it is all about modal shift and getting people out of their cars.

I travel every day on one of the lines that you have referred to, so I am very familiar with it. We are monitoring the lines of route very closely, and where we have pinpointed very busy trains, we are looking at what we can do about calling patterns and about train formation—that is, the length of the trains.

The Convener: What do you mean by calling patterns?

Joanne Maguire: With, say, Mount Florida or Cathcart, multiple lines of route serve those stations, and our task might be to identify whether a train two minutes earlier or later is quiet and, as a result, whether we can move those services around. We have the top 20 busiest trains every day, and that situation is monitored closely by our revenue and train planning teams.

The Convener: Do you think that it was wise to move ahead with this, when there are routes that are already particularly overcrowded? Were you not compounding an existing problem before we had all the answers in place to deal with the capacity issue?

Joanne Maguire: Two bigger challenges are being wrestled with here: first, delivering decarbonisation, which is all about getting people out of their cars; and, secondly, the cost of living crisis. In that respect, the removal of peak fares has been good news for our customers, including those who were already using us at peak times. It has been very well received.

The Convener: You talk about getting people out of cars, but do you have any evidence that you are actually doing that? From what I have seen, it looks like you are just providing a benefit for existing customers instead of achieving modal shift.

Joanne Maguire: As the committee will be aware, it was only in September 2025 that peak fares went for good on an annualised basis, but early indications suggest that we are seeing a benefit of about 4 per cent in passenger journeys. Transport Scotland is doing the modelling on modal shift, and we believe that that work will be published early in the new year.

The Convener: You said 4 per cent.

Joanne Maguire: Around 4 per cent.

The Convener: Of people moving from cars.

Joanne Maguire: No—I am talking about passenger journeys. Transport Scotland is doing the modal shift modelling.

The Convener: There was a pilot before. Did we not get any assessment from that pilot as to what the shift was?

Joanne Maguire: No. I did not see anything from Transport Scotland on that. We are talking about passenger journeys.

The Convener: So, there was no evidence available before the move to annualised permanent peak fares.

Joanne Maguire: We did see an uplift in passenger journeys.

The Convener: Yes, but there was no evidence for modal shift.

Joanne Maguire: Not from ScotRail.

The Convener: Okay. I find that curious, given that it is an environmental policy. I accept that it is also a cost of living policy, but if there was no firm evidence that it was moving people out of cars, does that not mean that half your argument was absent at a time when you were putting pressure on what were already busy routes?

Joanne Maguire: There was evidence of an increase in passenger journeys due to the policy.

The Convener: But not modal shift. I see that I am not going to extract any more from you on that, but it is fascinating that there is a vacuum in that space when it is a major part of the policy.

Joanne Maguire: As I have said, we expect the report on modal shift to come out early next year. I am sure that the committee will see it.

The Convener: But that is after the policy has been implemented. I am not sure what the point of the pilot was, if we are not really getting any assessment of modal shift.

How much does the abolition of peak fares cost?

Joanne Maguire: Around £30 million a year.

The Convener: And you are being fully funded for all of that. Is that done on a per-passenger basis? How is the number calculated?

Joanne Maguire: There was an assessment done by ScotRail and another by Transport Scotland, and we now have the benefit of the policy being in place for 12 months. We have calculated the cost at £30 million in totality, not per passenger. So we look at when people travel and, literally, the ticket price difference. I do not want to oversimplify it, but it is about the ticket price difference.

The Convener: So, it is not that the more people travel, the more subsidy you get. That is not the way it works.

Joanne Maguire: No; if only!

The Convener: Moving on to the bus cap, do you have any evidence of its impact on your intercity routes?

Joanne Maguire: Not for our intercity routes, because the bus cap does not currently cover any of those.

The Convener: It covers the Fort William to Glasgow route, does it not?

Joanne Maguire: No.

The Convener: Is that route not covered by the two regions that have a price cap? You would pay £2 in the Highlands and £2 in Strathclyde.

11:15

Joanne Maguire: On an annualised basis, we believe that the bus cap in the Highlands will cost us about £750,000. However, it is early days in Strathclyde. We know that the region is particularly sensitive to school holidays, given the high volume of commuters, and as soon as the bus cap came in there was the September weekend and then the October week holidays, so it is very early days for us to assess the impact of the £2 bus cap in Strathclyde.

The Convener: Just to go back to what you said about £750,000—

Joanne Maguire: In the Highlands.

The Convener: For that period—

Joanne Maguire: No, on an annualised basis. That is a drop of about 12 per cent. The only model that we have right now is that figure of 12 per cent, but we know—as does the committee—that all regions in Scotland are distinct.

The Convener: Is that a 12 per cent drop in passenger numbers?

Joanne Maguire: It is a drop in revenue.

The Convener: That is quite significant. It would be alarming if that happened in Strathclyde, would it not?

Joanne Maguire: It would cost us about £20 million.

The Convener: Wow.

Joanne Maguire: We need to focus on what is within our control, such as pushing the messages on value for money, which include “Peak fares gone. For Good” and “Kids for a quid”. We are also competitive on journey times in Strathclyde. We know that our commuters will pay for that, because they want to stay at home for as long as they can in the morning and get back home as quickly as they can at night.

The Convener: Once the bus priority routes are in place, which will result in buses having smooth transitions through our cities, there must surely be a concern, even for those routes in Strathclyde, that buses will be competitive on congestion grounds as well as on price.

Joanne Maguire: Right now, we know that the Strathclyde bus cap is not having a significant impact on us, but, as I say, it is very early days, and the marketing campaign only began in earnest a couple of weeks ago. The bus cap will be rolled out to Aberdeen from 1 April next year, and we will monitor that closely. However, it would be very early for us to pass any form of judgment.

The Convener: Did the Cabinet Secretary for Economy, Tourism and Transport discuss the £2

bus cap with you before he went ahead with it in Strathclyde?

Joanne Maguire: No, it was not discussed with us in advance. We were obviously aware of the cap through the Scottish National Party's manifesto commitment to roll out the £2 bus cap, but it is not something that he discussed with us in detail.

The Convener: He did not discuss it with you.

Joanne Maguire: We work closely with Transport Scotland and Scottish Rail Holdings, and we are part of various fares working groups, so that is how we would discuss the matter with the Government.

The Convener: I saw in *The Press and Journal* today that no assessment was made of the impact that the bus cap would have on rail in the Highlands before it was introduced, even for the pilot—I am thinking particularly about the far north line, which is already quite a financially precarious route. Does that not concern you?

Joanne Maguire: We work closely with Transport Scotland, and there were discussions in the run-up to the introduction of the bus cap. Committee members will know even better than I do that the far north line can be sensitive to the tourist season. We also provide a lifeline service there—for example, for all the people who travel from the far north to Raigmore hospital in Inverness. That is the essence of the public service that we provide up there.

The Convener: The bus cap will cost you £750,000 in the Highlands on an annualised basis. If a similar projection were to be made for Strathclyde, it would show a cost of £20 million. Has there been any talk about receiving additional compensation to make up for those losses?

Joanne Maguire: We are currently in our budgeting process for the next year, so no formal decisions have been made about next year's ScotRail budget.

The Convener: Has there been talk about introducing a compensation measure for that particular line in order to make up for the cost of the cap?

Joanne Maguire: No. ScotRail's focus is on driving value for money and doing everything that we can to drive our passenger journeys and revenue up.

The Convener: Does that not frustrate you, though? It feels like a disjointed policy. On the one hand, you are battling away with your peak fares policy and trying to ensure that people understand the impact of the freeze, and then, all of a sudden, bang—there is a bus cap and it costs £2 to go as far as people want on a single bus. We know that that poses a significant threat to you, because we know the cost of the fare reduction in the Highlands. It must concern you that there is a lack of joined-up thinking.

Joanne Maguire: We are part of the public sector and will help to drive modal shift and deliver decarbonisation. That includes supporting all aspects of public transport to get people out of their cars

As I said, we are acutely aware of the fact that there is a cost of living crisis. We have achieved a customer satisfaction rate of 92 per cent, which is one of the best scores in the UK. We are growing at a faster rate than other rail operators and are delivering a service with nine out of 10 trains on time. We need to do everything that we can to get more people on to trains. That is our focus.

The Convener: No one is watching this evidence session, so just tell me what you really think about the lack of joined-up thinking. There must be a frustration within ScotRail about all of this.

Joanne Maguire: We work very closely with all of our partners, including Network Rail, Scottish Rail Holdings and Transport Scotland. We also have the national smart ticketing advisory board—or NSTAB, which is a horrible acronym—and we have other fares working groups. We are absolutely working together.

We know for a fact, and committee members will know this better than I do, that people are unable to complete their journeys across parts of Scotland using a single mode of public transport. For example, we have rail and sail tickets with CalMac Ferries. As you heard me say, we had great support from SPT and bus operators when Glasgow Central station was closed. We work together as a public transport industry.

The Convener: Okay. You cannot fault me for trying.

Amanda Lindsay: I have a question for Joanne Maguire. What else is ScotRail doing to maximise income, and how effective have those approaches been in driving growth?

Joanne Maguire: Good morning, Amanda. We know that there are funding challenges across the public sector. We are absolutely committed to doing everything that we can, not just to drive up revenue, but to help to deliver decarbonisation, modal shift and the Government imperatives on the cost of living crisis.

We can draw down two forms of income, one of which is revenue. One way in which we maximise revenue is by getting as many people as we can on to our trains, including through supporting special events, which are more important than

ever to us. This weekend, we are putting on longer trains for the rugby. During the Edinburgh festival, and when we have concerts at Murrayfield stadium and Hampden park, and races at Perth and Ayr, we look to grab every penny of revenue that we can, while delivering a great service to our customers, because we know that they will come back.

I will highlight another way in which we protect revenue. When we came into public ownership, ticketless travel was at 8 per cent—that percentage of people were travelling with us for free. This year's ticketless travel survey—the survey is externally verified—shows that the figure is just over 2 per cent. We have significantly reduced the number of people who think that we are providing a free service. That is not just good for revenue; it is good for reducing antisocial behaviour, because we know that people who commit antisocial behaviour are often those who are travelling for free. Our efforts in that regard have had unintended consequences.

The other way in which we seek to drive our income is through the use of our station spaces. We have a team that is focused on bringing retailers into stations. Such provision is popular among our travelling customers who want to buy a cup of coffee or simply pop into a shop. We are considering many innovations. We know that people like to buy things online and collect them when it is convenient to do so, so we are trialling lockers at stations. There are other innovations relating to vending machines and self-service.

Those are the ways in which we are looking to drive all forms of income. I know that Liam Sumpter and his team do a lot of work on the retail estate in Glasgow Central and Waverley, too.

Amanda Lindsay: Will that be enough to compensate for the lack of revenue as a result of the removal of peak rail fares and the introduction of the bus fare cap?

Joanne Maguire: We will absolutely continue to drive revenue in every way that we can and to be innovative in how we do so. When we look at our funding in totality, we look not only at driving income, but at how we can be more efficient as a business, which I am sure that every organisation does. I know that Liam Sumpter and his team look to do that. Last year, we drove £20 million-worth of efficiencies through our business. We are absolutely committed to delivering efficiency, as well as driving income, and to pulling that together as a total package.

Amanda Lindsay: Liam, what action, if any, does Network Rail take to drive freight and passenger traffic growth, and hence income, on the Scottish rail network?

Liam Sumpter: We have a target in the current control period to grow overall freight volume by 8.7 per cent. It is fair to say that we are not achieving that target at the moment, predominantly due to the decision of some operators, particularly Ineos and Royal Mail, to withdraw from rail, which has moved us backwards.

Irrespective of that, we work closely with freight companies, and with their potential users, to grow their businesses. We have done work that is specifically focused on improving infrastructure and on reducing freight cancellations, because both of those things really matter to freight providers. The rate of freight cancellations currently sits at about 1.4 per cent, which compares extremely favourably with freight across the rest of Great Britain and with any passenger operator. The incidents that make up that low number are almost exclusively caused by very adverse weather, and the rate helps the companies give their customers confidence that they can use the railway.

As I said, we work with them to improve the quality of the infrastructure, and we are always talking to them about what we can do to enable connections at freight terminals and so on. We help them understand how they can work with the industry to, for example, use longer trains, which can really help them to increase their yield. We have a freight team that is really focused on growth, and notwithstanding that some customers have chosen to exit rail, we have been able to grow against the baseline by around 4 per cent, which we are committed to continue doing for the rest of the control period.

Amanda Lindsay: What are the reasons for Ineos and Royal Mail not using rail freight?

Liam Sumpter: You would probably have to ask them, but they were commercial decisions that they took at the start of the control period, which was two to two and a half years ago.

Amanda Lindsay: Okay, thank you. I have a final question for both of you. What are the key future risks to ScotRail and Network Rail budgets, and how are those risks being mitigated?

Joanne Maguire: One key risk that all organisations are up against is inflation. In a lot of areas, we work in very constrained supply chains, so inflation is absolutely a challenge for us.

Another challenge is continuing to prove that we provide value for money. A survey was carried out that demonstrates that we provide £4.1 billion to the Scottish economy. It is not only about our costs; it is about what we do to support the economy, tourism and the leisure industry across Scotland and to ensure that we continue to deliver a service. It is about taking people to work or to

hospital appointments, to visit loved ones, and proving our value as a public service provider to ensure that we continue to get ongoing investment—for example, for our fleet replacement programme, which will involve replacing two thirds of our fleet over the next 15 years.

Liam Sumpter: Jo Maguire already mentioned inflation, which very clearly has a major impact on our budgets. Along with inflation, there is the ask from our trade unions for above-inflation pay rises—those two things have a significant impact on our overall budget position.

However, there are massive opportunities in rail. Great British railways provides an opportunity for better quality integration across the industry that can drive down costs. We also have an efficiency programme in Network Rail that is worth £444 million over five years, and we are at the halfway stage and well ahead of target for that. Although there are risks, there are also opportunities, and we are delivering efficiencies to help to ensure that the risks do not manifest themselves in any reduction in the quality of service that we offer.

11:30

Donald MacKinnon: Thank you for joining us again so soon after your last appearance. The committee has been taking a keen interest in new rail developments. We have picked that issue up with the cabinet secretary and Transport Scotland; recently, we have had rail campaigners and developers in; and, in the session before you, we spoke to industry representatives. What has struck me about all those conversations is the frustration, particularly from the rail campaigners, at the slow pace—the glacial pace, at times—of new developments. In particular, we have heard about Winchburgh several times, and about the plan at Newburgh. What is causing that delay and that frustration?

Joanne Maguire: Network Rail is generally in the lead for projects to do with new stations and new services.

I often say that, as a railway, we never have people telling us, “You have too many stations and too many services. Please don’t send us any more trains, it’s awful.” That is a double-edged sword but, no doubt, also a privilege.

When the various campaign groups around Scotland, who, rightly, want additional stations or the reopening of lines, ask me for advice, I tell them to talk to the people of Leven and the people in the Campaign for Borders Rail, who did an excellent job of coming together as a community, working with their transport partnerships, and building the business cases to get investment for their railways.

Donald MacKinnon: That is an important point to make where there have been successes. However, there is a slight difference between what we might talk about as aspirational rail projects—very early-days grass-roots campaigns for new stations or extensions to the railway—and projects such as in Winchburgh, where, it seems, everybody thinks that the project should happen but it has not done so. That project has been delayed for years. Those are two different things: the aspirational project development side, and frustration and delay even when everybody thinks that a project should happen.

Joanne Maguire: To come back to my earlier comment, every group thinks that its project should be the priority, and we also have to remind ourselves that, often, we are in the same queueing system for funding as the health service and education. There are processes to be worked through in order to secure the funding and ensure that the projects are prioritised in the right way.

There has been significant housing development at Winchburgh. For example, the station that we opened recently at Balgray was funded in part by the city deal. Again, that is an example of a project that has been delivered.

Donald MacKinnon: Liam Sumpter, do you recognise my point about the distinction between those early-stage projects and the ones that seem to have general buy-in from all stakeholders but are still stalling?

Liam Sumpter: Yes, I recognise that distinction. It is an important point for lots of communities who have aspirations for better connectivity. Across the industry, we appreciate that the processes that are associated with the development of rail projects can appear to be very slow. That is frustrating for communities who seek a change quickly.

My advice to the communities and groups that seek improvements is that, first, early engagement with my team, including my strategy and investment team, is absolutely crucial. They are very experienced. They will help those groups to work things through, starting from the base principle of what transport solution they are trying to achieve and why they want it. We can then help them to appraise—to give them an idea of whether a heavy rail solution is the best thing for them, or whether a different type of solution will give them the same outcomes. Early engagement is absolutely critical.

Once you get beyond that and into development, there needs to be an appraisal process. There is Scottish transport appraisal guidance, which enables everybody to go through that in a similar way. The proposal will eventually go to Transport Scotland, who will take a view on the appropriate thing on which to spend our resources. We can

help to push those groups through that process as quickly as possible and give them all of the tools and info that they might need to get there.

Ultimately, there will be a decision-making process. Joanne Maguire already alluded to the fact that there are competing priorities, not only across transport, but across the wider Government system, in terms of what is appropriate to be funded.

Our role is in providing advice and helping to improve the process as much as possible and then, we hope, at some stage, to commence design and construction. You referenced Winchburgh, for example. If and when that project is funded, we are ready to go with commencing detailed design and construction. That is our part of the bargain.

Of course these processes feel like they take a lot of time. However, first, infrastructure projects are expensive. We are spending a large amount of public money and giving an appropriate amount of scrutiny, and balance across a wider portfolio is important to ministers. Further, in the time that I have been in my role in Scotland, in the past eight years or so, we have generally delivered these projects on time and on budget, and quite often early and under budget. Balgray station, for example, was early and under budget. We have been able to do that because we have built up a really strong relationship with our supply chain, and because we move through these things at an appropriate pace. There are benefits to taking your time, which can be felt through efficient delivery, when it gets to that point.

Donald MacKinnon: Do you expect to see a commitment to Winchburgh in the budget when we see it next month?

Liam Sumpter: That is a matter for Transport Scotland and Scottish ministers to decide. As I said, we are ready to go if that commitment is given.

Donald MacKinnon: Very good.

The Convener: Before you move on, Donald, I will bring in Amanda Lindsay.

Amanda Lindsay: I have one last question for you, Joanne, which Graham Simpson MSP asked me to put to you. I believe that you recently wrote to the committee saying that you wanted drivers on the Sunday rota. Graham wanted to know whether you think that you will get that agreement and, if so, what it will cost.

Joanne Maguire: We are still progressing through the approval stages with the Scottish Government. We know that delivering Sunday in the working week, as we call it, requires a significant investment, not only for drivers but for all our train crews. In order to deliver Sunday in the working week reliably, we would need to recruit and train an additional 112 drivers. Ultimately, it is about delivering an enhanced timetable—not only Sunday in, Sunday out, but also in relation to the fact that we are seeing more events on Sundays, which we want to support and bring in revenue from.

That means that there would be costs. If, for example, we got approval next month, there would be costs in the years 2027-28 and 2028-29. Then, from the third year onwards, it would start to pay for itself, because we would be able to have in place a timetable that would deliver the revenue to cover the costs. However, there would be an initial outlay. As the committee would expect, when drivers are in training, they are buddied up and learning to drive our trains. Therefore, there would be costs for the first two years, then we would get to a break-even position. That is on the basis of a medium case of additional revenue, and, when we look at Sundays, we model against Saturdays.

The Convener: Do you have a cost?

Joanne Maguire: Of course, convener. In theory, there would be an additional cost of about £9 million in year 1 and around £14 million in year 2. We would then start to see revenue delivered from the services and the investment, which would start at under £1 million and then ramp up such that the initiative would pay for itself.

The Convener: Over how long would it pay for itself?

Joanne Maguire: Once we got to year 3.

The Convener: That is quite a significant uplift in year 3. Would you be expected to cover the cost from within your own income revenue just now?

Joanne Maguire: We are going through the approval process for it, and then, yes, we would be expected to cover it from within our budget for the coming years.

The Convener: Okay. We will go back to Donald MacKinnon.

Donald MacKinnon: Joanne, you will be familiar with the story in *The Oban Times* earlier this year about Dr Frank Roberts's experience of the west Highland line and a journey from Oban to Glasgow—in fact, a journey from Oban to Crianlarich—on which the train was so cold that it affected his health to the point that he collapsed and suffered a concussion. There has been a pattern of failure on that service with regard to the heating and the conditions in general; indeed, the convener picked up on that issue the last time that you came before the committee.

At that appearance, you said that your engineers were looking at the trains and at solutions, and you said:

"We are making improvements for this winter".—[*Official Report, Transport Committee*, 16 September 2026; c 33.]

Do you want to take this opportunity to go through those improvements and the contingency measures you have ahead of this winter to avoid another situation like the one that Dr Frank Roberts experienced earlier this year?

Joanne Maguire: Yes, I remember the previous conversation. Our fleet technical team have been looking at this specific fleet. I should say that we are challenged not only by our ageing fleet but by the conditions that we have in Scotland, but some technical fixes are being put in place that should begin to pay dividends this year and next.

I cannot claim to be a fleet engineer, so I cannot talk you through what has been done technically, but I can say that we have tried various fixes such as looking at the door seals and at the through-passages between carriages. Various efforts have been made, but I know that some specific heating fixes are being put in place, and I can have the team write to you about them if that would be helpful.

Donald MacKinnon: It would be helpful if you could write to us with more detail. I am particularly interested in the contingency measures that you have for when things go wrong, as they inevitably will on these old trains. It is really important that there are adequate contingency measures, to ensure that passenger safety is maintained during periods of any disruption to heating in a particular carriage or on the whole train. It would be very helpful if you were able to write to the committee with the plans for this winter and going forward.

Joanne Maguire: I would be pleased to do so.

Donald MacKinnon: Thank you. I have no further questions, convener.

The Convener: I do not know whether you heard the evidence from colleagues from the Rail Industry Association and the railway engineers, but they were talking about the need for a pipeline stretching beyond even five years, so that they can plan to invest in staff, in apprenticeships and in skills. After all, they are facing significant pressure from the energy sector, which pays a third more for the equivalent job. If there is uncertainty about funding, it is just another thing that pushes people to move into that sector. What discussions are you having about the security of the pipeline, so that these companies can secure the workforce that you need to deliver what you are contracting them to do?

Liam Sumpter: First of all, the pressures that you have set out with regard to the supply chain are not unique to it—we face the same ones. My delivery organisation is under threat in the same way and people have been leaving purely because of the salaries in the energy sector. What keeps them in rail is certainty around the pipeline, as well as all the other benefits that come with working in the best industry in the world. It is definitely something that is affecting both the supply chain and us.

We have a very mature, open and honest relationship with our supply chain. We do not hide anything from it with regard to what our budget will look like over the five-year period at the very least—I will talk about what lies beyond that in a moment. We are very open and honest. We talk to it about what each year's budget looks like, where the priorities are going to be and what projects are likely to be there, so that we can help to develop the programme of delivery with it. Ultimately, that not only secures the supply chain's future and enables it to retain talent but leads to more efficient delivery, which is absolutely critical to us. That increased efficiency means that we can do more work for the amount of money that we have, which helps the supply chain, too. We have a really strong relationship with it.

11:45

Looking beyond the control period, into what will now be called funding period 1—FP1—we do not fully know what that will look like. However, we have a pretty good idea of our priorities and where we will need to invest to improve asset conditions. We can help our supply chain to understand what that looks like, but we cannot provide any certainty until we know the outcome of the funding period process, which might be in 18 months' time. As I said, we indicate to our supply chain colleagues, particularly the tier 1 suppliers, what things look like, so that they know where we are likely to invest in the next five years and which big projects are coming up, including the big re-signalling schemes and the civil jobs that we know need to be done because of the condition of those assets. Those will be the first things on the graph, if you like, for FP1.

It is an open and honest relationship. Until we have an exact understanding of what the funding looks like, we cannot provide clarity, but we have a pretty good idea of what our spend will be on and we can indicate that to them. We probably just do not know the stuff at the margins.

The Convener: Those witnesses also said that they would like to do things differently but that they lack the confidence to adopt the technology that is available to them. They are anxious. They see the reports about the UK and Scottish Governments reducing capital spend and the shift towards spending on defence, which would not be in this

area, obviously. That makes them cautious. How can you incentivise them to do things differently and more efficiently?

Liam Sumpter: As I said, we work with them across at least a five-year period, and we are open and honest about what the funding envelope will be for that. In an answer to an earlier question, I mentioned that the work bank is really stable for the current control period. Our renewables work bank will all be delivered because we have the funding to do that, and our plan is stable. That gives them confidence for at least five years.

We tend to have longer-term arrangements with them, which provides stability, as they know that we will work with them across multiple funding periods of maybe eight or 10 years. That can provide some incentive to invest. We know that certain things need to be done to the infrastructure in FP1 to build on what we have done in CP7, so we have an understanding of much of that. We might have certainty on about 75 to 80 per cent of the work bank at this stage, because we know that work will need to happen. We will talk to them about that, to enable them to invest. Of course, like us, they would love to have a 10 or 15-year funding horizon. That would enable us to say with absolute certainty what the funding would be and to really push innovation further.

We work with them to develop nearer-term benefits and innovation, but long-term innovation depends on whether we can give them certainty on the funding into the future control periods. We are building that relationship with them and with Transport Scotland, but, ultimately, they will probably need to take on board some risk for that reward in the long term, because there will be uncertainty until we know the timeframe of the funding horizons.

The Convener: It was interesting when Iris Duane asked them about moving faster on decarbonisation. They said we should ca' canny and that they would prefer to have a bit of certainty and predictability, so that they can maintain their workforce and make the right investments. What do you tell your political masters when they want to move faster on certain things? Do you tell them that?

Liam Sumpter: We work very closely with Transport Scotland on the pace of decarbonisation, and the reality is that we can move faster or slower to suit the Scottish Government's ambitions. In some ways, we have slowed down delivery in recent years due to wider budgetary concerns. We can do that—we can flex our approach.

We tell Transport Scotland—and our colleagues there know this, because they have seen us and they trust us—that the most important thing is to have a rolling programme and consistency of spend. It almost does not matter whether the spend on decarbonisation is £10 million or £100 million per annum, because having consistency of spend and a rolling programme enables you to build the capability to retain talent and to continue delivering more efficiently.

We are delivering electrification for under £2 million per kilometre in Scotland. That is much, much better than anywhere else, and it keeps getting better with each project, as we learn new techniques. Because we also have the same team working together, they learn and do things better. Therefore, consistency of funding is really important.

In the long term, it would be problematic for that efficiency if we were to say, "Oh, well—let's deliver all of the electrification in the next three years and then not do anything at all for 10 years." We would lose the skills from the industry if we did that, which, as I have said, would be problematic.

Therefore, we need to do this slowly but surely. We should not electrify just for the sake of it; instead, we should be electrifying so that ScotRail can procure and run electric traction on that railway. Doing that work in line with the procurement of electric trains, which is another capital spike, is the important part of this.

The Convener: I am all for boring predictability—that will be my slogan for the next election, I think. However, there is an advantage to it, isn't there? If people who might be attracted by the energy industry know that there is likely to be work in the rail industry for the next 20 years, they might decide to be safe and stay within it.

However, that is where the anxiety that was expressed by the representatives of the rail industry was coming from. They need to know what is going to happen with capital funding in the longer term. I hope that that has been reflected in your discussions with them.

Liam Sumpter: It absolutely has.

The Convener: This question is for Joanne Maguire. The subsidy that the Scottish Government gives for running the railways here is much higher than the subsidy in the rest of the United Kingdom. The income from fares is about £320 million or £330 million—is it about that?

Joanne Maguire: It is about £395 million this year.

The Convener: How much does it cost to collect that?

Joanne Maguire: That is a very good question. In fact, to build on your comment about being boringly predictable, I should point out that we do talk about a boringly reliable railway. That might be

your next slogan, convener—boringly reliable. We know that that is what people want.

Running ScotRail will cost around £816 million this year and, as I have said, we will bring in about £395 million in revenue, with the rest offset by subsidy. That money is for the leases on our fleets as well as for fuel, which is a cost that we—and, I am sure, committee members—are seeing going up, whether it be diesel, which has been impacted by Iran, or our electric traction, the price of which is variable. We also have to pay our staff costs and all of our other operating costs.

We need to remind ourselves that this is about decarbonisation, about public service and about the fact that we are delivering £4.1 billion of value to the economy. We work closely with the Government on this, and we do not look at the numbers in isolation.

The Convener: You have about 1,200 conductors on the trains—is that right?

Joanne Maguire: We have about 1,200 drivers—we have fewer conductors.

The Convener: Okay. What about gate staff?

Joanne Maguire: That is a good question. Let me just check that—

The Convener: The number that I have is 260.

Joanne Maguire: That sounds about right.

The Convener: And I am told that 50 others run the ticket checking system.

Joanne Maguire: There are about 200 conductors, and then we have ticket examiners who check tickets on services that do not have conductors, and gate line staff in stations that have gates.

The Convener: It costs about £60 million to employ all those people and run that system.

Joanne Maguire: Yes—that is just for the conductors and ticket examiners.

The Convener: If there is ever greater subsidy from the Government, might you reach a tipping point where you might have to move to, say, a Swiss model, because it is just not worth collecting the relatively small benefit that you get? Of course, we are not at that stage yet, because there is still quite a gap, but is that part of your considerations and discussions with the Government? If it does increase the subsidy, do you have a discussion about why you have all this apparatus when you could increase the numbers using the railways, deploy these people more effectively and put that investment elsewhere, too? Is that a consideration?

Joanne Maguire: In recent years, since coming into public ownership, we have done the opposite. We have focused on collecting every penny of revenue that we can. As I referenced earlier, people travelling without tickets has unintended consequences. For example, we see a knock-on impact on antisocial behaviour, and ensuring the safety of our passengers and our staff is a key priority for us. So, changing the model is not under consideration.

I referenced ticketless travel. I believe that, other than Transport for London, we have the lowest ticketless travel rate in the UK. TFL runs a gated network, so it is different.

The Convener: We talked before about your wanting to have a higher minimum fare for passengers who board without a ticket. The fare is currently £10, but you wanted a higher number. Are you arguing for a higher number now?

Joanne Maguire: No, we are not actively arguing for that, and we are seeing the £10 minimum fare pay dividends. We do not want to charge people £10 if the journey costs £2.50; we want people to buy before they board. We want to ensure that everyone pays for a ticket for their whole journey.

The Convener: Okay.

Iris Duane: I want to follow up on some of the things that we have previously discussed in committee. It is no surprise that there has been a lot of concern about the potential procurement of CAF Mobility trains. You recently wrote to the committee to speak about it and said:

"The inclusion of Construcciones y Auxiliar de Ferrocarriles SA (CAF) on the Office of the United Nations High Commissioner for Human Rights (OHCHR) database"—

try saying that three times quickly—

"was … considered during the pre-qualification stage",

but that it was not enough to preclude it from procurement.

Could you explain to the committee, and to our constituents, who are very concerned about the issue, how alleged human rights breaches are not stopping CAF from being included in procurement?

Joanne Maguire: Thank you for the question and forgive me if I seem to be reading some of this, but we have taken a lot of advice on the procurement situation. I might use some abbreviations to stop me from tripping over any words, because I am sure that I shall.

We are hugely grateful to be in a position in which we are looking to replace two thirds of our fleet over the next 15 years. However, as I will be talking about a live procurement exercise, as we look to replace our suburban trains, I might not

comment in detail about the process or particular bidders.

You will not be surprised to learn that you are absolutely right: the utilities contract regulations in Scotland govern all the procurement activity that ScotRail undertakes. Whether the procurement is for work, supplies or any other services, we are committed to abiding by those rules.

A company just being on the United Nations database, which you referred to, is not expressly referenced in the regulations. The procurement policy notes state that being on the database alone would not be seen as justification for removing an organisation from a process. However, the advice is that inclusion on the database should be considered, along with any other relevant information that might constitute "grave professional misconduct".

Although I cannot talk about the live procurement exercise or about any dialogue that we might have with a particular bidder, I reassure you that we are committed to conducting the competition for the new suburban fleet in accordance with all procedures and regulations, including in circumstances in which a bidder might be excluded.

Iris Duane: I recognise that, and I recognise that you cannot speak about individual bidders, but I take from your answer that ScotRail chose to include the specific company that I cited despite having had an opportunity to exclude it. Therefore, it is a discretionary inclusion—is that assessment correct?

Joanne Maguire: It is not a discretionary inclusion. Being on the UN database is on its own not grounds for exclusion. The advice that we have been given, and what the Scottish procurement policy notes state, is that we should consider the inclusion on the database alongside other relevant evidence, which may or may not constitute "grave professional misconduct".

As I said, although I cannot talk about specifics, we are reviewing procurement procedures and legal requirements, including circumstances under which a bidder might be excluded.

12:00

Iris Duane: That is interesting to hear. Of course, I will try and keep my questioning broad. However, as you can understand, there are specific concerns in this case. For example, the Associated Society of Locomotive Engineers and Firemen and the Transport Salaried Staffs Association have said that they would not drive those trains if they are procured. They could potentially say that about any procurement that ScotRail attempted to do. However, this is a live case, so has any assessment been made of whether procuring any train from any provider would lead to a boycott by staff in terms of actually working on them?

Joanne Maguire: We have proactively involved all of our trade unions in the process of procuring the 222s that we have just now. In fact, some of our trade union reps have been down to Derby with us to physically have a look around the 222s and see how they are operated. We absolutely involve our trade unions and consult with them at the right time in relation to any procurement exercise, whether it be for new fleet or anything else that would impact our workforce. ASLEF, and now TSSA, have made some public statements around this procurement. As I said, we are absolutely focused on ensuring that we follow legal requirements and guidance in order to come to the right conclusion in the procurement exercise.

Iris Duane: I will pick up on two points in relation to legal requirements. Last year, the Scottish Government agreed to a boycott, divestment and sanctions motion, which spoke about the actions going on in Israel. CAF currently provides the Jerusalem light rail that links Israel to the illegal West Bank settlement. Have you had any interactions with the cabinet secretary or the Scottish Government regarding this specific procurement process? Have they expressed any worries?

Joanne Maguire: It would not be normal for the cabinet secretary to come directly to ScotRail. Interactions would be had through Transport Scotland, which is involved in the procurement exercises, as appropriate. It is not the decision maker, but it is involved in the processes and kept up to date on them.

Iris Duane: Are you aware of whether Transport Scotland has had any interactions with the Scottish Government regarding the specifics of this procurement exercise?

Joanne Maguire: As I am sure that the committee is aware, because it became public, our trade unions have written to the cabinet secretary. I know that Transport Scotland is involved in those conversations.

Iris Duane: Can you give any indications about those conversations? Is the Scottish Government as concerned as many of our constituents are, and as the committee appears to be, about this procurement?

Joanne Maguire: I believe that our cabinet secretary has committed to meeting ASLEF on the matter.

Iris Duane: I will not pre-empt that meeting, then.

I will turn to another important point. ScotRail says that it has a risk-based approach. Most recently, after the felling of Keir Starmer and the new Prime Minister coming in, the Foreign Secretary announced somewhat of a change in stance in referring to West Bank settlers as "settler terrorists" and announcing a set of sanctions on goods. Specifically, the Foreign Secretary said that the UK Government would work on a set of sanctions that would be a prohibition on providing, or facilitating the provision of,

"construction, infrastructure, financing, or real estate"

where those services are provided for the purposes of

"settlement expansion".—[*Official Report*, *House of Commons*, 8 September 2026; Vol 790, c 882.]

CAF specifically provides the Jerusalem light rail and is, as we have mentioned, on the UN database. It is facilitating settler expansion that is considered illegal under international law. Of course, you cannot comment on live procurement right now. However, would such procurement not contradict ScotRail's risk-based approach? Is there not a procurement risk if the anticipation is that, six months down the line, the UK Government will say that it would not be appropriate to procure those trains?

Joanne Maguire: The stance that you have outlined is set out by Westminster. For all of our procurements, we follow the Utilities Contracts (Scotland) Regulations 2016. As I said, we are working through what that means for us.

Iris Duane: The anticipation from our side would be that, if the UK Government sets out a set of sanctions for Israel, we would of course be compliant with them here.

I recognise that it is difficult to ask you about the specifics of this case, because it is a live procurement case. However, I would echo that there is a decent amount of concern from workers, trade unions and our constituents that we are going to procure electric trains that are being sourced, if not directly from illegal settlements, then with the help of illegal settlements in the West Bank.

The trains that we are procuring are intended to help us build towards net zero, which is supposed to be good for human life. In your personal opinion, does procuring trains that people feel are involved in the human suffering not go against the principles of net zero?

Joanne Maguire: The organisation that you are referring to is part of a procurement process. It is not the only bidder in the procurement process. As managing director of ScotRail, it is incumbent upon me to ensure that we are complying with all the relevant regulations and laws, which is what I am currently doing.

Iris Duane: It is clear that we potentially need to strengthen our laws in this area. However, I recognise that there is nothing that you can do, in this case. We will of course see how this plays out over the coming months.

I have no further questions, convener.

The Convener: With that, I will draw this evidence session to a close.

I really appreciate our witnesses coming back to the committee and providing such open and full evidence, in a nice and succinct way. We appreciate that. I am sure that we will have you back again. In the meantime, I am grateful for your attendance and for the evidence that you have given today.

We will move into private session.

12:05

Meeting continued in private until 12:34.

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