

# **EDINBURGH TRAM (LINE ONE) BILL COMMITTEE**

Tuesday 23 November 2004

Session 2

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## **EDINBURGH TRAM (LINE ONE) BILL COMMITTEE**

### **9<sup>th</sup> Meeting 2004, Session 2**

#### **CONVENER**

\*Jackie Baillie (Dumbarton) (Lab)

#### **DEPUTY CONVENER**

\*Phil Gallie (South of Scotland) (Con)

#### **COMMITTEE MEMBERS**

\*Helen Eadie (Dunfermline East) (Lab)

Rob Gibson (Highlands and Islands) (SNP)

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

\*attended

#### **THE FOLLOWING GAVE EVIDENCE:**

Rahul Bijlani (Bircham Dyson Bell)

Barry Cross (City of Edinburgh Council)

Bill Furness (Edinburgh Chamber of Commerce)

Andrew Holmes (City of Edinburgh Council)

Dave McCulloch (Scottish Enterprise Edinburgh and Lothian)

Jim McFarlane (Scottish Enterprise Edinburgh and Lothian)

Alice McGlone (North Edinburgh Area Renewal)

Garry Sturgeon (City of Edinburgh Council)

#### **CLERK TO THE COMMITTEE**

Jane Sutherland

#### **LOCATION**

Committee Room 1



## Scottish Parliament

### Edinburgh Tram (Line One) Bill Committee

*Tuesday 23 November 2004*

[THE CONVENER *opened the meeting at 10:14*]

### Edinburgh Tram (Line One) Bill: Preliminary Stage

**The Convener (Jackie Baillie):** Good morning. I am sorry for the slight delay in getting started this morning. I welcome everyone to the ninth meeting in 2004 of the Edinburgh Tram (Line One) Bill Committee. Apologies have been received from two of our parliamentary colleagues. Rob Gibson is on committee business elsewhere and Jamie Stone is delayed; his plane was cancelled this morning.

We have one item on our agenda today. Members have had the opportunity to consider their folder of written evidence from the objectors and promoter. The first topic of evidence taking is economic development, regeneration and congestion. I welcome our first panel: Jim McFarlane and Dave McCulloch, both of whom represent Scottish Enterprise Edinburgh and Lothian, and Bill Furness, who is from the Edinburgh Chamber of Commerce. I understand that Mr McFarlane wants to make an opening statement, after which Mr Furness will also make one.

**Jim McFarlane (Scottish Enterprise Edinburgh and Lothian):** Good morning. I am the chief executive of Scottish Enterprise Edinburgh and Lothian. I am joined by my colleague Dave McCulloch, whose project management responsibilities include transport. We thank the convener for the invitation to address the committee on the strategically important proposal to reintroduce trams to the streets of Edinburgh.

My use of the word “strategically” was deliberate: the proposals in the bill and in the parallel bill for tramline 2 cannot be considered in isolation. They form part of a raft of proposed transport investment initiatives that are key to sustaining and expanding the city’s growth and prosperity. Tramline 1 is a key element of the ambition to develop Scotland’s capital city as a globally connected modern business location, an exciting destination for visitors and an attractive place in which to live and work.

In its “Building Better Cities: Delivering Growth and Opportunities” review, the Scottish Executive recognised that our cities are the drivers of the

Scottish economy. The Executive is encouraging Scotland’s cities not only to embrace the change that is necessary to sustain that position, but to be the instigators of innovation. We at Scottish Enterprise Edinburgh and Lothian relish that challenge, as do our wide range of partners and our colleagues in the City of Edinburgh Council and the private sector. The vision has to be transformed into reality, however: projects have to move from blueprint to implementation through a process of debate, scrutiny and appropriate approvals, which, in this case, includes legislation.

Edinburgh is experiencing a period of sustained economic growth and prosperity, low unemployment and higher than average gross domestic product. The strategic plan for Edinburgh and Lothian forecasts the creation of 43,000 new jobs and demand for almost 70,000 new homes in the region by 2015. The population of the city is also predicted to grow during a period in which the overall trend is demographic decline. The challenge is how to manage and sustain the growth in economic activity and population.

Many people and organisations have expended a considerable amount of thought and effort in addressing that question. I am thinking of the City of Edinburgh Council’s scenario-planning project, the local economic forum, which Bill Furness chairs, the seminars on the importance of the city region economy that the Centre for Scottish Public Policy organised earlier in the year and, more recently, the Edinburgh tourism action group’s new action plan, all of which have contributed to the process. Although much has been done, much more is being planned. Scottish Enterprise Edinburgh and Lothian and the City of Edinburgh Council have made an investment of £17.3 million in the capital streets programme, the aim of which is to revitalise the city centre and to make it more people friendly.

The development of the Edinburgh waterfront will create a new city quarter around Granton and Leith docks; it is the biggest regeneration programme since the development of the new town more than 200 years ago. The fact that the route for tramline 1 has been reserved in the waterfront master plan indicates the importance that is attached to the dedicated service that the tram will provide. It will help to deliver the major economic benefits of the waterfront project.

It is also important that the proposed line will link the adjoining areas of Pilton and Muirhouse to the development area, which will open up access to employment opportunities for the people in those communities. The fact that Scottish Enterprise has given national priority status to Edinburgh’s waterfront signifies the importance of the waterfront not only to Edinburgh, but to Scotland as a whole.

Vital to the success of the waterfront and other projects is connectivity: the ability of people to move easily in and around the city. The committee should be aware that, from all the consultations that have taken place in the preparation of strategies for the city, a consensus has emerged that the current transport infrastructure of the city is not capable of sustaining predicted growth. Congestion on our roads is in danger of choking our ability to deliver the vision of growth for the city. In my opinion, the creation of tramline 1 is essential if we are to deliver the quality and scale of development that is planned around Granton and Leith.

Edinburgh is at a crossroads for planning the way ahead. The famously ambiguous invitation of the Glasgow tram conductor, "C'moan—get aff!" is the choice facing Edinburgh. We need to climb on board, take the road to opportunity and signal to the world with confidence that we have the courage to move up a gear in pursuit of our ambition to be a modern, competitive European capital city.

We need to tackle traffic congestion. We need to be courageous enough to back road pricing and to deliver a high-quality integrated transport system. That is the route to competing effectively with the top cities in Europe. If we do not grasp the nettle, we risk being left at the roadside, having, in the words of the clippie, to "get aff" the economic success shuttle a few years down the line. I believe that we should buy the ticket to ride. The destination is an internationally competitive city of the 21<sup>st</sup> century.

**Bill Furness (Edinburgh Chamber of Commerce):** I will not make an opening speech as such, because Jim McFarlane has covered much of what I would have said. I will just add a few comments in support of the general position that he has outlined.

We represent about 1,500 businesses in Edinburgh, from very large organisations down to small businesses. I detect a growing concern that being located in Edinburgh, which used to be regarded as an attraction both for the employer and for staff, is now being seen—given the forecast growth rates—as less attractive or even as a disincentive. The fact that Edinburgh was a medium-sized city, where it was relatively easy to commute to work in a short time, compared with what one might expect in the south-east of England, was very much seen as an advantage. Now, it seems to be less of an advantage. Unless investment in public transport improves significantly, being located in Edinburgh will become a disincentive. There is a worry that staff will say that it is too difficult to get to work, that it takes too long or that it is too expensive. That will have a knock-on effect for employers, who will

have to decide whether to continue to stay in the city to grow or to locate there in the first place.

In the business community, there is a pretty widespread consensus that we need a step change in investment in public transport. As Jim McFarlane said, we are at the crossroads. We have to grasp the nettle if we are to sustain the growth that has been forecast. The question is how that can be done. There are a number of options. The most obvious option is to improve public transport. Buses are certainly part of the mix, but there seem to be limits to the expansion of bus services. There is already bus congestion in some parts of the city at some times of the day. The ability to reserve more road space for buses only is now becoming limited. The obvious things have been done. In any case, such measures increase congestion on the rest of the road space.

Putting a heavy rail link in place is expensive and disruptive. In a small, historic city such as Edinburgh, that form of transport has only limited application. We very much welcome the proposed heavy rail link to Edinburgh airport, but that solution seems to us to be of limited application elsewhere in the city. That leaves trams. We do not view trams as being part of an either/or situation—having either trams or buses or having either trams or heavy rail. Trams form part of a mix of public transport infrastructure. If we get the project right and co-ordinate it well, working towards the holy grail of an integrated transport system, it will provide the necessary infrastructure to help the city to continue to grow.

It is no coincidence that many European cities the same size as Edinburgh—not necessarily twice or three times the size—have invested in modern tram systems as part of a package of public transport. We support the position that has been adopted by Scottish Enterprise that trams are a necessary element of the investment that we need for the city to grow.

We agree that there is a need for tramline 1 to link the developments in north Edinburgh into the city. There is a massive development plan for north Edinburgh. The current road and public transport connections are not the best. The area does not have the identity, focus or connections with the city that Leith has. From the point of view of the developers and of people who have located there or who have jobs in that part of the city, a close and frequent link into the city centre will be vital for the success of those developments.

My final comment is on the roll-out benefit of tram systems. Although I cannot quantify that, as I am not a transport economist, there is some evidence that, when a permanent tramway is put down and high-frequency, high-capacity trams are run, that brings prosperity. In my view, it is a feature of the city of Edinburgh that, as one moves

away from the honeypot of the centre, one finds that the quality of commercial and domestic property and of retailing declines very quickly. There are examples of that in Leith Walk, over the bridges and in Lothian Road. The potential of tramline 1 to spread prosperity around its circular route, down Leith Walk towards Leith, along the waterfront development and back into the west of the city should not be overlooked, but should be taken into account as part of the general pattern of economic development.

**The Convener:** Thank you. Needless to say, you have answered many of the questions that I intended to ask. In your submissions and your presentations, you have both made much of the tram system's potential economic benefit and the prosperity that is associated with it. Will you distil that into the specific economic benefits that you think a tramline would bring?

**Bill Furness:** For me, the key is that a tram system would move large numbers of people around the city very quickly in a way that no other form of public transport, except an underground or a heavy rail system—which are not options—could do. That is vital. As regards economic development, the ability to put new developments in places such as the waterfront and Leith depends on being able to get the people who will work in those developments to their place of work and back again quickly, comfortably and in a predictable way. Predictability is a key point.

**Jim McFarlane:** An efficient and effective transport system is what binds the economy together and makes it work. I mentioned the scenarios work that was completed earlier in the year. That exercise involved Scottish Enterprise Edinburgh and Lothian, the council and Edinburgh Chamber of Commerce in conducting about 120 interviews with leading figures in the city, including the major corporate employers. The responses consistently raised the transport situation, congestion and the potential for increased congestion to act as a constraint on the growth of the economy in the future. The major corporate companies shared the fear that their expansion could be inhibited in that way. As I have said, those factors all point to the need for efficient transport.

To a growing extent, city economies are competitive. If we compare the investment in public transport in this country with that in our competitor cities in Europe, we find that we lag far behind. There needs to be significant catch-up. If we want prosperity and the economy to continue to grow, the transport situation must be addressed.

**The Convener:** You mentioned investment in public transport. Why should we invest in trams rather than in the existing transport system?

**Jim McFarlane:** As Bill Furness has pointed out, Edinburgh, to the city's credit, has invested significantly in the bus system and in bus lanes. However, the sheer growth in vehicular traffic will mean that, over the next 10 or 15 years, that level of investment will simply be unsustainable in relation to the problems that we will face. Trams with dedicated routes offer the potential for swift movement through parts of the city, down to the major areas of growth at the waterfront and—with tramline 2—out to the west end and the airport.

**The Convener:** I want to ask Bill Furness about the constraints on economic development that could result during the construction phase and when the trams eventually operate. Many people have told us that there is likely to be disruption during the construction phase. If that is the case, how do you think we could avoid or minimise some of the negative impacts?

10:30

**Bill Furness:** That is a real issue. Although we are in favour of tram systems once they are built, there is an issue about what I understand can be a lengthy construction phase. We need to consider carefully how we can help retailers predominantly, as retail is the sector of the business community that is likely to be affected most during the construction phase. I am not writing off residential properties or commercial office developments, but in relation to immediate impact on trade we need to consider in particular small retailers in narrow streets where disruption might be an issue.

We need to have a full dialogue about how the construction period can be minimised. I am not a construction expert, but I suspect that there might be a bit of tension between the desires of the constructors to keep a piece of road dug up for a long period so that they can do everything and then close it again and the wishes of local residents and traders to get their bit of the road over and done with quickly—to have the constructors open it up, do what they need to do, close it and move on. We need to talk that issue through with the various parties so that it can be resolved.

A lot can be done to help small retailers, particularly during the construction phase. For example, when roads are dug up for emergency reasons, such as to repair a gas mains in the centre of Edinburgh, there can be signposting to demonstrate to the public that the small retailers are open and there can be additional cleaning of public roads, which can be an issue. We can explore with retailers as a group what issues they have and how we can help them through what could be a difficult period. I am aware that for small retailers even a temporary drop-off in turnover can be critical. That is in the nature of the

retail sector. I do not want to minimise that problem. We need to address how the construction period can be minimised for a particular group of property owners.

**Phil Gallie (South of Scotland) (Con):** I have a question on that point. Later we will be considering the European convention on human rights in relation to the effects of the project on traders and their businesses, which could be significant. What consideration has the Edinburgh Chamber of Commerce given the matter and how strong a bargaining point do you envisage making it?

**Bill Furness:** It worries us, although we would not necessarily call it a bargaining point. We welcome trams and we have to accept that there will be disruption while the lines are being constructed. Retailers can be helped in a number of ways, some of which I have just touched on. I do not think that we should rule out a compensation scheme, although I can see all sorts of practical difficulties with one, such as how someone would prove that loss of turnover related directly to construction work going on outside their premises and what would be an adequate level of compensation. I do not know whether something practical can be worked out. However, a compensation scheme should be considered, because we are worried about the effect on traders during the construction period.

**The Convener:** I thank members of the first panel—sorry, you thought that you were getting off lightly there. I am not with it today. It is Helen Eadie's turn to ask a question.

**Helen Eadie (Dunfermline East) (Lab):** It is me. I have unsettled you this morning, convener.

Good morning, gentlemen. You suggest in your written and oral evidence that there will be considerable economic benefit to the areas on the route of the tramline. What will the impact be on the wider city area, particularly on those who may not live on the route or do not have access to it?

**Jim McFarlane:** There are details in our submission of the scale and density of the development that is to take place at waterfront Edinburgh. The line of the tram has already been established and the amount of business space that is to be created depends on public transport. Moreover, Telford College is under construction at waterfront Edinburgh and its 20,000 or so students will require to be moved in and out of the area efficiently.

The benefits to the wider city relate mainly to the scale of and opportunity for growth in the north of Edinburgh and in the waterfront area in particular. Because the tramline will connect into other elements of public transport, everyone in the wider city region can be part of the economic opportunities that will exist there.

**Helen Eadie:** Are you confident that the predicted levels of development in the waterfront area will be reached?

**Jim McFarlane:** Yes, very much so. My experience of regeneration in Leith goes back to the 1980s, when I was part of the Scottish Development Agency team that established the Leith project. We can track the momentum and growth that has occurred in that part of the city since then. For example, the wider waterfront, which now integrates Granton docks and connects westwards with the estates of Pilton and Muirhouse, is an area of redevelopment that is larger than the new town. Its scale is immense. We can also track the amount of housing that has already been built and the construction of hotels and other projects that simply would not have been envisaged 20 years ago. Moreover, the new office buildings that are being constructed at Leith docks are attracting major interest and tenancies will be secured in the near future. I am very confident that those levels will be reached. The momentum is there, but if we are to benefit the economy we need public transport assistance to ensure that it does not stall.

**Helen Eadie:** In supporting the development, do you have any evidence that the introduction of tramlines elsewhere has had a positive impact?

**Jim McFarlane:** Yes. My colleague Dave McCulloch and other colleagues in the city have examined tram systems in Lyon, Strasbourg and other cities in Europe. Before Christmas, I spoke at a European Union event in Turin, where massive investment has been made in a new tram system to support the city's hosting of the winter Olympics in 2006.

As I said, we have figures that compare and contrast the level of investment in public transport in Scotland's major cities with that in major European cities. Edinburgh was not part of that Commission for Integrated Transport study, but the study highlighted that in Glasgow €23 per capita was spent on public transport, whereas in Vienna—which was top of the list—€464 per capita was spent.

Quality of life is becoming more of a factor in Edinburgh's attractiveness to the inward investment and talent that the country needs. In many cities throughout the world, a good transport system is simply accepted as a given for having a good quality of life. As the figures and our experience demonstrate, we lag significantly behind other comparable European cities in that respect.

**Helen Eadie:** How immediate would any impact be?

**Jim McFarlane:** In turning the situation around?



**Helen Eadie:** Yes.

**Jim McFarlane:** I go back to the scenario work, the figures for which were in my submission. The Edinburgh economy is doing extremely well and it is to the benefit of the Scottish economy as a whole that that continues to be the case. The Edinburgh and Lothian area is very much the engine of growth. We looked at how financial services have expanded in the past five or eight years. I know from direct experience with Standard Life, Scottish Widows and the Royal Bank of Scotland the difficulties that such companies faced in expanding in the city and their concerns about public transport and the mobility of a growing work force to continue to meet their needs.

**Phil Gallie:** In your opening remarks, you referred to your written submission. The Edinburgh and Lothian structure plan for the period to 2015 forecasts net growth of 43,000 jobs and a requirement for almost 70,000 housing units. Can you confirm that that will be the situation provided that tramline 1 exists?

**Jim McFarlane:** I go back to the detailed interviews that were undertaken as part of the scenario-planning exercise. In the light of the phenomenal growth in financial services and the fact that tourism has grown to be a year-round industry in the city, employing more than 30,000 people directly, the question is whether, if we do not address public transport, we can reasonably expect that growth to be sustained into the future, when we know that we face competition from comparable cities. As I said, we cannot expect buses and non-fixed-track vehicular movements to support the city's growth to any credible extent. The continued growth is dependent not only on tram route 1, but on tram routes 2 and 3 being provided in due course.

**Phil Gallie:** In your submission, you suggest that tramline 1 will be of benefit not only to Edinburgh and the region, but to Scotland as a whole. A drop in population is forecast for Scotland and fewer people will be available to do jobs, yet Edinburgh will attract an additional 43,000 jobs, so what will happen to the rest of Scotland? Will we create a situation similar to that in the south-east of England, where there is population over-cram and sparsity around?

**Jim McFarlane:** The reality is that the wider Edinburgh city region goes beyond Lothian. The travel-to-work area for Edinburgh extends into Fife, down into the Borders and across east and central Strathclyde. The distances that people are travelling are already significant. If we want to make the labour market work more efficiently, when unemployment in the area is falling below 3 per cent, a transport system that extends the reach of the labour market and makes movement more effective is absolutely desirable and

essential.

**Phil Gallie:** I agree with what you said about the expanded labour market, but how would tramline 1 help? Anybody who comes into Edinburgh in the morning recognises that the problems do not exist in the centre of Edinburgh, but on the periphery. Will the tramlines help that in any way?

**Jim McFarlane:** Along the current line of tram 1, we have major employers such as BAE Systems at Crewe Toll, and State Street, which is a US-owned financial services inward investment company that employs 800 people and has the capacity to expand further. Major employers are moving into the north of the city. Furthermore, beside the Edinburgh International Conference Centre, the Exchange, which is the new financial centre that was created in the 1990s through a joint venture between my organisation and the City of Edinburgh Council, is almost complete—there is one remaining phase. Additionally, we have a certain amount of land left at Morrison Street—

10:45

**Phil Gallie:** You are making my point for me. I cannot see how tramline 1 will benefit all the employees of the businesses that you are talking about. Their problems lie outwith the tramline 1 circuit.

**Jim McFarlane:** There are two aspects to the situation. The next major area of development opportunity is the north side of the city. At present, it is not particularly easy to travel from the city centre to Leith docks and the waterfront. It can take up to 40 minutes by car, taxi or bus at congested times of the day. If Edinburgh is to suck people in from the wider city region to work in the north side of the city, efficient transport into Edinburgh and across the city to the north side along the tramline 1 route is essential to the growth of the economy of that area.

**Bill Furness:** As Jim McFarlane said, the north of the city is the next major development area. Either we put in place the building blocks that will attract companies to locate in the area and people to work in the area—I think that tramline 1 is one of the most essential building blocks—or one of two things will happen: either we will constrain growth because we do not have the capacity for such growth anywhere else in the city, or the city will expand and start to encroach into greenbelt areas.

**Jim McFarlane:** Experience is relevant in this regard. Edinburgh Park has been a major success in economic development terms, but the associated traffic congestion is quite horrendous. It is ridiculous that the rail link to Edinburgh Park was opened 10 years after the first development there. It makes much more sense to plan public

transport from the beginning. That is what we are doing, which is why tramline 1 is important.

**Phil Gallie:** I sympathise entirely in relation to developments in the north of Edinburgh. However, we cannot look at that in isolation. I am trying to determine the benefits of tramline 1.

Mr Furness talked about the circular route. It is at this point worth questioning the wisdom of choosing that circular route, given all that has been said. The written submission that Mr Furness supplied talks about the importance of the integration of tramlines 1 and 2. I understand the requirement for the lines to link up, but I am not sure that having an overlap is wise. Do you think that the benefits that you have talked about could be achieved by extending tramline 1 towards Meadowbank and so on in the east—with a link to tramline 2 at, say, St Andrew Square—rather than by having a circular route? Has that option been considered?

**Jim McFarlane:** Tramline 3, which we plan to build later, will provide connectivity to the eastern part of the city. The ultimate intention is for that line to extend out to the new hospital site at Little France and the major development opportunities in that area.

Another dimension that needs to be considered in an economic development context is the movement from Leith to the city centre. There is scope for significant expansion in tourism, for example in relation to the cruise-liner traffic that currently calls into Leith. Twenty years ago, Leith was not significant in Edinburgh's tourism product, but it is now. Connectivity from Leith to the centre of Edinburgh is as important in some contexts as connectivity from the city centre to Leith.

**Phil Gallie:** That is a fair point. I am thinking about the waterfront developments and the probable types of property and levels of car ownership that the area will have. Mr Furness has referred repeatedly to congestion problems. Would the developments be complicated by increased car ownership and the complexities of trams and heavy transport using the Granton waterfront?

**Bill Furness:** The Edinburgh Chamber of Commerce believes in flexibility and a range of transport options for commercial and personal transport. I understand that there will be mixed developments on the waterfront. A range of housing of varying value will be available, as well as commercial property, retail units and hotels, so there will need to be transport options.

I suspect that there will be an increase in car ownership. However, if the tramline does not go ahead, the increase in car ownership will inevitably be greater and will lead to greater congestion in the neighbourhoods between the waterfront developments and the city centre, where the roads

are not brilliant—although they are not a disaster. We want to try to mitigate the potential for increased traffic congestion resulting from car ownership and to reserve car use to places where such use makes sense. In that context, a tramline that provides high-capacity fast links to the city centre and across to Leith—we should not underestimate the value of connectivity between the waterfront developments and Leith—seems to offer a way of managing growth in car ownership. Car ownership will not go away, nor should it, but without the tram, congestion would get worse.

**The Convener:** I want to ask Mr Furness about the reaction of members of Edinburgh Chamber of Commerce along the proposed route of the line.

**Bill Furness:** There are concerns about the construction phase—we have touched on them. The principle of fast connectivity is generally welcomed, but there are undoubtedly worries about the nature of the disruption that construction will cause. People want to know whether roads will close and whether help will be available to them. There are also concerns about how long the disruption will last. People do not know whether it will last for one month, three months, six months or nine months. There is great uncertainty and concern about the construction phase.

**The Convener:** I am picking up that there is support in principle for having the tram, but legitimate concerns about what will happen in the interim.

**Bill Furness:** Yes.

**The Convener:** Phil Gallie will ask about some of those concerns.

**Phil Gallie:** No, I am quite happy; you can drop me off the next question, convener.

**The Convener:** Excellent. I will drop you off the lot.

**Helen Eadie:** The submission from Edinburgh Chamber of Commerce mentions

"the proposed developer's premium to be applied to new developments in proximity to the new routes".

Will Mr McFarlane expand on that?

**Jim McFarlane:** I can speak about the premium in general terms, but the committee will take evidence later today from Andrew Holmes from the City of Edinburgh Council, who can probably speak about the subject more ably than I. The general principle is that developers who stand to benefit from being in locations that the tram will serve should be encouraged to enter into planning agreements with the city council to provide contributions to public transport.

Section 75 agreements are fairly well established under the planning system. Scottish

Enterprise Edinburgh and Lothian has had discussions with the council in relation to the proposed centre for biomedical research at Little France, which we plan to build if tramline 3 comes to fruition. As developers, we would make a contribution in that context. Developers such as Forth Ports have already been involved in discussions about tramline 1.

**Helen Eadie:** Is that premium likely to inhibit developments in any way?

**Jim McFarlane:** In my opinion, it will not. Developers are shrewd people, so they will fully understand that it is more likely that they will find a market for more profitable high-density developments at waterfront Edinburgh if the tramline is built. The tramline is in the developers' interests, so it is highly likely that they will wish to contribute.

**The Convener:** Contrary to expectations, Phil Gallie has a supplementary question.

**Phil Gallie:** I have a brief question for Mr Furness. Do you think that Edinburgh Chamber of Commerce's membership will increase or decrease from its present level of 1,500 once tramline 1 is built?

Mr Furness also pointed out that the building of the tramline might kill off the businesses of some sole traders. Given that part of Scottish Enterprise's remit is to support such individuals by preparing them for change and for the future, does SEEL intend to do anything along those lines?

**Jim McFarlane:** Yes. Along with the Edinburgh Chamber of Commerce and City of Edinburgh Council, we support the Edinburgh City Centre Management Company Ltd, which has a remit to improve the general environment of the city centre and to work with traders to improve the retail product. Through that vehicle and through the business development powers of our small business gateway, it is part of our responsibility to ensure that we do whatever is possible to mitigate any adverse effects during construction.

**Phil Gallie:** Does Mr Furness think that his organisation's membership will increase? I will not let him away without answering that question.

**Bill Furness:** I have not had time to think about that. Our membership should increase, but I am not sure whether that will be due to an increase in the number of businesses, which would give us more potential to have more members, or whether it might happen because existing companies might join us. Once the city has a network of tram systems in place—which, we hope, is the end-point of all this—retailers, commercial office occupiers and other members of the business community will see the trams as a huge benefit that will assist their operations in the city. I think

that the number of companies in the city will grow; I hope that more of them will join Edinburgh Chamber of Commerce.

**The Convener:** I thank all three witnesses for giving evidence this morning and for resisting my earlier attempts to cut that short. Their evidence was very welcome, but Mr McCulloch got off very lightly indeed.

**Dave McCulloch (Scottish Enterprise Edinburgh and Lothian):** Thank you.

**The Convener:** I thank you all very much.

I ask panel 2 to take their seats. I welcome Andrew Holmes, Barry Cross and Garry Sturgeon from the City of Edinburgh Council, and Stuart Turnbull from Jacobs Babbie. Mr Holmes will make an opening statement.

**Andrew Holmes (City of Edinburgh Council):** I will be brief and will try not to repeat too much of what Mr McFarlane said.

For the recent scenario planning exercise that we undertook for the city region, we interviewed not just the major business leaders, as Jim McFarlane mentioned, but a range of community leaders, including the Archbishop of St Andrews and Edinburgh. The exercise covered not just development but regeneration. There was wide agreement not only that transport is key to the economic future, but that it forms a major input to the regeneration process.

The scenarios in that exercise were for the Edinburgh city region, which is a concept that my colleagues in West Lothian, Fife and the Scottish Borders are all comfortable with because, for example, investment decisions that are taken in Edinburgh bring wider benefits. It is of interest that this morning the Finance Committee is hearing evidence on the national planning framework. It is very clear within the national planning framework for Scotland how Edinburgh and Edinburgh city region fit into the national economic context. I would say—would I not?—that Edinburgh fits into that very positively.

We are currently on the edge of a major opportunity not only to produce economic growth, as Jim McFarlane has mentioned, but to link that growth to addressing disadvantage across much of the city. Tramline 1 in particular will provide the opportunity to enable the wider community in north Edinburgh and Leith to have a role in the economic future, not only through what the tramline and associated initiatives can bring by way of regeneration, but through the way in which that community—which in the case of Granton in particular is physically quite remote—will be able to take advantage of the huge range of employment opportunities that exist throughout the city.

There is a cocktail of disadvantage in the linked communities of Granton and Leith—it is probably the biggest spread of disadvantage in the city—but others who are giving evidence later will say a little bit more about that.

11:00

We are looking at major redevelopment along the route of tramline 1, the particular concentrations of redevelopment being in the wider Granton area and in Leith, in particular in the dockland estate. A mix of commercial and leisure development is needed to help to encourage more balanced communities, but there is a strong housing thrust. Half of the city's housing needs over the period of the structure plan will be met in the two regeneration areas in Leith and Granton and the provision will be not be only in private housing. Within the overall totals we are looking at about 5,000 affordable social rented houses being distributed throughout the development.

That is linked to total renewal of most of the schools in the area. Most of the primary schools have been addressed and we are moving on to the secondary schools. The regeneration is linked to the shift of Edinburgh's Telford College—the new building is currently under construction in the regeneration area in Granton—and it is linked to major training and access initiatives. We see the tramline fitting into that wider north Edinburgh development and regeneration initiative.

The tram project has been a long time in gestation. Most of the transport routes, for example, have been safeguarded in public statutory plans for about 25 years, but only now do we have the right combination of opportunity and financial and development headroom to bring the project about. We feel that the trams will be key components not only in the total regeneration and redevelopment of the city, but in addressing particular factors that exist in north Edinburgh.

I am happy to answer more questions. We see the project as being clearly one of the key factors in the continuing development of the city and—for that matter—in the continuing development of east Scotland and what it in turn will contribute to the wider Scottish economy.

**The Convener:** Thank you very much. I will pick up on that last point first. Your submission states that failure to deliver the tram would have an impact on the economy of Scotland. Can you explain how such a failure would have an impact on people in Dumbarton, Dumfries or in the Highlands?

**Andrew Holmes:** Please do not think that there is any feeling of triumphalism or anything like that, but the Edinburgh economy and the Edinburgh population—I refer to Edinburgh in the context of

the city region—is growing and we are successfully adding value to the Scottish economy. Plenty of statistics back that up and plenty of commentators would agree with that. The core of Edinburgh's economic strength and success in recent years—that will continue to be the situation in the future—is that we have built on two or three sectors in which we have a particular combination of circumstances. The financial sector is probably the most prominent of those. We are managing to retain and attract not only an international presence but a major headquarters presence. The two most obvious examples are the Royal Bank of Scotland and HBOS. I was closely involved in the negotiations that led to the Royal Bank of Scotland making its decision to invest at Gogarburn. Had it not gone there, a likely destination for it—maybe not for board meetings, but for most of the economic activity—would have been one of two or three locations in England. The presence of the Royal Bank of Scotland and all the other major Edinburgh financial institutions underpins the whole financial presence in Scotland which, in turn, is leading to the development of the Glasgow financial quarter, which relates directly to employment opportunities in Dumbarton.

Also, with the development of the tram network and the measures in the national transport programme to improve accessibility across the central belt, it is not inconceivable that people along the central belt in both directions now see their employment market as covering a much wider area than they would have thought of even 10 years ago. If, for example, the Airdrie to Bathgate rail link was combined with a tram network in Edinburgh, it would be possible to commute from the east or west side of Glasgow right through to Victoria Quay or to Parliament. It would also be possible to commute—in the other direction—from Leith to a job in the Glasgow financial district. The tram will have a role in all that.

**The Convener:** That is interesting. I am waiting to hear how we will connect Dumfries with the Highlands.

You spoke about the prevention of economic growth in the north of the city if the tramline does not go ahead. I pose to you the question that we posed to our earlier witnesses: Why should there be a tram instead of investment in the existing transport network?

**Andrew Holmes:** That takes us back to some of the core points about capacity. I will pass the question to Barry Cross, who is the City of Edinburgh Council's transport planning manager. He can perhaps explain more about that in detail.

**Barry Cross (City of Edinburgh Council):** The City of Edinburgh Council has been relatively

successful in developing public transport with the operators over recent years. It has put a significant amount of investment and effort into improving the bus network, for example. We have had several successes and, when Lothian Buses appears before the committee in the not-too-distant future, it will, no doubt, stress the results and the success of its core route down to Leith. However, there are limits. The greenways, bus priority routes, a new bus fleet and our guided busway—the ribbon of which we will cut next week—operate within the constraint of our making the best of what we have at the moment.

There are locations where the existing bus network is, frankly, unimprovable. A significant number of those locations lie in the crescent to the north of the city centre, right the way through from Granton to Leith. There are no direct radial routes there, as there are in the south-east and the west of the city. The routes tend to be made up of sections of road, and one has to zig-zag one's way through the suburbs. Conditions there will never be satisfactory for securing the type of growth in patronage that we have on some of our other corridors.

Nevertheless, we will try. We are rolling out a package of measures to improve those bus routes. One of the earlier witnesses used the phrase "step change". All the work that we have done demonstrates that the sheer volume of development that is associated with the approved structure plan and beyond, together with the constrained network, means that a significant step change is required to enable people to travel those short distances. Princes Street is only a couple of miles from Granton Square, but for some people it may as well be on the other side of the moon, given the amount of time that it takes to get there on the bus network.

We make it clear that we did not start from the presumption that a tram was the answer. We worked through the problems and analysed the opportunities; the solution that we derived through that process—and on which we then consulted—was a tram. That is the process. The short answer is that there are, beyond what we have already done, few opportunities to improve what we have at the moment.

**Helen Eadie:** I am not sure who will answer this question, but the committee is interested in the extent to which the tram will be dependent on the viability of the waterfront development. We are also interested in the link between the trams. How dependent is the tram on the waterfront development?

**Andrew Holmes:** There may be two elements to that question. I shall say a little about the development. Garry Sturgeon will then give one or two examples from elsewhere.

The waterfront has existed as a potential brownfield opportunity for a long time. It appears that the likelihood that the tram will come has led to the catalysis of interest in the development market. In fact, the strongest supporters of the tram—which was driven not just by development interests—have been people who recognise that investment decisions beyond the current range will depend on development of the tram.

There is absolutely no chance of the wider development inside Leith docks taking place without the robust transport linkage that the tram will bring—as Barry Cross said, there will be no way of getting people in and out unless we have that high-capacity link. The development will not come to a grinding halt, but we will not achieve the potential of the development without the tram. There are lessons to be learnt from other cities in that respect.

**Garry Sturgeon (City of Edinburgh Council):**

The crux of the issue is really to do with city competitiveness. Andrew Holmes and Jim McFarlane have already made the point that Edinburgh is competing not with other cities in Scotland, or even in the UK, but with cities elsewhere in Europe such as Paris, Zurich and Amsterdam, particularly in financial services. Much work has been done on city competitiveness, particularly by Professor Michael Parkinson of Liverpool John Moores University, who has looked at the increasing importance of cities and at some characteristics of successful cities. He has identified that the most successful cities of Europe are generating three or four times the national GDP per capita, which is a staggering statistic and one that is quite important in the context of national economic development policy. At present, Glasgow and Edinburgh generate roughly between 1.2 and 1.5 times GDP per capita.

Parkinson identified what he considers to be the key characteristics of successful cities. Those are innovation, diversity, skills, connectivity, strategic capacity or scale, and quality of life. If we set aside scale for the time being, Edinburgh has strength—in some cases it has a competitive advantage—on each of the key criteria, with the obvious exception of connectivity. Edinburgh is likely to be at a disadvantage and is less likely to be able to capitalise on its core strengths if we cannot deal with transport. If we are not able to deal with transport in such a way as to capitalise on Edinburgh's strengths, it will not be just Edinburgh and the city region that suffer, but the whole of Scotland, because Edinburgh is not competing for jobs and investment with other cities in the UK, but with European cities.

**Helen Eadie:** How will the tram attract investment to those localities?

**Garry Sturgeon:** The scenario-planning work

that we did has been mentioned by both Andrew Holmes and Jim McFarlane already, and I was heavily involved in the fieldwork for that. As Jim pointed out, we did around 120 interviews with senior people across the business community and in public sector agencies. They identified that transport is the single most important issue facing Edinburgh and the surrounding region. They also identified that the failure to deliver improvement to the integrated transport system is the single biggest impediment to future economic growth in the city and the region. We are being told clearly that, unless we resolve the city's transport issues, they will be a barrier to future growth and future development, which will compromise not only the city and the region but the rest of Scotland. Andrew Holmes has already picked up on the linkages with Glasgow and elsewhere with respect to financial services. This is across the board; it is not just about financial services.

11:15

**Helen Eadie:** Whenever major construction works or road works are going on, politicians in Scotland, irrespective of whether they represent Edinburgh or somewhere else, are confronted with the critical question of how to avoid adverse impacts on local businesses. How is that being addressed? Is it a matter of real concern?

**Andrew Holmes:** It is a matter of continuing concern in Edinburgh, principally because of public utility works. According to current statistics, we get more public utility works per kilometre of road here than anywhere else in Scotland. That, at least, makes us well aware of the problems that small and large businesses face. It is not a new issue for us.

There are two or three ways of tackling the problem. As Bill Furness mentioned earlier, it is necessary to work with local businesses and to consider all the soft things that can be done, including keeping the streets clean and ensuring that the signage is right. We can work with local retailers on publicity and on minimising the period of impact.

We have quite a lot of experience as far as the retail sector is concerned, particularly in relation to those parts of the sector that are currently having difficulties. In the economic development division of my department, there is a team whose principal job is small-scale regeneration activity. A lot of that involves working with retailers. A number of successful schemes are taking place, for example at the further end of the bridges and in Dalry. We are very used to the detail of working hands-on with local traders and the local business community, and we are familiar with the particular issues that face them. When we reach the stage of construction work, that team, or a team like it, will

be working full time all along the route, developing such initiatives as we go along. It is a pretty wide basket of measures, with everything from changes to local parking regulations to publicity.

**Helen Eadie:** What happens if the contract overruns quite badly? I have had experience of that happening in my constituency, and the impact on small businesses is significant. Is there any form of compensation for small businesses in such situations?

**Andrew Holmes:** That is a difficult issue. I am not a compensation expert but, as far as I understand it, the forms of compensation for small businesses that consist of money changing hands boil down to rates relief. For a variety of reasons, one might want to have the contractor for any tram network tied down—in the weeks to come, you could ask witnesses about how they might feel like taking the contractor out and shooting them if such circumstances arose.

I feel for some of the small traders in such circumstances. Compensation law does not really allow for significant sums of money to change hands. It is felt that such things are simply part of daily life. There are road works a few hundred yards from the Parliament, up on Jeffrey Street, with Scottish Water effectively closing that road off for a month in the run-up to Christmas. The key thing is the ability to work with contractors and to do as much as possible through the various soft measures that may be employed. Experience shows that, when they come out the other side, businesses located along tram routes trade much better than before the tram was there.

**Helen Eadie:** What happens if the contractors appear on site, start to do work and then disappear for a week or 10 days, with no work being done but with cars still not being able to pull up beside the doors of small premises? Will anything be built into the contract to protect small traders from such situations?

**Andrew Holmes:** Even before work starts on the ground on the contracts, all the homework will be done, so that all the requirements and so forth will be built into the contract form, as far as it is humanly possible to do that. Also, given that a clear works programme will be set out in the form of contract that we will use, a contractor should not be able to disappear for 10 days. If there is no way of avoiding a 10-day disappearance, what I said earlier about having a dedicated team on the job would apply. The disappearance would be clocked and entered into the programme. Someone would do something to reflect the circumstances—the street would be reopened temporarily or something like that. We are talking about preplanning, communication, sympathy and having the ability to react at all times during the process.

**The Convener:** I want to pursue a couple of those points. I hear exactly what you are saying about the soft measures that need to be taken to minimise any adverse impact of the construction. I also acknowledge the fact that you have a good relationship with many of the small businesses that line the proposed route. Nevertheless, short of shooting the contractor—I am sure that any contractor would be slightly nervous at hearing those words—what can you do? Are you ruling out a compensation scheme?

**Andrew Holmes:** I do not rule out a compensation scheme that is within what we are able to do legally and within our ability to introduce sensible audit processes.

**Phil Gallie:** Helen Eadie has hit on an interesting line of questioning. In contracts such as this, penalty payments are usually laid on contractors. Earlier this morning, Bill Furness referred to the tensions that can arise in circumstances such as those which Helen Eadie described. Has thought been given to what will be done if there are delays? Are the plans that have been laid down so far sufficiently detailed to manage and control such construction delays?

**Andrew Holmes:** Regrettably, we are a long way off preparing the contract documents. However, the situation that Mr Gallie describes is not dissimilar from others that involve work in the city streets. As far as it is possible to do so, measures can be built into the contract so that the circumstances that cause such disruption do not arise and the contractors have the appropriate incentives and penalties in place.

The situation is also not dissimilar to that which has been talked about in respect of the public utility companies. The suggestion has been made that they should make a kind of rental payment if they go beyond a particular date. Such situations should not arise because, as we know from sitting inside this building, delays cost everybody money. The question is one of getting the right form of contract and the right incentivisation so that contractors do not linger over jobs to the disbenefit of local businesses.

Between now and the letting of contracts, I am quite happy to go into considerable depth on the subject. As I said, we would use every mechanism that we have within the law to incentivise the contractor and deal with the concerns and needs of the local business community.

**Phil Gallie:** Taking note of Mr McFarlane's earlier comment about the economic development aspects of impact on traders, surely the council could provide support to traders who want to move into alternative premises? Again, on economic development grounds, surely support should be given to small traders to encourage the use of

information technology in conducting their business by e-trading?

**Andrew Holmes:** That is a practical example of the kind of thing that we could do and it would build on some of the initiatives that we have under way for the small business sector. Let us take the example of the tramline that could run down Leith Walk. In the months preceding construction—perhaps even in the years preceding construction—we will go in, identify the needs of local businesses and explore in conjunction with business organisations the ways in which they can react and improve their operation during the construction period. That work might include identifying alternative premises and assisting with moves; certainly, it could deal with improved marketing and training, for example, which is the sort of thing that we are doing at the moment through our small retailers support scheme.

**Phil Gallie:** That is encouraging.

Does the European convention on human rights create a rod for your back in respect of the effect the development could have on individual traders? Do you feel that you have to ensure that you combat any ECHR issues that might arise?

**Andrew Holmes:** I would not for a moment want to say that I know my way around how the European convention on human rights might apply.

**Phil Gallie:** Few do.

**Andrew Holmes:** I am sure that you will hear from people who know far more about it. If there is an ECHR aspect, we will have to identify it early and be clear about how we will react.

**Phil Gallie:** In your submission you say:

"Tram in itself ... will not operate to reduce congestion".

Will you comment on what policy interventions you could introduce to reduce the congestion that could arise from the use of trams and the developments in the north of Edinburgh that we have talked about?

**Barry Cross:** A couple of your questions to previous witnesses touched on the same issue. The answer is that tram would not be the solution if that were all that we were doing. It has to be seen as part of an integrated package of measures—I mentioned bus priority measures and guided bus earlier. Our current package of measures is linked with congestion charging, which gets to grips with congestion at source by providing a mechanism through which people will ask themselves whether their car journey is necessary. The issue relates to the package of measures that we are developing for cycling and walking, where we think that there is real potential for people travelling—especially at the

waterfront—by modes that are not terribly fashionable. It is a question of getting to grips with congestion using a range of mechanisms. Some are based on infrastructure, some are based on service and some are based on what might globally be called behaviour management—people thinking about what they are doing rather than simply driving because that is what they have always done. All our work demonstrates that we have to get to grips with congestion to allow people who have to get around the city to do so speedily and easily.

**Phil Gallie:** To some degree, the City of Edinburgh Council's predecessors must have thought of those problems in the past—to use Mr McFarlane's statement, the "C'moan—get aff" aspect. Edinburgh had a tram system in the old days. What changes in technology or appearance make trams attractive now, given that they were seen to be a block to achieving a modern city image in the past?

**Barry Cross:** One could talk for a long time about historic tramways and the differences between them and what we have now. Perhaps not terribly many of you are old enough to have caught trams. Those of you who are will remember that experience and could compare it with the experience of catching trams in Nottingham. There is little similarity between the vehicles then and the vehicles now, in the same way that there is little similarity between vintage cars and modern motor cars.

**Phil Gallie:** Is it a question of volume or capacity?

**Barry Cross:** The presumption is that volume issues led to trams' demise, but I do not think that they did; I think that it was a question of decades of underinvestment. On volume issues alone, the current proposals before you for tramline 1 and the other tram networks build on providing segregation. That segregation can be either physical, as it is for much of the route along the waterfront and Ravelston, or spatial, as traffic signal technology can be used to provide segregation by time, such as on Leith Walk and the pedestrianised Princes Street.

By and large, in Edinburgh—especially in the more historic parts of Edinburgh—trams were integrated with general traffic and, as car ownership grew after the war, they suffered the consequences. One solution might well have been to move to a segregated system, as many European cities did. We did not do that. For reasons to do with national resources, most UK cities chose the route of tramline closure and replaced the trams with buses. That is history. We now have a problem that is, in our view, soluble by segregated, high-quality tramway networks.

**Phil Gallie:** The principal area of segregation on tramline 1 is the Roseburn corridor. That area has also attracted most public protest. How important is the circular nature of the route?

11:30

**Barry Cross:** I must correct you: a significant proportion of the route is segregated. For example, the route is segregated from the foot of Constitution Street, all through the Leith dock estate and right the way out to Newhaven. We looked at that when we drove around on the bus. The waterfront section all the way through Granton is segregated, and south from there, right the way up to Haymarket, is segregated. Also, you must not forget the segregation that is offered on Princes Street. There are significant sections of segregated route. One of the benefits of a segregated route is the fact that we can offer a more reliable timetable. Ravelston is one section of segregated route, but it is not the only one by any means.

**Andrew Holmes:** I will add two brief observations. First, as I said in my opening remarks, there has been a public, statutory, notifiable reservation of that piece of rail track since the early 1970s. Initially, that was for its use as a road; however, since then there has been a long-term reservation for a tramline. The proposal has not suddenly appeared overnight.

Secondly, if the community linkages that I have talked about are not there, most of the benefits of the tram for the Granton community—in terms of access to employment in the city centre or, by connection through the tramline, in the west—disappear. It is an important section of the route in that context as well.

**Phil Gallie:** On the issue of potential employment—we are also talking about employment for people who live outside north Edinburgh—the tramlines seem to be fairly isolated, particularly with respect to park-and-ride facilities. It is going to be difficult to attract motorists from outside Edinburgh to use the trams, unless the side streets around the tramlines are turned into park-and-ride places. What thought has been given to that idea?

**Barry Cross:** I am conscious of the fact that this is the Edinburgh Tram (Line One) Bill Committee. Because line 1 is a circle that is embedded within the city, the opportunities for park and ride are more restricted than elsewhere. The position is different for lines 2 and 3; line 2 is being considered by another committee and we hope that line 3 will be considered soon. Line 2 has a very large park-and-ride site out at Ingliston that is already under construction and which will be suitable for drivers from West Lothian and beyond.



Line 3—to which Jim McFarlane referred, but for which a bill has not yet been introduced—has a park-and-ride site at Newcraighall that has already been constructed adjacent to the heavy rail station there.

Park and ride is an essential component of the mix that I talked about. In addition to those two tram-based park-and-ride sites, we have another four park-and-ride sites either under construction or in the process. Although park and ride is essential, the route for line 1 means that opportunities to integrate lie more closely with walking, cycling and bus interchange than with attracting large numbers of car drivers into an urban area where we have a constrained network and cannot cope with them.

**Helen Eadie:** Many cars that enter north Edinburgh along Queensferry Road from Fife and the area north of Fife—including Perth—park in and around the area of the Sainsbury's at the top of Craighleith Road, so I am surprised that you say that parking is not required or demanded there. I have friends who live there who complain about a lot of parking on side streets. I agree with Phil Gallie; parking could increase at the Craighleith Road junction.

**Barry Cross:** Our view and that of our partner authorities in the south-east Scotland transport partnership is that the best park-and-ride location for traffic from the north and Fife lies before the bridge is crossed. Ferrytoll, which is sponsored by Fife Council, is one of the most successful park-and-ride sites in the country. To signal to people that they should cross the bridge and travel in on one of our most congested corridors to park next to a tram stop that is a mile and a half from where they are going is not a sustainable way to deal with the issue. The way to deal with it is to enhance heavy rail, to build park-and-ride facilities where car trips can be gathered most effectively and to use the investment in trunk corridors beyond that.

**Helen Eadie:** I take issue with you on that, because I represent the part of Fife that includes the Ferrytoll park and ride. Members will recall that I was the transportation services spokesperson at Fife Council when that facility was developed. At the time, I argued for 1,000 car parking spaces, but the council in its wisdom went for 500. Now the number will be expanded to 1,000, but the people of Inverkeithing say categorically that they will accept no further park-and-ride development after that, as otherwise, Inverkeithing will turn into a major car parking area.

Relegating Fife to being the park-and-ride spot north of the bridge is unacceptable. People cross the bridge and want better access to Edinburgh. The onus is on the City of Edinburgh Council to address park-and-ride facilities in the north of

Edinburgh, because that part of Fife will accept no more as long as I am its representative.

**Andrew Holmes:** I hear what you say. There are two points to make. For people who come into Edinburgh from Fife, even by public transport, Ferrytoll is not the only park-and-ride option. Park and rides are being developed all along the rail links in Fife, for example. Directly linked with tramline 1 is the potential for a ferry-based park and ride. A ferry across the Forth would work only if it connected with tramline 1 at Newhaven.

We are about to let the contracts for upgrading the A8000 south of the bridge, which will mean that, for a huge number of journeys, the nearest park-and-ride site will be linked with tramline 2 on the west side of the city, where a park-and-ride site with 1,000-plus spaces is under construction and considerable opportunities for expansion are available.

I take the point about local communities. We must ensure that the opportunities are spread in several ways—regional transport partnerships will help us to do that. As in any urban area, the problem in providing a car park of any significance inside a city is finding a piece of land, which is pretty hard to come by. That is another reason why we must try to catch people and offer them a better interchange opportunity further out.

**Helen Eadie:** Convener, a number of points that have been made are flawed. This may not be the moment to pursue them, but I would welcome guidance from you later on the appropriate way to do so, because neither the realities of rail transport from Fife nor the capacity possibilities of further parking at railway stations in Fife are being addressed.

**Andrew Holmes:** I am happy, convener, to speak with colleagues and see whether we can produce a short monograph for the committee, if that would be appropriate.

**The Convener:** That would be helpful. I know that we will be considering the matter in future weeks, so perhaps we could raise it then.

Before I let you gentlemen go, I have one final question. Let me take you back down to the waterfront development. Based on the information that we have received, it is likely that a significant proportion of the residential development will be purchased by high earners who, statistically speaking, prefer to be in their cars rather than on public transport. How are you going to attract them on to your tram?

**Andrew Holmes:** There will be a proportion of high earners. It is always the £1 million penthouse flat that attracts attention, but the reality is that in Granton and Leith the target for a large chunk of the development is people who want mainstream

housing provision. We will leave the social housing provision for now, but if you look at the development framework for the docks development area, which we have just put out for consultation, mainstream family housing makes up a much larger proportion than has been seen in recent developments in Edinburgh. There is not necessarily a focus on high earners.

There is a particular Edinburgh context. For example, if you look at levels of car ownership in the new town, which is as big a pocket of high earners as you will find in Edinburgh, you find that the incidence of car use is affected by the high level of accessibility by foot and public transport. Yes, car ownership builds with economic prosperity, but you can create the circumstances in which car use does not necessarily follow. As I have my daily cycle ride into work in the morning from north Edinburgh, I am accompanied by plenty other people.

**The Convener:** We are most impressed.

**Barry Cross:** The key issue is how we provide a product that, in transport terms, is an alternative to the car and is attractive across the piece. The core issue is quality, which we have demonstrated through our work and the work of Lothian Buses. We have secured inroads into areas where traditionally one would not have expected the bus to be used. However, that requires us to offer a product that is competitive in terms of journey time; to provide information, because it is an uphill struggle to capture those people on to public transport; and to offer a vehicle, whether it is a train or a bus, that is of a quality that at least attempts to emulate the quality that you get in a private car. It is not always possible, but that is the objective. It is part of what tram brings to the mix of public transport, and it challenges the view, "I always use the car because it's outside the door, it's clean and it means that I don't have to mix with people." That is a challenge, but it is doable, and quality is at the heart of it.

**The Convener:** I thank Mr Holmes, Mr Cross, Mr Turnbull and Mr Sturgeon for coming along. I am sure that we will have you back.

We move to panel 3 and social policy. I welcome Alice McGlone, from north Edinburgh area renewal. I gather that you do not want to make an opening statement.

11:45

**Alice McGlone (North Edinburgh Area Renewal):** I can provide some information on NEAR, if that would help, but I am happy to go straight to questions.

**The Convener:** We will go straight to questions, which I hope will tease out some of that

information. Will you explain why NEAR supports the development of the tramline?

**Alice McGlone:** NEAR began life as a housing renewal project, which focused on fixing council housing. The project evolved as a social inclusion partnership was established in north Edinburgh and it became increasingly apparent that we could not fix just one bit and hope that everything would work. The partnership now considers issues such as health, community safety, employment and training and is a partnership in the wider sense. The board includes representatives from Scottish Gas, Telford College and Lothians NHS Board, as well as representatives from the City of Edinburgh Council, SEEL—and many others who I suppose support the tram scheme.

Your expert witnesses used the word "connectivity" a lot. NEAR supports the tram because we regard it not just as a means for folk from the centre of Edinburgh to get to the super new developments on the waterfront, but as a means for folk from existing communities in Muirhouse, Pilton and Granton to better access the city centre, Leith and ultimately the west of the city.

**The Convener:** Is that the board's view, or did you consult the community in which you work?

**Alice McGlone:** The board did not directly consult the community before today's meeting. However, the companies that are active in the waterfront developments have consulted on their development ideas and proposals, including the tram, through many local workshops. Broadly speaking, people think that the tram could be a good thing. They have specific questions about the route, the location of stops and the cost, but they are more positive than negative about the scheme.

**The Convener:** Is the community directly represented on NEAR's board?

**Alice McGlone:** Yes.

**The Convener:** What is the balance? I want to get a feel for that.

**Alice McGlone:** I think that there are three local councillors, three elected representatives and various individual representatives—up to a total of 12 to 14 people—on the board.

**The Convener:** Is the route for tramline 1 the right one if we are to secure the maximum social inclusion and social benefits from the route? Should the route be different?

**Alice McGlone:** I am not aware of all the alternatives. However, we can consider the social picture. There have always been strong connections between Leith, Granton, Muirhouse and Pennywell. People from that part of Edinburgh

tended to work in dockside industries and manufacturing, whether that was at the gas-works, United Wire or Leith docks. Tenements were cleared from Leith in the 1950s and 1960s and new housing was built in Pennywell, so there are big social and family connections between Pennywell and Leith. The connection between Granton and Leith is important and obviously the tram would connect those areas.

With regard to connections with the city centre, we hear complaints from people about having to change buses, in particular when they want to go further west. For example, a pool of employment opportunity is based around the Gyle centre and Edinburgh Park and further out towards the Royal Bank of Scotland and the airport. I know that tramline 1 would not go that far, but the loop that the line would take would link at Haymarket with the route that would take people further west. I understand that tramline 1 would continue through the centre of town and back down to Leith to complete the circuit.

The fact that the route is a circuit is important, both because it makes the social connections that some folk still hold dear and because it makes employment connections between Leith and the centre and has the potential to make such connections with the west, which is the bit that has been missing so far for folk in north Edinburgh.

**Phil Gallie:** As regards employment prospects, there has been talk of some 20,000 jobs coming into the north of Edinburgh as a result of the developments along the line. Does that offset to an extent the requirement to link with outlying areas to the extreme west of Edinburgh, or do you just regard that as an added advantage?

**Alice McGlone:** That will depend on what those jobs are. A number of the jobs that are coming into Leith have been described as being for IT, website and media folk. That is great, but not many of the people in the area that NEAR covers have the skills to access those jobs.

Two pieces of work need to be done. We want to up the ante for the folk in north Edinburgh so that they can get the skills to access those jobs, but we must be realistic in the shorter term. Half of the folk who work in the SIP area work in relatively low-skilled, manual, service sector jobs, such as those that are linked with tourism. For the moment, many of those jobs are in the city centre.

The first part of our two-pronged approach is about skilling up people in north Edinburgh so that they can access whatever jobs come there. We also want to ensure that, if service sector jobs are available in the city centre and further west, folk in north Edinburgh can get to them. The route of tramline 1 runs in both directions.

**Phil Gallie:** That is helpful.

You made the point in your submission that the price of tram tickets would have to be right. I am sure that that will apply to everyone who uses the trams. Before the route has even been started, are you suggesting that, in some circumstances, it should be subsidised?

**Alice McGlone:** I do not think that I am qualified enough on pricing to make that comment. I am feeding back a comment on the part of the community.

I was afraid that you would ask what I thought was affordable; my answer was going to be that there are people who are more qualified than I am to speak about that. Most people reckon that a fare that was comparable with the fares on buses would be affordable, although that is not to say that you will not find some folk who would disagree with that. At the moment, many people benefit from concessionary fares on buses, so it depends on how many people in north Edinburgh would be eligible for concessions and on what the pricing and concessionary fares regime is on the tram.

I was not making a call up front for a different level of subsidy.

**Phil Gallie:** Thanks very much. My point was not intended as a criticism; I just wanted to tease out what you had in mind.

**The Convener:** I want to tease that out slightly further. Experience elsewhere shows that it is undoubtedly the case that when trams begin to run, bus services reduce, so it is likely that there will be a reduction in the number of buses in north Edinburgh. You talked about pensioners who use concessionary tickets. What will be the impact on them?

**Alice McGlone:** My question for some of the earlier witnesses is, "Must that be so?" You say that a reduction in bus services will be inevitable. If that is the case, I would think that there would be a negative impact, especially on older folk, because bus services have more permeability through certain areas than the tramline will have. I wonder to what extent a reduction in the number of buses is inevitable and to what extent the council can do something about that.

Folk in north Edinburgh will certainly want it all—they will want a good bus service and a much faster tram service. When people in north Edinburgh talk about getting to work in the centre of town and to the west of town, which involves changing buses, they are concerned about the time that they lose when they change buses and how that affects their child care arrangements. That might discourage them.

One interesting statistic is that 42 per cent of the folk who work in the SIP area travel less than 5km to work. That is reflected in the high number of

people who walk to work. For one reason or another—because employment in the locality is disappearing, or perhaps because people feel that they do not have the skills to go elsewhere—the community tends to look in on itself and remain in its location. The tramline offers a big opportunity for people to break out of that in a positive way.

**The Convener:** Thank you for coming to give evidence to the committee. I hope that it was not too painful an experience for you.

**Alice McGlone:** No. I may have been on my own, but it was very short.

**The Convener:** Thank you.

I invite the fourth panel to come to the table. I welcome—again—Andrew Holmes and Barry Cross from the City of Edinburgh Council; accompanying them is Les Buckman, who is principal consultant at Steer Davies Gleave. I gather that the witnesses do not have an opening statement to make, so I will kick off the questioning.

Sticking with the question of how to reduce social exclusion in north Edinburgh, I am conscious that the proposed tram route does not have a lot of stops in or near Pilton, Granton and Muirhouse. How do you think that your route will reduce social exclusion?

**Barry Cross:** The answer lies in addressing one of the questions that you asked the previous witness. The question was based on the assumption that there would be fewer buses, but we are working in partnership with TIE, the bus operators and particularly the tram operator that we now have in place to develop an integrated system.

The likelihood is that that there will be fewer buses where buses currently run along the tram route: in those places, trams will replace buses. However, one cannot extrapolate that and say that there will be fewer buses on parts of the network that are not on the tram route. In some locations—particularly the locations that we talked about this morning—the objective is to provide buses with at least the same frequency to penetrate residential areas, as Alice McGlone mentioned, and they will link with trams to provide a fast journey over a longer distance. That will provide the benefits of trams by reducing journey times and will expand the area of the city that is reachable in a reasonable period of time. The objective is to marry that with the penetration and proximity of buses so that we do not have only trams, with their relatively infrequent stops, instead of buses, which go to our front doors. That is how we intend to address the accessibility issues that Alice McGlone talked about.

**The Convener:** That is a helpful clarification.

**Barry Cross:** It is worth mentioning the penalties that the fare imposes. The model of work on tramline 1 is based on the assumption of fare comparability between trams and buses.

**The Convener:** Let me tease out the latter point in relation to the tramline replacing buses along its route. If you are looking for comparability with buses in terms of pricing, does that extend to concessionary fares?

**Barry Cross:** Yes.

**The Convener:** Thank you.

**Helen Eadie:** In your evidence, you said that tramline 1 will contribute positively to social inclusion by

“enabling those without access to a car greater choice in how, when and where they can travel”.

Given that tramline 1 will serve a fixed circular route, how will it improve choice for local residents?

12:00

**Barry Cross:** Earlier, I gave the example of the current bus route from Pennywell into the city centre, let alone further afield. I am not sure whether one can understand how tortuous a route that is without sampling it at first hand, but it is not equivalent to one of our main radial corridors through which there can be high-quality and short journey times. There are tortuous journeys for some bus services to the northern sector. Buses run through locations in which there are significant delays and there is significant congestion throughout the working day. Goldenacre and the foot of Leith Walk are examples of such places.

I mentioned that we have tried to introduce improvements and that other improvements are in train, but we think that there are serious constraints on how far we can go to improve the existing product. The introduction of trams would, at a stroke, allow many bottlenecks to be avoided and transited and the distance that could be travelled in a fixed period of time would therefore increase dramatically. Instead of having a journey time of a quarter of an hour to cover a relatively small section of the city, there would be benefits through having faster vehicles, which would mean that people could access much more of the city in the same journey time.

**Andrew Holmes:** I would like to pick up a point that Alice McGlone made a few minutes ago, which is relevant to north Edinburgh. The sheer number of single-parent households in north Edinburgh with child care issues, for example, should be considered. For people who seek to get into and maintain employment, to utilise nursery facilities and so on, the ability to make a single, simple and fast journey down one or the other leg

of the route from north Edinburgh would make a huge difference. That factor should not be underestimated.

I return to what we said half an hour ago. The other side of the coin is the ability of trams to catalyse things that are happening in north Edinburgh and to bring a wider range of facilities and opportunities—not only employment opportunities—in their train.

**Helen Eadie:** I would like to consider issues that we touched on previously. The viability of tramline 1 depends on a reduction in the level of bus services. Given that many buses start and end on routes that will not be served by the tramlines, how will such a reduction bring benefits in public transport options?

**Andrew Holmes:** The key to the viability of the tramline is not a reduction in the number of bus services but integration with buses—perhaps we should deal with what is envisaged—and the management mechanism that will be put in place to ensure that that happens.

**Barry Cross:** I am not sure that I can add terribly much to that, other than to reinforce the fact that we are talking about not an abstract integration, but an exercise that we have already kicked off with Lothian Buses, Transdev plc—the tram operator—and TIE to generate the design of what the integrated network will look like. Buses will still parallel trams, but the probability is that there will be many fewer buses. We want resources to go into places that do not benefit from trams, so that the benefits of the introduction of trams and an integrated network are spread across the city as a whole. For some communities, that may well lead to effective and short feeder services to tram stops.

Until the discussions have progressed further, we will not know precisely what that network will look like. That might take some years yet. The objective is clear, however, as is the process to deliver it. Having a tram operator involved with an early-operator contract is a first in the United Kingdom and we are adamant that the objective of the process is to establish an integrated network that can spread the benefits of the tram across the city.

**Helen Eadie:** When the tramline is up and running and a community of people is living in the waterfront development, what is the process by which service improvements will be delivered in a situation in which the public perceive that there has been a reduction in their transport options?

**Barry Cross:** There is quite a lot of hypothesis in your question.

The starting point, to come back to the essential nature of communication, is that the development

of the idea of what the integrated network will look like should take place before the piece rather than after the piece. It is always better to not have to end up chasing your tail after a development has taken place. The point that you raise, however, is valid. What happens if, in that integrated network, there are shortcomings and perceived gaps? The objective behind having all operators and the tram operator work together is to ensure that the system is responsive to such needs before and when they arise. However, we have always maintained that, given that we will be operating in a free market and that we will not have a regulated system, we might need to use controls and mechanisms such as quality contracts at the point at which the process breaks down, depending on how well the process operates. The fact that we hold those powers in reserve will help people to focus on developing an integrated network in advance of the process.

To an extent, we do not know what the end result will be for every community. However, we have started that process and the objective is clear.

**Helen Eadie:** You have said what would happen in the event of a perceived shortage, but I am interested in gaps in the knowledge that you might have. People in a community might discuss among themselves the fact that there is a gap in the transport provision that they require, and I am not satisfied with your answer with respect to how you intend to find out whether that is the case.

**Barry Cross:** That issue exists at the moment. How do we perceive gaps in the transport network at present? The most obvious way in which that happens is that people tell us and we ask people. Tonight, for example, I will meet a group of residents of an area who will tell me about their bus services and perceived needs. Apart from the route that people can take that involves us, the most obvious route is to take up the issue with the bus companies. Another route was discussed at earlier committee meetings. We asked TIE to set up community liaison groups so that there could be positive and proactive communication with communities before the event. It is important that we can build a dialogue and give people somewhere to go when they perceive the shortcomings that you talk about.

**Phil Gallie:** Being entirely mischievous, I suggest that, when you go to meet those residents tonight, you should keep in mind the European working time directive.

**Barry Cross:** Chance would be a fine thing.

**Andrew Holmes:** I think that the directive has been suspended indefinitely in the department, for some considerable time.

**Phil Gallie:** Okay. I am not surprised by that.

Coming back to more serious things, although there is not much that is more serious, I will pick up on your focus on the integrated services that you offer. The previous witness spoke about affordability. Is it intended to extend that integration in the future to include features such as through ticketing?

**Barry Cross:** Yes. A number of members will probably be aware of the one-ticket scheme that SESTRAN partners have introduced. That scheme, which is very much in its early stages, is being developed across the wider SESTRAN area. That comes on top of our requirement that the tram ticketing system must not be superimposed on another set of ticketing systems; it must be integrated for the very reason that Alice McGlone talked about. There would be little purpose in our modelling equality between tram and bus fares if, for a journey of any consequence, the user was in effect hit twice, by a bus feeder fare and a tram main journey fare. The comparability that I mentioned is end-to-end comparability.

That is important for the users whom we have talked about, but it is also important at the opposite end of the spectrum. How do we get people who own two or three cars to use the bus and the tram? The solution is all about simplicity, and if someone is required to have two or three sets of coppers or change, that would work against trams and buses. Integrated ticketing is an issue for us; it is one of the soft measures that we are developing and it is, in our view, part of the integrated whole.

**Phil Gallie:** That answers in part the question about affordability, given that it suggests that there is a relationship between the level of current bus fares and tram fares.

You mentioned feeder services, but for a number of residents of north Edinburgh the tram stops will be a fair distance from the traditional bus stops. Bearing in mind issues such as walking such distances and individuals' mobility, could problems arise or will the feeder system be able to manage the situation? I expect that access on to the trams will be simple and will take account of the needs of people with disabilities. Can you confirm that?

**Andrew Holmes:** I will deal with the second point, to which the answer is yes. A tram can be far superior to even the best-designed buses in that regard. The modern trams that are being introduced in Europe in particular and, to a lesser extent, in the UK are miles ahead of both the current bus stock and trams in the past.

As has been said, the bus services will be integrated—they will not be withdrawn. In north Edinburgh in particular there will be a hugely increased market for public transport because of

the rises in population. That increased market will not only support the tram, but will catalyse changes and improvements in the integrated bus links.

**Barry Cross:** I will add a comment in relation to people who find it difficult to walk and who live halfway between two tram stops, which might both be a significant distance away. In mentioning feeder services, I was conscious that the tramline is not an all-or-nothing thing, with buses not operating on the tram route but only at either end of it. Even on routes such as Leith Walk, on which trams will run frequently, there will continue to be a requirement for buses because many people will need the frequency of stop that buses provide. That is an important component. Similarly, I am sure that the committee will hear evidence from Lothian Buses to the effect that not everybody will want to interchange two or three times.

A balance needs to be struck to ensure that we end up with a usable, understandable, efficient community-owned system with which the community is comfortable.

12:15

**Phil Gallie:** Given your recognition of the needs of people with disabilities and those who have mobility problems, do you agree with Edinburgh Chamber of Commerce's written submission that the lack of a direct service to the Western general hospital represents a missed opportunity?

**Barry Cross:** I am sure that that issue will feature highly in the consideration stage. There is no secret about the fact that our objective was for the tram to serve the Western general. The hospital is an obvious location to which people want to travel, not least because many people work there but also because visitors to the hospital would also benefit from the introduction of the tram. However, that aspiration had to be weighed against a raft of other issues within the process.

Regrettably, our recommendation was for a route that goes quite close to the Western general but does not reach it. We will need to address the interface between the two locations. We did not wilfully ignore the Western general. We did all that we could to attempt to include it, but we had to recognise that, due to the hospital's location, serving the Western general would bring with it a cascade of difficulties. That led us to the conclusion that the tram could not go there.

**Phil Gallie:** I recognise that I might have stepped over the line by raising an issue that is for the consideration stage. However, I think that it might be far too late even to think about changing routes at that stage.

**The Convener:** That is not the case.

**Phil Gallie:** Okay.

Another issue that I want to raise is the employment prospects of people in the north of Edinburgh, which seem to form a large part of the justification for the tramline. Your submission suggests that the tram

"will create jobs suitable for low skilled workers resident within the regeneration areas of North Edinburgh."

Is there any evidence for that?

**Andrew Holmes:** I cannot recall our using the words "low skilled", but the issue comes back to our earlier argument, which was repeated by Scottish Enterprise and picked up in our interviews with the full spectrum of business interests in the city. Business leaders see the Edinburgh tram not just as a feature that will support the city's wider economy by allowing the city to continue to move, but as a factor that will influence investment locations. Development interest clearly exists, as some people would now consider north Edinburgh as a business location who would not previously have dreamed of considering the area because of its physical inaccessibility.

Let me illustrate that with one small anecdote. When we started work four or five years ago on the original master plan for the north Edinburgh waterfront that has now started development, we went through the usual process of interviewing teams of consultants and property agents for advice. When we interviewed the principal of one national property consultancy's local office, which is in the west end of Edinburgh two miles south of Granton, he said that he had never been in Granton in his professional life. He had never had reason to go there. The tram can change, and has changed, not just the physical geography but that kind of mental geography. A number of property agents can now be found in that area—sometimes I almost think that they are going there in droves—and investment is coming in behind that.

However, the tram is not the sole agent of regeneration. One of our big problems is improving economic activity rates in places such as Granton, which has a particularly low rate even in a wider Scottish context. We have both general and targeted skill-raising and employment access programmes in the area to take people well beyond the low-skill employment level. Yes, the city will always provide low-skill employment, which the tram will help to improve, but a big challenge is finding mechanisms to provide higher-skill employment in those areas and to prepare the local labour force to receive it.

With the private sector, we are pushing on an open door in that respect. Many of our skills access programmes are partly, and in some cases entirely, funded by private sector interests that have recognised the virtuous circle that they can

tap into for their own employment needs. Any area that has a labour pool with a good match of skills on the doorstep is well on the way to bringing in employment if it can get the transport right. The tram can no more be considered in isolation than any of the other factors, but the tram is an important part of the solution. We need the whole package.

As I said in my evidence earlier, we have a tremendous opportunity. Everything seems to be potentially coming together, given the availability of national funding, the general state of the economy and our ability to produce housing of all sorts in areas that people would not have considered before. We need to try to grasp all that and seize the opportunity to give north Edinburgh something that it has not had for two generations.

**The Convener:** Gentlemen, thank you very much for your evidence throughout today. I ask Mr Holmes, Mr Cross and Mr Buckman to leave the committee table and our final panel to come forward.

12:22

*Meeting suspended.*

12:27

*On resuming—*

**The Convener:** Welcome to the committee. Sorry for the short comfort break; however, in order to do your evidence justice, some of us felt the need to leave the room temporarily. I welcome Rahul Bijlani, from Bircham Dyson Bell. I understand that you do not want to make an opening statement.

**Rahul Bijlani (Bircham Dyson Bell):** That is correct.

**The Convener:** Great. We will go straight into questions. Let me kick off. I understand that, in the written evidence, in consideration of ECHR matters, you looked at article 1 of protocol 1 and article 8 of the convention. Were there any other provisions that you felt were relevant, in terms of the convention? If so, which were they?

**Rahul Bijlani:** Article 6 concerns the right to a fair trial. The Edinburgh Tram (Line One) Bill creates a number of relatively minor criminal offences: obstruction of construction; failure to give a name and address when receiving a penalty fare; unauthorised use of a tramway; obstruction to operation; trespass; and contravention of bylaws made under the bill. Each of those offences is punishable by a fine on the standard scale after summary conviction. The ordinary court process applies and there is no issue about contravention of article 6.

**The Convener:** So, you are quite satisfied that there would be no contravention of article 6.

**Rahul Bijlani:** Yes.

**The Convener:** That is helpful to know. I take it that that does not include the City of Edinburgh Council wanting to shoot the construction company, which it mentioned earlier.

**Rahul Bijlani:** We may have to lodge an amendment about that at the consideration stage.

**The Convener:** That might be helpful.

Let us move on. In paragraph 6 of its written evidence, the promoter states that the approach that is taken by the bill in respect of private land interests is the “standard one”. It also refers to “standard” land acquisition and compensation provisions. For the benefit of us lay people, can you explain what “standard” means, especially from a human rights perspective?

**Rahul Bijlani:** There are two issues. First, we sought to incorporate the general law, as far as possible, compliant with the private bill process. The way in which we get our compulsory purchase powers under the private bill process is slightly different from a compulsory purchase order, which is where a local authority makes an order that is confirmed by a minister, which gives the authority specific powers to take specific parcels of land. That is dealt with by a procedure under the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947. A number of objectors have referred to that, which is the standard procedure under the Town and Country Planning (Scotland) Act 1997. In this case, that would not be appropriate, because we are not following an order-making procedure. It is the private bill itself that gives us the detailed authorisation to acquire specific plots of land.

12:30

However, we do incorporate the standard procedure under the Lands Clauses Consolidation (Scotland) Act 1845. That is the procedure that governs in respect of all compulsory purchase orders—CPOs—in Scotland, and is what happens after an authorisation to acquire a specific plot of land has been granted. After a CPO has been granted under the Town and Country Planning (Scotland) Act 1997 for regeneration purposes—the inquiry process up to the grant of the CPO is governed by the 1947 act—service of notice to treat all the other steps is governed by the 1845 act. We have sought to incorporate all that.

All the various steps for the acquisition of land after the bill has been passed will be exactly the same as they would be under an ordinary compulsory purchase order. Similarly, the way in which compensation is dealt with is exactly the

same as it would be under a compulsory purchase order. That is to say, the Land Compensation (Scotland) Act 1963 and the Land Compensation (Scotland) Act 1973 apply in the same way as they would to an ordinary CPO.

**Helen Eadie:** Are rights under article 8 of the ECHR likely to be engaged by the proposed scheme? If not, why not?

**Rahul Bijlani:** Those rights are likely to be engaged; the issue is whether they are likely to be breached in any way. We would say that the answer to that is no, for a number of reasons. Article 8 is a qualified right, not an absolute right. A public authority may interfere with private and family life, to the extent that that interference

“is in accordance with the law and is necessary in a democratic society”

for a number of reasons, one of which is the “economic well-being of the country”.

Quite a wide latitude is given to public authorities in this case, which is referred to as a margin of appreciation. The idea is that the authority is best placed to understand the facts and the needs of its wider population. We need to consider the issue as a balancing act in order to understand whether there is an interference with that fundamental right. Any interference with the right to respect for private and family life needs to be balanced against the wider public good and the purpose of the interference. Providing that any such interference is proportionate and not excessive, there is generally not a breach of the right.

Article 8 might be engaged in a number of areas under the bill, for example in relation to noise and vibration from construction or from the operation of the tram. In the bill and in the environmental statement and the other accompanying documents, we have sought to mitigate the effects of those impacts to as great an extent as we can. Referring to the environmental statement, the overall residual impacts in the forms of noise and vibration are slight, once mitigation has been considered. It is our view that a fair balance has been struck between the wider public need—we consider that the tram scheme offers a significant public benefit—and interference with private rights.

**Helen Eadie:** I think that the next question that I was going to ask might already have been answered by the respondent.

**The Convener:** I think that it has.

**Phil Gallie:** As regards article 1 of protocol 1 of the ECHR and the need for the compulsory acquisition powers in the bill, the committee notes the promoter’s evidence to the effect that only land that will actually be required in connection with the



scheme will be acquired. Does that mean that people who might believe now that their land will be acquired may keep it if it turns out that the promoter does not need it?

**Rahul Bijlani:** The limits of the land that is to be required have been drawn so as to allow the tram scheme to go ahead on the basis of the knowledge that we have at the moment. We do not know what is going to happen on the ground when we get to a particular piece of land, and we do not know whether, in the final development of the scheme, the route will change by a metre here or there, which is why we have limits of deviation.

A central tram route is specified in the plans, with limits of deviation within which the route may vary. Clearly, if the route shifts to one side of the limits, not all of a parcel of land might be required. For example, if the route shifts to the west, the eastern side of a parcel might not be required. In that case, although the power exists in the bill to take the whole of the land, when the compulsory acquisition occurs, the promoter will serve a notice to treat only in respect of the parts of the land that are required.

**Phil Gallie:** That could have a positive or negative effect on the owners of the land, particularly if agreed prices are set when it is decided that the land within the limits of deviation is likely to be acquired.

**Rahul Bijlani:** There are standard rules for the assumptions that are made in determining compensation, which include rules on the times at which valuations are made. As I said, we do not seek to change any of those rules—which are set out in the Land Compensation (Scotland) Act 1963 and in case law—but simply to incorporate them. You are right that the effects can be complex; I cannot explain them exactly off the top of my head, but such matters will be dealt with in the same way as they would be dealt with under the compulsory purchase process.

**Phil Gallie:** I asked my next question at an earlier meeting, but as we have an expert in front of us, I will ask it again. If land is purchased and found not to be required at a later date, will the person who had the land taken from them have an automatic right to purchase back the land at the originally agreed price?

**Rahul Bijlani:** I hate to be tarred with the brush of being an expert in human rights.

The Crichton Down rules deal with the situation that you outline. As is typical for compensation and compulsory purchase rules, they are somewhat complicated, but they are voluntary rules that are commended to local authorities. The idea is that if an authority acquires compulsorily land that subsequently becomes surplus to requirements, it ought to offer the land back to the

original owner. The rules include provisions about setting a fair price, the intention being that a fair price is agreed, given that various assumptions can be made as to what constitutes fairness in that situation.

**Phil Gallie:** Given that the ECHR has been brought into use in Scotland and the UK relatively recently, have cases in which acquirers have not co-operated along those lines been tested in the European courts?

**Rahul Bijlani:** I am not aware of any such cases. They are unlikely because, as I said, the rules are non-statutory, so not complying with them would not be the same as failing to comply with an act.

**Phil Gallie:** I want to move the goalposts a little. Earlier, the representative of Edinburgh Chamber of Commerce referred to the problems that could be faced by individuals who have property that cannot be properly used during the construction period. Under the ECHR, does the promoter have the authority to make compensation payments in that situation?

**Rahul Bijlani:** I presume that you are talking about people such as small traders whose businesses are affected.

**Phil Gallie:** That is right.

**Rahul Bijlani:** The article that would be engaged would be article 1 of protocol 1 of the ECHR, which gives the right to the enjoyment of property and possession. Again, that is a qualified right, as is the one in article 8, as I explained earlier. If an interference with that right is in accordance with the law and is in the public interest, it does not necessarily constitute an infringement of the right. The interests of a person whose rights are infringed must be balanced against the public benefit. If the interference is not disproportionate, there is no infringement of the right. We believe that, with the right engaged, the bill as it stands, with mitigation measures and so on in the environmental statement, strikes a fair balance between public need and infringement of rights.

The construction of the tramline will be carried out in accordance with the law, while the ES commits us to mitigating impacts during construction. There will be commitments on the kinds of working methods and the code of construction practice will be adhered to, which will involve the setting of things such as working hours and liaison with the traders involved. There will also be phasing requirements. All those things are more than a trader would get if, for example, Scottish Water, using its powers as a statutory undertaker, dug up a road. In general, no compensation is payable for the impact of construction works and there is often little

safeguarding for traders. Therefore, we are going beyond the general. We think that the bill strikes a fair balance between interference with rights and the public benefit, but the issue may be more complicated because of areas in which more may need to be done or where the balance is finer. That is probably a matter for detailed evidence at the consideration stage.

**Helen Eadie:** On compensation for small traders, is it not the case that penalties are built in to public private partnerships and private finance initiative schemes for financial compensation for local authorities or whoever? Such penalties could be used to compensate traders where construction works go beyond their timescales, which is a notorious problem for small traders.

**Rahul Bijlani:** I do not know whether what you suggest is the case, but there is no reason why it could not be in principle. The key thing to be aware of is that under the general law there is not generally compensation for traders who suffer because of, for example, road works, whether those are undertaken by Scottish Water, the City of Edinburgh Council or are in relation to a tram scheme. Whether, as a result of the contracts for doing those works penalties are imposed which can then be put towards alleviating some hardship is a matter for individual contracts.

On how the tramline will be built, I understand that the City of Edinburgh council will incorporate in the contract requirements to comply with documents such as the ES and the design manual. Therefore, there will be provision to take the contractor out and shoot them if they do not comply. However, compensation is a discretionary matter. I am not aware of any policy on that.

**The Convener:** This is not for you to respond to, Mr Bijlani, but is just by way of throwing something on to the table. When the committee visited the tramline down in Nottingham, we became aware that our Westminster colleagues had moved an amendment to legislation to include provision for compensation schemes. I am sure that people will want to reflect further on that point before the consideration stage.

You rejected the tag of expert, Mr Bijlani, but you certainly gave us clear and helpful evidence, for which I thank you. I thank all the witnesses for coming along to the meeting. We have had a full, but helpful session.

I remind members that the next meeting of the committee will be on Tuesday 30 November at 10 am.

*Meeting closed at 12:44.*

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