

LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

Tuesday 22 February 2005

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2005.

Applications for reproduction should be made in writing to the Licensing Division,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by Astron.

CONTENTS

Tuesday 22 February 2005

Col.

FIRST SCOTRAIL	1989
TRUNK ROAD MAINTENANCE CONTRACTS	2009
FERRY SERVICES (CLYDE AND HEBRIDES)	2012
PROPOSED LICENSING (SCOTLAND) BILL	2018

LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

7th Meeting 2005, Session 2

CONVENER

*Bristow Muldoon (Livingston) (Lab)

DEPUTY CONVENER

*Bruce Crawford (Mid Scotland and Fife) (SNP)

COMMITTEE MEMBERS

*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

Dr Sylvia Jackson (Stirling) (Lab)

*Michael McMahon (Hamilton North and Bellshill) (Lab)

*Paul Martin (Glasgow Springburn) (Lab)

David Mundell (South of Scotland) (Con)

*Tommy Sheridan (Glasgow) (SSP)

*Margaret Smith (Edinburgh West) (LD)

COMMITTEE SUBSTITUTES

Bill Butler (Glasgow Anniesland) (Lab)

Colin Fox (Lothians) (SSP)

Mr Bruce McFee (West of Scotland) (SNP)

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

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Gordon Dewar (First ScotRail)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Alastair Macfie

ASSISTANT CLERK

Euan Donald

LOCATION

Committee Room 4

Scottish Parliament

Local Government and Transport Committee

Tuesday 22 February 2005

[THE CONVENER *opened the meeting at 14:05*]

First ScotRail

The Convener (Bristow Muldoon): I welcome members of the committee and our witness. I note the apologies of David Mundell and Sylvia Jackson. I should apologise for being slightly late for this meeting, which is ironic, given that our witness is here to tell us how all First ScotRail's trains are going to be running on time.

We welcome the opportunity to take evidence from Gordon Dewar, First ScotRail's commercial director. The First railway network is one of the most significant elements in transport policy in Scotland and it will be useful for the committee to hear about the recent award of the contract and First ScotRail's experiences in the months since.

Gordon Dewar may make an opening statement.

Gordon Dewar (First ScotRail): I will keep my opening statement brief. The timing of this meeting to review progress to date is quite opportune, as we are about four and a half months into the seven-year franchise.

On day 1 delivery, I think that we have managed to deliver quite a lot, such as cleaner trains and stations, new uniforms for staff and so on. The transition process has been smooth and has gone fairly well. We are quite pleased with the progress that we have made in that regard, although we are a long way away from completing that process.

On the longer-term issues—predominantly elements such as performance, which is clearly the most critical factor in the success of the railway—many of the things that we have done are starting to bear fruit, but the problems that they relate to were never going to be fixed overnight. We are putting down the foundations for further progress and, in all the measures of our performance, we can start to see the green shoots coming through. We are optimistic that we are on the right track but, clearly, there is a long way to go before we deliver progress that our customers will be truly happy with.

In no way have we finished the job. January—which saw extreme weather, including the worst storm in 10 years—brought home the size of the issues and the scale of the factors that we need to

deal with. However, we have arrested an inherited decline. The evidence is strong that we inherited a decline in a number of measures, such as fleet performance, and we have halted that. We are making steady progress on all the indicators that relate to areas that are under our control.

I hope that today's session gives us the opportunity to discuss those matters in more detail—I am sure that that is the point of the session. I will be pleased to speak about what we have done and, perhaps, what we will be delivering over the next four months and in the years to come.

The Convener: Thank you. Do members have any questions?

Bruce Crawford (Mid Scotland and Fife) (SNP): Thank you, Gordon, for coming and giving us a chance to discuss the issues with you today, which is, as you said, four and a half months after First ScotRail took on a pretty big job for Scotland.

Obviously, there was considerable coverage of the impact of the storms and extreme weather that we had in January and early February. As a politician and a person who uses the services, however, I found it difficult to unpick the issues to find out where the problems started. I accept that the wind causes the big problem but, at the end of the day, there are people who need to provide a service so that First ScotRail can run its trains properly. I would like to understand a bit more about how that relationship works in an emergency situation when there is stormy weather.

What is the relationship between First ScotRail and Network Rail? If the track is not available for use, what contractual arrangements exist between Network Rail and you with regard to compensation and how long does that take to kick in? I would like to get a bit more understanding of what that is all about so that, in future, when there are extreme weather conditions, politicians will at least be a bit more in the know about where the real nub points are that we need to examine if we are to improve things. There are also other Network Rail issues that I would like to discuss.

Gordon Dewar: I start by saying a bit about the structure and how the relationship works. Let us take the night of 11 to 12 January, which was the worst storm and had the highest winds that we have seen in 10 years. The weather was also probably the most disparate, in the sense that the bad weather covered almost all Scotland and closed all the major road bridges, so it was clearly not just the railway that felt the impact. That really was very abnormal. Following a sustained period of extremely high winds, the decision was taken by Network Rail, as the infrastructure operator, to close the railway entirely until we could prove the

lines, as we say, which means running a train up the line to ensure that it is not blocked and that services are capable of being operated safely on the infrastructure.

We were pleased that Network Rail made that decision, which we thought was the right one and which we entirely supported. The variety of investigations of lines as we went through the proving process showed that it was the right decision to take, because there were things that needed to be dealt with before we could safely operate services. It is a clear and straightforward process. Network Rail has to ensure the safety of the network, and only when it is happy that it is safe to operate services on the network will it give it to us, as the operator, so that we can run services.

On understanding the implications with regard to compensation, the process is fairly straightforward. We are compensated according to what happens when services are lost due to bad weather or Network Rail operations.

Bruce Crawford: If the process is straightforward, can you tell us a bit more about how it actually works, so that we can understand it?

Gordon Dewar: The railway is extremely good at measuring its own performance. We measure every single minute of delay, every single cancellation and every single part cancellation, and we attribute the causes to a variety of different headings. In ScotRail, we have issues, as an operator, to do with whether a delay or cancellation is attributable to fleet failure, the operation of stations, crew difficulties or whatever. Equally, Network Rail has a number of headings to which it can attribute problems, one of which is severe weather. The vast majority of the delays on the day in question, and on many other days in that period, would have been attributed to weather, with the clear implication that they would have been the responsibility of Network Rail. There is a balancing act behind the scenes with regard to the way in which revenue flows to compensate those who are not responsible for a delay or cancellation, and that is addressed in the wash-up later on.

Bruce Crawford: Obviously some compensation is coming from Network Rail to your organisation. How do you then pass that on to the customers to compensate them for the position in which they found themselves?

Gordon Dewar: The compensation for us in the first instance—certainly for less severe issues—is clearly about covering revenue lost as much as anything else, so the balancing act leaves us no worse off and no better off. However, in January, when we experienced severe disruption and lost a

whole day of service for some of the routes—although we started running trains as early as 7 o'clock on other routes, so it was a case of recovering the service as fast as possible through the day—we took the decision that that would be a void day. Season ticket holders were given an additional day on their season tickets, which is the mechanism used on the railway to compensate customers.

That does not stop us providing ad hoc compensation as well, on a far smaller scale. If there is a single train cancellation and a number of customers are severely disrupted, it is within our control to offer ad hoc compensation to individual passengers as well.

Bruce Crawford: That answer has been very useful to me. I would also like to discuss capacity issues, but I do not know whether other members want to come in on that first issue before I go on.

The Convener: I shall let you go on.

Bruce Crawford: Thank you, convener.

I turn to capacity issues on the rail line—I speak as a commuter who has travelled to Edinburgh for 30-odd years now. The roads are hopeless and people cannot get into the city—we have just heard the result of the referendum today, so I do not think that they will improve much soon—and although they can go by bus there is a choke point coming across the Forth road bridge that the buses share with other road users.

The problem with the rail service is that there are people out there who want to use it, particularly from Fife to Edinburgh, but when they go to park-and-ride facilities at places such as Inverkeithing they find that even though additional capacity has been added, the car parks are jam packed by quarter to 8 in the morning. After then, they cannot park their car and take a train, unless they are prepared to park in the town and cause even more disruption to the good burghers of Inverkeithing.

I guess that that is a capacity issue involving Network Rail and, to some extent, Fife Council. There is not much that you can do about that, because you do not have control of the land round about stations or the power to build extra car parking spaces. What conversations does your organisation have with Network Rail and councils about expanding capacity for park and ride so that we can get cars off the road and people on to rail? That is a major problem, which I am sure is replicated in other parts of Scotland. We could improve capacity by improving car parking facilities at railway stations.

14:15

Gordon Dewar: There is a huge opportunity to do more. There is no doubt that the parking stock around Scotland's railway at the moment is, in many cases, at capacity; in some cases, it is over comfortable capacity. You describe the issues well. One of the constraints on having more rail users is being able to accommodate them. Although we are in the early days—we are four and a half months into a seven-year franchise—our relationship with local authorities has been extremely positive. We have not lost the thread of the plans that were being discussed with the previous franchisee. Indeed, many bids are supported by grants from the Scottish Executive, which is clearly one avenue that local authorities can pursue. A number of projects are being developed that we are hopeful will deliver additional car parking space.

There are also things that we can do ourselves. Stirling station, where we have inherited a poorly laid out car park, is a good example. With modest investment, we can get a substantial number of additional spaces out of the existing environment. When we are talking about larger scale projects—to build multistorey or decked car parks or find new land—we need to work with our local authority partners and with Network Rail on occasion. I see no shortage of ambition. I am sure that we will pull out a number of projects in the coming years to deliver our aim. I am optimistic.

There are two ways of proceeding. If the land is owned by Network Rail—as most of the stations are—the car park is likely to be part of the station, therefore we will pay a lease for the operation of the car park, which will transfer over to the next franchisee. The alternative is that the land may be bought by the council or another third party and operated as a private car park. That is equally acceptable, as long as the business case stacks up and we can make it work. We are in the business of maximising park-and-ride opportunities.

Bruce Crawford: That is good to hear. I am glad that you are so positive about it. One thing that struck me about increasing capacity is that we seem to concentrate on and try to develop around existing stations, although they normally have a conurbation in their immediate vicinity. Has any thought been given to building greenfield stations that are designed purely to take the commuter out of their car, off the road and on to the train? There is lots of track out there with lots of opportunities for commuter stations, as opposed to stations that serve specific communities.

Gordon Dewar: We should examine all such opportunities. Land availability around existing stations is a key constraint, for the reasons you highlight, and such opportunities have to be traded

off against the implications for performance. As I said at the start, performance is always going to be the key measure of the success of the railway in Scotland. When stations are added, there is increased pressure on performance, in the sense that there will be longer running times, and more rolling stock may be needed. It is not undoable—there will be opportunities on many lines to do exactly what you say, because there is the capacity—but the issues must be examined rigorously. We are not prepared to compromise on that, because of the targets that are set for us and because our existing customers tell us that we must improve performance. We must be careful how we address the issue, but there are opportunities.

Bruce Crawford: That is useful.

Michael McMahon (Hamilton North and Bellshill) (Lab): Prior to the franchise kicking in, we are advised that you cleaned up a number of the stations—I imagine that that was for presentational purposes. We are also advised that you recruited 20 members of staff as a rapid reaction force to keep up the presentation of the stations. Is that working? Have you tested whether the public feel that stations are cleaner and, if so, whether they want to use trains in the way that you hoped for?

Gordon Dewar: I think that it is working. I repeat that we have some way to go before we reach the standards that we are setting ourselves. That said, we have made really strong progress in that area. Cleaning is a key issue. Time and time again, people say that the environment in which they travel is important not only in terms of comfort levels and the confidence that that gives them in the service but because of the sense of personal security that it brings.

We have reduced the previous 125-day deep-cleaning cycle—it took 125 days before a train was cleaned again—to 56 days. Again, that is making a tangible difference to the quality of the cleaning of our trains. We have also invested hugely in additional staff to do the overnight cleans, thereby raising standards. Mr McMahon mentioned the 20 additional staff who we have taken on for our stations. We have also strengthened many of our other station teams whose duties include cleaning.

The evidence is very strong, particularly where a service quality incentive regime—or SQUIRE—is in place, under which we are externally examined. Strathclyde Passenger Transport undertakes that examination in its area and it also happens elsewhere outwith the SPT area. Month after month, we have shown improvements in our SQUIRE measures—those are the objective measures under which a range of issues from picking up litter to dealing with graffiti and lighting

standards are judged. We have set ourselves very high standards and have a way to go before we are happy with our performance, but we are making progress month after month.

Michael McMahon: This may be a problem only in the area that I represent, but Bellshill station seems to be a magnet for the antisocial behaviour that is associated with cheap alcohol, of which litter is one issue. I have had to deal with the issue over a number of years and the first problem that I always have to overcome is that of getting someone to take responsibility for cleaning up the detritus of that antisocial behaviour.

Have you worked on developing good relations with the local authorities in the areas where you do not own the car parks around the stations? It is fair enough for you to have to clean platforms and waiting rooms, but if the area surrounding the station is covered with the stuff that is left after the previous night's antisocial behaviour, it makes the station not very appealing. Under the previous franchise, no one seemed to want to take responsibility for looking beyond stations and making them attractive in that way.

Gordon Dewar: I will not speak specifically about Bellshill as I am not sure of the conversations that you had about that station. Across Scotland, local authorities are showing a huge amount of interest in the way in which we can co-operate on a number of issues. For example, NESTRANS—the north-east Scotland transport partnership—is talking to us about how it might contribute to increasing closed-circuit television coverage, which is a key deterrent of antisocial behaviour. In that example, we are working to address the root cause instead of just clearing up the litter after the antisocial behaviour has taken place. HITRANS—the Highlands and Islands strategic transport partnership—is also looking at the issue.

A number of local authorities have asked us whether we could get together and do more together. They are doing so for exactly the reasons that Mr McMahon highlighted. The reality of the customer experience and, indeed, the community experience is that problems neither start nor stop at the boundary of the railway. We have to look at things more holistically. We are developing conversations with each of the regional forums. That is the best way for us to engage with the individual local authorities that have a transport interest and an understanding of the issues and so far that engagement has been extremely positive. I hope to develop that.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): As I understand it, First ScotRail is responsible for running the routes and the rolling stock but Network Rail is responsible for maintaining the track. Recently, some publicity

was given to First ScotRail's performance indicators, particularly the proportion of routes on which the service was on time. Do your statistics enable you to conclude which percentage of inadequate service is the responsibility of ScotRail?

Gordon Dewar: As I said, every single minute of delay is measured and the causes are attributed to parties and, indeed, within parties. The reasons for delays vary period by period. Network Rail has the unfortunate responsibility for picking up the blame for the weather, which is a difficult area. I would not be particularly comfortable about picking up that one. For example, in January, as a result of the bad weather, our share of the delay minutes dropped from around the typical level of 40 per cent to 30 per cent. Clearly, responsibility for a large majority of the delays lies with other parties, including Network Rail and other train operators. It is possible to identify where the delays lie and who is responsible for them.

Fergus Ewing: I imagine that other members might agree with me that, since taking over the franchise, First ScotRail has been fairly accessible and has responded well when we have raised our constituents' concerns with it. It is my impression that most of the delays relate to matters that are the responsibility of Network Rail rather than the operators. Would you agree with that conclusion?

Gordon Dewar: We have to work together as an industry. It is clear that neither the operator nor Network Rail can deliver a service without the other. We understand what we are responsible for and I am happy to speak in detail about the action plans that we have to address those areas.

As I said at the outset, we can demonstrate that we are making progress in a range of those issues and are seeing some major advances. However, we cannot treat things in isolation. We are also responsible for delivering, with Network Rail, what is called the joint performance improvement plan for the next year. Effectively, that plan sets a budget for our delays, Network Rail's delays and delays for which we were both responsible, individually and jointly, and enables us to construct our action plans to ensure that we deliver our target. Network Rail and First ScotRail have a strong relationship and we understand each other's problems. First and foremost, however, we want to concentrate on ensuring that we get our house in order. We will ensure that we work closely with Network Rail so that we have a joint prioritisation of where to put in the effort and a joint delivery of the improvements.

Fergus Ewing: One of the most frequent complaints that we receive relates to the quality of the rolling stock, particularly the compartments. Can you tell us what responsibility you have to

replace rolling stock under the franchise that you have won and what improvements we might see?

Gordon Dewar: It is worth remembering that the ScotRail fleet, with the class 170 trains that were funded by the Scottish Executive and Strathclyde Passenger Transport, is one of the most modern fleets of all the franchises in the United Kingdom. We can take some comfort from that as it will give us benefits in terms of overall quality and reliability when we get our processes properly up and running.

I am aware of some concerns about the suitability of some rolling stock for certain types of service but, largely, the only issues that are left for us to address after signing the franchise are the replacement of the trains on the North Berwick line, on which we are currently running English Welsh & Scottish Railway local haul and mark 3 coaches, and the future of the class 314 trains, which are currently used on suburban services in the SPT area.

On the other lines, we will be sticking with existing rolling stock but we have in place refurbishment programmes for the class 158 trains and the class 318 trains. Further, we will make a number of modifications to improve reliability across the fleet.

Fergus Ewing: Sticking with rolling stock, one of the points that might not be readily understood is that, basically, you are fulfilling a contract that broadly states what First ScotRail has to do and that you have no legal obligation to do something that is not in the contract. If the Executive wanted you to do something more, it would have to amend the contract. Is that a fair description of how the process operates in relation to the key issue of the replacement of rolling stock, which, on some routes, is widely criticised as being not of the quality that we would like to see in Scotland?

Gordon Dewar: There is no doubt that the nature of the franchise is extremely contractual and involves a huge amount of detail. That is important as it ensures that people understand what they are bidding for and that the public purse gets best value.

There is no doubt that the Scottish Executive, SPT and the Strategic Rail Authority, at present, have to be happy that any changes that we make to the contract are to the benefit of the public before they sanction the changes. However, that is not to say that we are tied to exactly what is laid out in the contract; there are always opportunities to make a business case and ask for approval to make changes in order to enhance what we have promised to do. What we have to do, as a minimum, is deliver the promises and the large number of commitments that are within the franchise agreement.

Fergus Ewing: I have a final question. What are the top priorities for investment in infrastructure that would do most to improve the standard of our railway service in Scotland? Do you agree that the plans to upgrade Waverley station might be number one on that list of priorities, as far as your company is concerned?

14:30

Gordon Dewar: It is absolutely true and widely recognised that work on Waverley station, which is operating at capacity at peak times, has to be one of the top priorities in the network if we are to make a lasting difference to performance. It is beholden upon us and Network Rail to inform the Scottish Executive and other funders about the value of investing in a variety of schemes and projects that will add value. One of our important roles is to be an expert adviser and to say what the sources of problems are, what the solutions are and how they can be addressed, if they are not already within our control.

Fergus Ewing: Perhaps it would be in order, convener, to thank both Gordon Dewar and Mary Dickson for the responses that they have given me, which have been very encouraging indeed. Perhaps that is an example that Network Rail could emulate some time soon.

The Convener: I am sure that Network Rail will pay close attention to that comment in the *Official Report*.

Margaret Smith (Edinburgh West) (LD): Fergus Ewing has taken us to Waverley station—one of the key limiting factors in the network. I want to get some idea from you of how you view your relationship with the expanding network and how that will evolve.

Three projects will have a massive impact on the Edinburgh area. First, Waverley station is in desperate need of expansion and upgrading. Secondly, the Edinburgh airport rail link proposal is about much more than taking a train out to Edinburgh airport; as you know, it is about opening up a large part of the Scottish rail network. The third issue is the potential of the Waverley line through Midlothian and into the Borders. What is your relationship with the other key players in expanding the rail network, and how important is that compared to your other priorities of getting to grips with what you have inherited and what is in your contract?

Gordon Dewar: The situation varies slightly with the nature of the project. If we start with Waverley station, the issues are clearly about improving existing service performance and providing spare capacity so that we can respond when there is disruption—such as weather disruption—which there inevitably will be. We will advise the Scottish

Executive and our other partners of pinch points in the network and of infrastructure that consistently gives us problems, as will Network Rail. We need to ensure that people understand the implications of those issues, and that potential funders are fully apprised of the options and how we might progress, should an issue be deemed to be a priority by the Scottish Executive or some other body. The role of advising on prioritisation at a high level is key.

Phase 1 of the Waverley project is now a committed scheme. Network Rail is in the process of planning the construction phase and we get the output from that process. Our role then becomes much more operational, in that we have to ensure that the plans for the construction phase minimise disruption. We must have fallback positions and temporary timetable measures in place. We are now in that much more operational phase.

While Waverley is the focus of a lot of attention, and rightly so, you should remember that capacity is constrained all the way through the west side of Edinburgh. We have only four tracks and the existing signalling, so additional platforms at Waverley will not solve all our problems, although they are a welcome and much needed step in the right direction.

Turning to larger schemes, such as the Edinburgh airport rail link and the Waverley line, our role is to give expert advice on request. They are not existing services, so we do not have a history of operations, and are unable to identify the issues. We are at the advanced feasibility stage. We are being asked, "How would you respond to scenario X? How would you deal with delivering the level of service that we aspire to?" We will attempt to give good advice on what that would look like from an operational point of view, as will Network Rail. It is a case of responding upon request to the promoters, be they local authorities or the Scottish Executive.

The Convener: You indicated that some of these projects are at the advanced feasibility stage. Does that stage include having estimates for operating subsidy and passenger numbers for the various new lines that are proposed?

Gordon Dewar: At this stage, the traditional way of doing things is that we will be asked to have a look at operating costs, because we obviously have an understanding of the staff and operating costs that are peculiar to ScotRail. That is fairly common. When making revenue forecasts, the process tends to start off with consultants looking at the larger picture and conducting an appraisal under the Scottish transport appraisal guidance to examine the wider economic and social benefits of the scheme. The opportunity to come in and look at more detailed revenue and subsidy implications will come when we have

refined the project down to a much more tightly defined level of service. The level of detail at which we operate will depend on the frequency, the type of train and quite a lot of detailed timetable issues, such as calling patterns. It is probably not appropriate for us to get involved at the stage of looking at larger-scale scenarios. There are many consultants out there who are well versed in producing feasibility-type figures.

Margaret Smith: I wanted to pick up on one detail that has been described to me in relation to the Edinburgh airport rail link. It has been said that the current proposals, which include tunnelling under the runway, are not compatible with the rolling stock that is currently on Scotland's tracks. Where do you fit into the discussions on something like that? There seems to be a need for quite a lot of investment in that. Do you get involved in discussing things like that quite early on, at the feasibility stage, when you might be discussing the route itself, or do you get involved further on—literally down the tracks—at the point at which you have suggested your involvement starts?

Gordon Dewar: It is up to the promoter and the funders. We are certainly willing to give early advice, suggestions and comments on proposals as they progress, as we have done on all the major schemes. The issue of tunnelling and appropriate rolling stock is not something on which we have given any detailed advice yet, because we have not been asked to do so. That is still an option that the promoters are considering in trying to understand the best way to go. We will certainly be happy to comment on that as we are invited to do so.

Our role in those substantial schemes, which go way beyond enhancements to existing networks, is about being the service provider. Our biggest customer is clearly the Scottish Executive, in terms of the subsidy payments, and we will respond to the promoters and funders in the way that they see fit.

Margaret Smith: Generally speaking, would you support schemes that tried to get more people to use trains?

Gordon Dewar: I want to run as many trains as possible.

Margaret Smith: I have sometimes wondered about railway companies seeming to take the attitude that they are interested only in ensuring that they do not take an extra couple of minutes, even if it means that they could get many more people on their trains.

Gordon Dewar: I certainly want to run as many trains as possible with as many passengers as possible and to grow Scotland's network. To return to my point, there is a wide consensus that

improving the existing railways' performance must be the priority. There is currently a reasonably high level of dissatisfaction and we believe that a key factor in why we won the franchise was our promise to deliver enhancements. We will be giving some honest and forthright advice about schemes that may affect performance, and I think that it is right and proper that we do so. We must ensure that any investments that we make and any enhancements and additional services that we provide are capable of running and of providing a level of service that we would be happy with.

Tommy Sheridan (Glasgow) (SSP): I have raised this with you before. The ticket barriers at Queen Street station are the bane of my life and of that of a lot of other people who are leaving trains at the same time as people are anxiously trying to board a train with only two minutes to go. Obviously, you guys like to encourage the bulk buying of tickets, which is great, but those with such tickets can go through only the staffed barrier and it is hard to exit through that barrier when somebody else is trying to enter. Have you had time to assess the operation of those ticketing barriers with a view to making some changes, such as having a separate egress barrier, so that we can have a proper flow? The way that it is working now is just not helpful. What are your comments?

Gordon Dewar: You are talking specifically about the manual barriers alongside the automatic ticket gates. There have been some operational problems there. When we are constrained to two gates it is inevitable that at peak times, when lots of trains are arriving at the same time as people are trying to get on to them, there will be some localised congestion. We have put an awful lot more staff into the system to ensure that we can double-team some of the barriers. Probably more important, we are going back to scratch to look at how we design the entire system.

Under our franchise, we are committed to introducing barriers at more stations and we want to go beyond our existing levels of commitment, because we think that it is right to reduce ticketless travel so that we can get funding for further investment. We also think that barriers help to address antisocial behaviour. Ensuring that everybody travels with a ticket is a key determinant of the level of antisocial behaviour on the railway. There is a whole raft of reasons why we want to get that right, and we have already started the process of ordering additional facilities and ensuring that we review the existing gate lines to see whether we can redesign them to give a better flow and a better level of service for our customers.

Tommy Sheridan: My experience is obviously limited to Edinburgh Waverley and Glasgow

Queen Street. Rarely have I witnessed both barriers being open, particularly in Glasgow. Usually, it is only one barrier that is open, and passengers are trying to exit and enter at the same time. I ask you to study that a bit more.

Gordon Dewar: I shall have a look at that. That is actually the reverse of my experience. This morning, I was disappointed to see that only one barrier was open. That was the first time that I had seen that during the peak for a while. I shall go back and check on that.

Tommy Sheridan: That is what I mean. There is only one open.

Gordon Dewar: I am saying that that is not my usual experience. I travel as often as you do, if not more frequently, and I was surprised to see only one open today. Typically, I see two open.

Tommy Sheridan: I see what you mean.

Gordon Dewar: If that is happening in the peak, I am disappointed to hear that. We need to ensure that we can improve on that.

Tommy Sheridan: Are detailed investment plans available for local stations up and down the country?

Gordon Dewar: The original commitment was to provide the outline plan to SPT, the Scottish Executive and the SRA for the end of the third month, which came up on 17 January. We met that commitment and we then went into a consultation process, which we are still in the middle of. We have been asked for further detail and we have been asked to look at changing some of the decisions on the allocation and phasing of money. We will be making our next submission in the next few days, and that should bring us close to the final process of deciding where the money goes. However, it is really for the Scottish Executive to decide when it is happy with the final plans and how it wants to share them with a wider audience.

Tommy Sheridan: Is there an input mechanism for the service users in the process of deciding the plans?

Gordon Dewar: I think that there always is. We do not see the plan as a fixed document that never changes so that we can just plough on regardless. First and foremost, we see it as the minimum. We see a huge amount of ambition, from local authorities in particular, for adding to that and finding funding to do things for their areas, and I have had a number of conversations with local authorities that are already identifying funding to do exactly that. Equally, there is always scope to make a case with SPT and the Scottish Executive where we see that money could be better spent or where a specific issue or a new situation arises

that had not been fully appreciated before. There is flexibility to deal with that.

The key measure on which we will be judged is the overall level of investment, year by year, through the life of the franchise. That is what is enshrined in the franchise commitment, to ensure that that money is being spent by the franchisee to deliver value. There is always scope to manage within that, but the ultimate decision-making process lies with SPT and the Scottish Executive.

Tommy Sheridan: I have two more questions. On the issue of your ultimate judgment, my worry is that passengers do not have an early enough input into suggested plans with regard to, for example, whether the lighting of stations is more important than ticketing schemes, or whether heaters in the waiting rooms of unstaffed stations are more important than other things that First ScotRail might think are important. My worry is that, at the level at which you are operating, you are presenting faits accomplis that have been discussed with the Executive rather than getting an early input on what the customer's priorities are.

14:45

Gordon Dewar: We understand a lot about how customers prioritise, not because we assume what they want, but because we have a huge amount of customer feedback. We undertake regular customer research and know the relative values that people attach to various aspects of the service's quality. That is strongly reflected in our proposals.

SPT in particular has worked with the railway network for many years and has an extremely good understanding of issues in its area. Equally, the SRA and the Scottish Executive have a good understanding of issues from sharing our research and our customer feedback on where the priorities should lie. We have not gone out and done a full, up front consultation process—which is perhaps what you are getting at—but our approach is based on good understanding and a good measurement of what people see as important.

That said, things must change as circumstances change. Therefore, we must retain flexibility. As I have said, I see the property plan as the minimum and the start point for a seven-year delivery process and I am absolutely convinced that we will find that we will have delivered much more than what is in that plan when we reach the end of each year and look back.

Tommy Sheridan: Can you provide an estimate of the level of passenger fraud in relation to travel across the network? You have invested in 90 new staff, which implies that you think that fraud is a major problem. There has been investment in 20

extra staff for the cleaning exercise, but there has been investment in 90 new staff for the fraud exercise. You must therefore think that fraud is a serious problem, and I would appreciate it if you could give an estimate of the level of fraud.

On stock improvements and other refurbishments, will you assure the committee that, wherever necessary, you will source Scottish production and Scottish work in order that First ScotRail, which is a major company, will generate other Scottish employment?

Gordon Dewar: Levels of fraud are perennially difficult to forecast. My only comment is that whenever I have seen estimated levels of fraud and people have managed to find a robust measure, they have always underestimated it in the first place. We have a commitment to reduce ticketless travel to a percentage that is quoted in the franchise agreement—I am afraid that I cannot remember exactly what that percentage is at the moment, but I will provide the figure to the committee later rather than guess it, if that is okay. We are acutely aware that tackling fraud is an important aspect of driving forward the business. Our business case is predicated on ensuring that we have the right number of people paying—indeed, I hope that all people will pay—and that we are putting in the right tools and investments to ensure that we get the returns and that people pay for the service that they receive.

I turn to stock improvements and controls on where we source them. For substantial investments, we must largely follow European Union procurement rules. The tendering process that we must go through is clear and certainly does not allow us to specify Scottish providers. The issue relates to value for money and working in an open market. However, a huge number of the things that we are doing within our franchise concentrate on in-house resources. We are recruiting more people in engineering and ensuring that we are doing much more work ourselves, rather than relying on suppliers for services and aspects away from the fleet. For the first time, we are committed to providing a Scotland-based call centre later on this year, so that when somebody calls up for train information and wants to book tickets, they will phone somebody who is actually north of the border and knows where Linlithgow is.

Paul Martin (Glasgow Springburn) (Lab): I want to follow up on issues relating to investment in Scottish companies that are successful through the European process. Can you confirm what public subsidy FirstGroup receives as a result of the franchise?

Gordon Dewar: Again, the annual payment rises over the period. I would rather not give you an exact overall figure, because it has not yet

been published. However, it is certainly close to £200 million.

Paul Martin: As Tommy Sheridan has pointed out, we have already received assurances from the Minister for Transport that Scottish companies will have the opportunity to engage with First ScotRail to ensure that they are considered for this work, particularly refurbishment. As you know, I have made representations to you on that matter with regard to Alstom Ltd in Springburn. Do you accept that, as far as the minister's commitment is concerned, there is an inconsistency if you receive public subsidy to invest in your own in-house services when a number of companies in Scotland have the capacity to deliver such services?

Gordon Dewar: On your specific example, we are reviewing the best ways of carrying out heavy maintenance, daily maintenance and other on-going processes. We must give quality the highest priority at the outset so that we get whatever we need from the service to allow us to move forward. Using public subsidy to support value for money is the right thing to do.

All Scottish suppliers are in an extremely good position to understand our needs and work with us. However, there is no direct link between First ScotRail and what is happening in Springburn; the majority of that work is not for us but for leasing companies and other providers of rolling stock. That said, we are more than happy to work with any company that has the capacity to carry out high-quality work efficiently.

Paul Martin: But you must accept that using the public subsidy that you receive to duplicate existing work or capacity would not be consistent with the assurances that the minister has given us.

Gordon Dewar: I cannot speak for the minister in that regard. However, we will ensure that whatever we procure will be of the appropriate quality and will represent good value for money. After all, we are obliged to do so under European procurement rules. That is only right and proper for the public purse.

Paul Martin: Concerns have been expressed that people who have a poor experience of public transport very rarely use the complaints process. What is FirstGroup doing to ensure that there is an open, transparent and easily accessible complaints process? Moreover, how will you assure people that measures are being taken to improve the service?

Gordon Dewar: There are some very strong indications that we have made a big difference in that respect. When we inherited the franchise in October, we discovered that, although the previous franchisee had set itself a target of responding to customers within 10 working days, there was still a backlog of 1,000 unanswered

letters. Moreover, after personally reviewing those responses, I would have to say that they were occasionally very poor; quite often did not address the issue that had been raised; and certainly did not provide the customer with a reasoned explanation that reflected any in-depth analysis of the root cause of the problem.

Since we took over, there has been a sea change in the accessibility and quality of the complaints procedure. First of all, we have virtually eliminated the inherited 1,000-letter backlog and have answered many letters from people who wrote to us when the franchise changed hands with their ideas on how we should take it forward. We have reduced our response time to seven working days, because we felt that that would give people a higher level of service. We have invested additional resources in the team to meet that target and to add quality to the process; indeed, that investment includes the Scotland-based customer call centre that I have already referred to.

Moreover, we have now made it easier than ever before to talk to us. Web services have been improved and, along with the traditional mail services, there are now dedicated e-mail and phone line services. We have advertised these things on every available piece of material. For example, every timetable and leaflet contains a host of numbers that enable customers to book tickets or to send complaints.

We have made ourselves more open than ever before to receiving customer complaints. For example, we hold 12 meet-the-manager sessions every single month in stations around Scotland, most of which are attended by local staff and an executive board member or senior manager. We are also about to announce four additional customer forums in east Scotland. We know that customers want to tell us about their issues, and we want to reach an in-depth understanding of those issues, respond to them and tell customers about our plans to address them.

Paul Martin: Excellent.

The Convener: I will finish off with a few questions; I have a host that I could ask, but that would keep you here all afternoon. The first question is on industrial relations, which are important to the success of the franchise. I was encouraged to read that, early on in the franchise, you were successful in reaching an agreement on a new pay deal for drivers over a two-year period. What is the state of relations with other staff groups? To what degree are you engaging with the trade unions in discussing the plans for the franchise?

Gordon Dewar: Concluding the drivers' pay talks on time was the first time that that had ever

happened. It represents a record in obtaining a settlement. More important than the fact that we did it in a few weeks is the fact that it represents a wholly different culture in the approach that is being taken and the joint working that underpins it. We are delighted that we managed to do that. It has been extremely well received by the staff. We have now opened discussions with the other grades and other union representatives to address the remaining staff. We are optimistic that we can reach a similar consensus on how to move forward and rapidly reach a settlement.

At the end of the day, we know how disruptive it can be if we get those things wrong. We know what it does for morale and service quality at the front line if people do not feel as though the company supports and understands them. We are adamant that we will get it right and that we will give people the tools to go forward. We have every ground for optimism, although when I say that I always touch wood until the ink is dry on the dotted line.

The Convener: My second question is on the roll-out of the new trains, which has been on-going for several months. Are the remaining parts of the roll-out still on timetable? I think that the last of the trains is due to be operational by March. What is the operational performance of the new trains? Are they meeting your expectations? Are they causing any problems?

Gordon Dewar: We are still on schedule. We will get the last new train in March, and it will go into service in late March or early April. That will give us a full complement, which will allow us to deliver consistently on increased train lengths in places such as Fife and Bathgate. We are already doing so on the Edinburgh to Glasgow line, of course. Performance has been markedly better with the later receivals than was the case in the early days. That is probably a typical trend, in terms of working with the suppliers to ensure that we understand the problems and eliminate them, so that the trains work out of the box, as it were.

The performance of the recent deliveries has been pretty good, which is reflected in the great improvements that we are already seeing in our fleet availability. Delays caused by train failures are 18 per cent lower for the four months that we have had the franchise compared with the year before—and that is happening with newer trains coming on stream all the time. There has been very strong performance with the 170 rolling stock in terms of improving the miles per casualty rate. There is a great deal of cause for optimism, which reflects the huge amount of effort that has been put in by my fellow director Andy Mellors, and the way that he has restructured and strengthened the team and worked with the suppliers to ensure that delivery is successful.

The Convener: Finally, when we talked about performance earlier we were talking largely about service reliability. How has performance been in terms of passenger numbers? Has it been in line with the levels that you anticipated when you submitted your franchise bid?

Gordon Dewar: Largely, yes. We are quite comfortable with that. We are still seeing quite strong growth on the back of two years of strong double-digit growth. We are on track in terms of our forecasts, but we have some ambitious targets to meet, which will only happen if we deliver all the benefits that we have promised, and to which we are committed.

The Convener: What level of passenger growth are you projecting for the first year of the franchise?

Gordon Dewar: I would probably have to get back to you on that, because it depends which baseline we are talking about—whether it is the bid numbers or the baseline that we actually inherited, because there is a gap between the two. If I may, I will furnish you with that information after the meeting.

The Convener: That would be useful.

Those are all the questions that we have for you this afternoon. I am sure that you will appear before the committee again, and that you will be in regular discussion with various committee members. Thank you for your appearance this afternoon.

Trunk Road Maintenance Contracts

14:59

The Convener: As we move to the next agenda item, I note the appearance of Brian Monteith, who I understand is here as the official substitute for David Mundell. For the record, Brian, can you confirm that?

Mr Brian Monteith (Mid Scotland and Fife) (Con): Yes. That is correct.

The Convener: Agenda item 2 is consideration of a paper from the clerk about trunk road maintenance contracts. Colleagues will recall that at a recent meeting we agreed to take evidence on the issue and to appoint two reporters, Fergus Ewing and Michael McMahon.

The paper sets out proposed arrangements for our work. This morning, we received a letter from the Minister for Transport, Nicol Stephen, which was a result of the issue being discussed in the committee and the Executive paying attention to the *Official Report* as opposed to the minister responding to a request for the letter. The letter is useful in that it sets out the timetable that the Executive is working to in the re-tendering exercise. It also draws to our attention the fact that the opportunities for influencing the contracts, particularly in the first tranche, are to some extent limited without significant delay being incurred.

Before I take comments from other members on whether they accept the proposals in the paper, I give both reporters the opportunity to comment on the paper, the minister's letter or other aspects of the work that we propose to undertake.

15:00

Fergus Ewing: I thank the clerks for their help so far. During the recess I had the opportunity to meet the managing director of BEAR Scotland, Alan Mackenzie, and one of his colleagues and had a useful session with them. In particular, we discussed the timescale, which is important.

The issues that I feel are crucial in the remit, which is set out in paragraph 3 of the paper, relate to what the tenderers will be asked to do, the specification of the contract and, to a lesser extent, the monitoring system. For me, the key issue is whether the specification meets the general expectations of the road-using public. I am conscious that the companies who are responsible for the work and their employees do a great deal of work in maintaining the roads. However, they also receive a great deal of flak, often perhaps unfairly; I may have been responsible for dishing out some of that flak from time to time.

The Convener: Surely not.

Fergus Ewing: Surely not.

The crucial point is that there is a lack of understanding about the level of specification of what is required. That is where I feel that our inquiry can be useful. Therefore, the two points that I would make about the inquiry are, first, I do not think that it can be extended—it must be short and concluded promptly—and secondly, the more narrowly focused the remit the more useful the inquiry may be.

My reading of the minister's letter is that, in relation to the north-west and south-west units, tenders have not been invited, so the specification has by no means been settled. Private discussions that I have had indicate that specification issues are being considered as we speak, so if we have a quick inquiry that is concluded before the end of March, we would be able to influence—positively, I hope—the outcome.

The penultimate paragraph of the minister's letter states that if the terms of the Official Journal of the European Communities notice—that is the formal notice—are

“changed then the invitation process will need to start again.”

Although I have not yet had sight of the OJEC notice, I have studied such notices before and they tend to be, as the convener knows, a summary—a brief description of the nature of the contract. That does not, as I understand it, tie the Executive to any particular specification. That follows later, so if the invitation is not going out until April I hope that we could play a part. This is the only opportunity that the Parliament has to take a close forensic look at a matter that is of great concern to many people. Were we not to focus on the matter, it would be an opportunity missed.

The Convener: I tend to have the same interpretation as Fergus Ewing with regard to the OJEC notice. There is an opportunity for us to have influence, but we will need to be swift if we are to take it.

Michael McMahon: I took the opportunity of talking to people who have an interest in the tender process, although I spoke only to the people on the other side of the fence, so to speak. I spoke to some local authority colleagues who had the experience of operating the trunk road maintenance contracts prior to the last tendering process.

The outcome of those discussions was similar to the outcome that Fergus Ewing described. The main issue is the specification. The question is whether local authorities can get into the tendering process on this occasion. It will come down to

whether the specification gives a genuine level playing field that will allow the local authorities to consider tendering in the next round. It is vital that we test the specification to ensure that all the required information is made available to the local authorities. We also need to test whether the specification will deliver improvements in the infrastructure and in the maintenance that has to be undertaken.

Although I came at the issue from a different perspective, I arrived at the same conclusion as Fergus Ewing did. I would like to see the specification details as early as possible. I am more than comfortable with the clerk's paper. It will be a challenge to meet the timescale, but if the information can be gathered in accordance with the suggestions that the clerks have made, we should achieve a worthwhile piece of work. I am more than keen to get on with it.

The Convener: I do not want to stimulate a debate about the issue; I am looking for suggestions from members for alterations to the remit that we have before us. I have one suggestion in respect of those who we might call to give evidence. In addition to calling the current contractors and the Executive, we should call representatives of the local authorities.

As no member has any further comment to make or alteration to propose to the clerk's paper, do members agree to proceed on the basis of the paper?

Tommy Sheridan: With your addition, convener?

The Convener: Yes.

Members *indicated agreement.*

Ferry Services (Clyde and Hebrides)

15:07

The Convener: Agenda item 3 is our consideration of the tendering of ferry services on the Clyde and in the Hebrides. The item follows on from our previous discussion, in which we agreed to seek further information in the first instance on the tendering of ferry services on the Clyde and in the Hebrides. We noted in particular the recent press advertisement inviting expressions of interest for the Gourock to Dunoon route.

The Scottish Parliament information centre has produced a paper, of which members should have a copy. Indeed, members should have a copy of the revised version, which corrects the impression given in the original that Fergus Ewing was successful in getting a motion agreed to in the Parliament. That might happen one day, but it did not happen on the day in question. The revised paper reflects the decisions that were taken on the day of the debate. As I understand it, all three positions were rejected in the voting.

I wrote to the Minister for Transport asking him to clarify the latest position in relation to the tendering process, for both the broader tranche of Caledonian MacBrayne services and the Gourock to Dunoon service in particular. We received a response from the minister on Friday; members should have a copy of the letter. On the basis of the revised SPICe paper and the minister's response, I seek comments from members on how they wish to proceed.

Tommy Sheridan: I would like the committee to make it clear to the minister that we want to be involved as early as possible in any responses from the European Commission in respect of the 9 December letter. I hope that the committee can also express its strong concern about the decision to issue the prior information notice after the debate that took place on 8 December.

The minister's letter of 18 February seeks to assure us that the invitation of

"expressions of interest for the route was not the start of a tender process. Rather, it was a first step in ascertaining whether there might be operators interested".

The letter goes on to

"confirm that the Gourock-Dunoon issue will not be taken further"

until information has been received from the European commissioner. That begs the question why we should bother to go through the process of expressions of interest until the matter has been clarified by the commissioner.

The issue of the prior information notice has caused a lot of confusion. It has also caused undue concern that the Parliament was being ignored. The debate on 8 December last year rejected the three positions that were put forward, and I question the judgment that it was necessary to proceed. There is nothing in the minister's letter that tells us that it was necessary, because of the timescale or for any other reason, to go ahead with issuing a prior information notice.

As far as trying to build relations with the industry, the trade unions and others is concerned, the move was like a red rag to a bull. The committee should express concern at the judgment that was shown in issuing the notice without having received the information that was sought from the commissioner in December. I do not think that that decision was helpful at all.

The Convener: On a personal basis, I agree that the timing was not helpful, particularly given the lobbying that was going on at the time. I would not want us to express a committee opinion on the issue without at least giving the Minister for Transport the opportunity to be here to explain the background to the issue. The timing was, at the very least, deeply unfortunate. However, that is history now and I think that we want to concentrate on the way forward for the ferry services.

I invite comments on how members wish to proceed.

Fergus Ewing: The minister's letter details three key objectives, one of which is to

"maintain the level of ferry services to our island communities; to provide the best quality service, *not* the cheapest".

I am bound to contrast that with paragraph 2.4.2 of schedule 2 to the invitation to tender document, which states:

"The aim of the evaluation is to select the Tender that requires the lowest financial compensation for the provision of the minimum standards."

I think that those two statements are at odds. The aim is to get quality through the public service obligation in some way. However, it is unclear how the aim of quality—but not necessarily lowest cost—is to be achieved.

I do not agree entirely with Tommy Sheridan about the Gourock to Dunoon issue. There was undue haste in issuing the prior information notice following the debate on the Gourock to Dunoon route, but it is clear that that route is materially different from other routes, in that there are two services operating. It might be possible to operate a service there without subsidy. The separation of that route was justified. Had it been included with all the rest of the services, the Executive's position would have been weaker.

I understand that the decision to tender the route was fairly broadly welcomed, although I am not an expert and do not represent that area. Judging from the information that I have received, the current concern might be that matters have not been taken further with respect to the route. My arguments during the debate of 8 December related to the totality of services, not to the Dunoon to Gourock route. I think that that was true for those members who expressed concern on that day, which resulted in the Executive's motion being defeated, albeit narrowly and with the help of my colleagues.

I hope that it is a fair summation of the debate on 8 December to say that there was a feeling that the minister had not made the case that there was a legal requirement to tender for the totality of services. I appreciate that my amendment was not agreed to on the day. Nonetheless, a clear feeling was expressed in the speeches of members of the Executive parties that that case had not been made. There were many concerns, which I do not think have yet been fully answered. In particular, as the paper from SPICe points out, we have not received the legal advice. Members will recall that the First Minister was asked about that in the final week before the recess. He was asked specifically whether the legal advice would be published and he said, "Maybe". I have submitted a freedom of information request and, in the meantime, an answer to a parliamentary question has said that it is not normal practice to make legal advice public. I think that it should be.

15:15

On 11 March I hope to attend a very important seminar that will be chaired by Professor Neil McCormick. David Edwards, who was closely involved in the Altmark decision, will be there, as will Paul Bennett and Professor Neil Kay. It would be helpful if they and others who have in-depth knowledge and access to the legal advice should make it public. I know that that will be being considered because of my FOI request.

I was heartened that the First Minister said that the advice might be made public, because I know that that is unusual. However it is really at the heart of the issue.

I have written to the minister and I hope that he will agree with me that we should not rush to a decision. The matter has gone on for a long time and it is important that we should get it right and not rush it through. In particular, the experts should have a chance to study the complexities of European law before the issue comes back to Parliament. I hope that the minister will not bring it back to Parliament until the legal advice has been published and the experts have had a chance to see it.

My final point is a suggestion. There are so many unanswered questions that it would be appropriate if the minister were to appear before the committee to answer them. We all know that, during the heat of debate, it is difficult to obtain factual and satisfactory answers. After all, hundreds of people work for CalMac and their livelihoods depend on it. We all know the arguments about the Transfer of Undertakings (Protection of Employment) Regulations, the 90-day rule, national insurance contributions not being paid, and loss of security of employment, never mind the question of lifeline services to the islanders.

I hope that the minister will publish the legal advice, make it available to the experts before the 11 March seminar, and be willing to come before the committee to answer members' questions. I am sure that there are many members, especially local members such as Duncan McNeil, George Lyon, Alasdair Morrison and Jim Mather, who would like to come along.

Michael McMahon: I agree entirely with Fergus Ewing and think that we should investigate the matter further by talking to the minister. As one of those who did not support the Executive when the issue came before Parliament, and who attended the lobby when the issue was brought into focus in the Parliament a couple of weeks ago, I would like to hear from the trade unions. The focus has to be on the impact on the employees. I hope to hear a much more reasoned argument from the trade unions than we got during the rant that was made by Bob Crow at that lobby. In the committee environment, we can investigate the issues further rather than listen to threats of the overthrow of the capitalist system—the issue is much more important than such rants and should not be used as a platform for them. If the committee can do anything at all, it should consider the issue in a more reasoned way than has been done so far.

Tommy Sheridan: I need to speak up for some of my pals who want to overthrow the capitalist system—that is what the Labour party used to be about.

I hope that we all agree that the minister should be invited. As well as the specific issues of the overall European instruction or otherwise and the legal advice or otherwise, I hope that we can talk about the Gourock to Dunoon route. I am concerned about the timing and whether the legal advice should have been issued so close to a crucial debate. We have to put that to the minister and ask him whether there was some kind of time restriction; I do not think that there was.

The Convener: I am inclined to agree with the call of a number of members that we should ask the minister to come and answer a range of questions. The main focus would be on the larger

part of the CalMac services, but I am sure that the minister would be prepared to answer questions on the timing of the specific press advert as well. It would be perfectly in order for Tommy Sheridan to ask such a question when the minister comes to the committee.

Do we agree to ask the Minister for Transport to come along and answer questions on the progress that has been made in relation to CalMac services and the on-going discussions with the European Union and to give us any information that he can share with us on the requirement to tender?

Members indicated agreement.

The Convener: Michael McMahon has suggested that we invite representatives of the relevant trade unions to come along as well. Do we agree to do that?

Fergus Ewing: It is not just the RMT that is involved. There are other unions.

Michael McMahon: That is why I wanted to invite other unions.

Fergus Ewing: I endorse that idea. I thought that Mr Crow managed to make Tommy Sheridan look like a Conservative, but that is just my personal view.

The Convener: We should close down the debate at this point—it could go on all afternoon. Do we agree to invite representatives of the relevant trade unions to come along?

Members indicated agreement.

The Convener: We will do what we usually do when we seek representations from trade unions and invite a delegation through the STUC. I imagine that that will ensure that we get a range of representatives.

Margaret Smith: I agree that we should hear from the minister and the trade unions, but I wonder whether, in that case, it would also be reasonable to hear from the companies involved. Either we take an approach that involves gathering information on an on-going update basis from the minister or we enter the realm of inviting the trade unions to give their views, in which case it would be only fair to give CalMac and Western Ferries, which operates in Gourock and Dunoon, a chance to have some written input at least. I am sure that the companies have comments that they would like to make on the subject.

The Convener: I am comfortable with your suggestion that the companies be invited to submit written evidence. The crux of the debate relates to whether there is an absolute obligation to tender out the services and I imagine that that is an issue on which it would be difficult for CalMac to comment. I am only guessing, but I imagine that the minister would be able to put the Executive's

case and the trade unions would be able to put the case, which they feel is persuasive, that there is an alternative to tendering out. It would be quite difficult for the companies to enter into that debate, but I would be comfortable with the idea of receiving written evidence from them at this stage. On the basis of what is contained in that written evidence, we could consider whether it would be useful to bring them in subsequently.

Margaret Smith: That sounds reasonable.

The Convener: Do we agree to note the report and to take the oral and written evidence that we have discussed?

Members *indicated agreement.*

Proposed Licensing (Scotland) Bill

15:23

The Convener: The final item of business concerns the proposed licensing (Scotland) bill. Perhaps we are a little bit ahead of the game, as we are aware that the Executive proposes to introduce the bill shortly—perhaps very shortly—and that it is likely that the Parliamentary Bureau will designate the Local Government and Transport Committee as the lead committee.

To ensure that we can hit the ground running if we are designated as the lead committee, I ask members to agree to start the process of appointing an adviser to the committee. Having an adviser would be useful, as the bill will be complex and there could be a lot of technical, legal and specialist information.

Mr Monteith: Paragraph 4 of paper LGT/S2/05/7/5 says that

“a candidate would have to be identified who was sufficiently ‘neutral’ in relation to the issues raised in the Bill.”

However, people who have the degree of expertise that the committee would want to benefit from could be those with legal expertise in this area who might have acted for clients in that regard. The fact that they had acted for clients would suggest that they have experience that we would want to benefit from, but I am not sure whether that would mean that they were no longer neutral.

We are used to the word “neutral” being used in the political sense, but I am not sure what it means in paragraph 4. We will be looking for people who know the current law inside out.

The Convener: I do not think that the word “neutral” is meant to suggest that the person has to be someone who has no experience of dealing with licensing issues. I would interpret it as meaning someone who has not been actively campaigning for a particular change in the law one way or another, which could colour the advice that they would be able to give to the committee. I do not think that the call for neutrality would exclude people who have experience of working in the area.

Tommy Sheridan: Could you say a bit more about the nature of the advice? Although the bill will involve a lot of technical issues, it relates primarily to a social issue. There is no doubt that a change in licensing laws will have a huge social effect, particularly in the busy city centres. I hope that we are looking not for an adviser who will be able to tell us the history of licensing laws dating

back to the 18th century but for one who will be able to give us some facts, figures and guidance on the relationships between licensing, crime, disorder and other issues, based on a knowledge of licensing regimes in various parts of Britain and the world. I am not sure that we need an adviser who will be able to tell us only what a particular part of a licence means.

The Convener: I expect that anyone who has been working in this area will be aware of the social implications of particular changes. To ensure that we deliver a licensing act that operates in the way that Parliament wants it to, any adviser that we get needs to have specialist knowledge. It should be possible to get an adviser who has a perspective on the social implications of the changes as well as the detailed technical elements.

If we get approval to have an adviser, we will identify a range of potential advisers and members of the committee will have an opportunity to comment on whether the candidates are suitable for the tasks that we want them to perform.

Fergus Ewing: Tommy Sheridan is right to suggest that we will want to have input from people who have direct experience of the impact of alcohol on the public and the social aspects of the issue. However, I believe that those are matters that we will undoubtedly pursue when we take evidence. As the paper before us rightly suggests, the Licensing (Scotland) Act 1976 and the associated legislation are immensely complicated—so much so that lawyers such as me would not touch the act with a barge pole because we know that, if you do not know exactly what you are doing, you are likely to be calling up your professional indemnity insurers. I mention that simply because I think that it is essential that we have an adviser who is expert in the law as it stands. If they are not, it will be impossible for him or her to advise us about how we should change the law. No doubt we could get evidence about the important social issues from the witnesses who come before us.

The Convener: I am sure that we will take a lot of evidence. I repeat that I am sure that anyone who is expert in the relevant law will have an appreciation of the social issues as well. It is perfectly possible that we could cover both bases. As I say, we will be able to reflect on that when we see the list of potential advisers.

Are members content to agree the paper on that basis?

Members indicated agreement.

The Convener: Thank you for your attendance.

Meeting closed at 15:29.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Friday 4 March 2005

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at the Astron Print Room.

Published in Edinburgh by Astron and available from:

Blackwell's Bookshop
53 South Bridge
Edinburgh EH1 1YS
0131 622 8222

Blackwell's Bookshops:
243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh

Blackwell's Scottish Parliament Documentation
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries
0131 622 8283 or
0131 622 8258

Fax orders
0131 557 8149

E-mail orders
business.edinburgh@blackwell.co.uk

Subscriptions & Standing Orders
business.edinburgh@blackwell.co.uk

RNID Typetalk calls welcome on
18001 0131 348 5412
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers

Printed in Scotland by Astron