

EDINBURGH TRAM (LINE ONE) BILL COMMITTEE

Tuesday 22 November 2005

Session 2

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EDINBURGH TRAM (LINE ONE) BILL COMMITTEE **22nd Meeting 2005, 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)

*attended

CLERK TO THE COMMITTEE

Jane Sutherland

LOCATION

Committee Room 5

Scottish Parliament

Edinburgh Tram (Line One) Bill Committee

Tuesday 22 November 2005

[THE CONVENER *opened the meeting at 10:18*]

Edinburgh Tram (Line One) Bill: Consideration Stage

The Convener (Jackie Baillie): Good morning, everybody. I welcome you to the Edinburgh Tram (Line One) Bill Committee's 22nd meeting of 2005 and apologise for the slight delay in starting. For agenda item 1, we were due to hear evidence from group 51—Kenmore Capital Edinburgh Ltd—but the objection was withdrawn overnight, so we will move straight to agenda item 2, which is consideration of correspondence on the appropriate assessment of the impact on the Firth of Forth special protection area.

As members are aware, the bill proposes a widened footway along a section of the sea wall at Starbank Road, which will have a direct impact on the Firth of Forth special protection area. As a result, the Parliament as the competent authority is required to undertake an appropriate assessment of the project's impact on the SPA and of whether any steps could or should be taken to negate or mitigate that impact.

To assist the Parliament in making a decision, a survey was undertaken between February 2004 and January 2005 of the coastal bird species in the affected area. The committee noted the results of that survey at its meeting on 3 May. At that meeting, the committee agreed to write to Scottish Natural Heritage and the City of Edinburgh Council planning and strategy department for their views. The responses from SNH are in annexes A and B and the response from the council is in annex C to paper ED1/S2/05/22/4.

At this stage, the committee requires to take a view on whether it has sufficient evidence to report to the Parliament on appropriate assessment. We have the correspondence in annexes A to C and we have also received evidence from various witnesses for the promoter about the walkway and its impacts, all of which we can use to inform our views.

I invite members to comment on the survey and the correspondence.

Rob Gibson (Highlands and Islands) (SNP): Chapter 6 of the survey is interesting. It says:

"The proposals are ... likely to affect only small numbers of birds of a very few species and the viability of the populations of these species will not be significantly affected."

That puts the matter in perspective. The survey also says:

"On the basis of these findings, the proposed Edinburgh Tram Line One proposals are not predicted to result in significant effects on the integrity of the Firth of Forth SPA."

That is good, because we can show that the proposal is environmentally friendly. That is a useful comment in the report.

The Convener: Absolutely—I agree.

It was remiss of me not to point out that Helen Eadie has not joined us yet. We understand that she may have been held up. In her absence, I give her apologies.

Phil Gallie (South of Scotland) (Con): The City of Edinburgh Council's planning and strategy department emphasised that it would follow its normal procedures in upholding the interests of SNH and others. The council will ensure that the statutory duties are fulfilled.

The Convener: From my reading of its correspondence, SNH confirmed the point that Rob Gibson made. In its view, the proposal will not adversely affect the integrity of the Firth of Forth SPA. That is helpful information for the committee. We can take that further.

Phil Gallie is right. The council's planning and strategy department said that, as a planning authority, it has a duty under regulation 62 of the Conservation (Natural Habitats, &c) Regulations 1994 to undertake its own assessment, over and above that of the Parliament. In undertaking its statutory duties, the planning authority will, like the Parliament, take into account SNH's views.

Members will note that the council's view is that the walkway structure will also need to secure specific planning authority permission, based on its detailed design, under the prior approval process. In that respect, the planning authority will perform statutory duties that are not matters for the Parliament.

I seek members' agreement that we have sufficient evidence to report to the Parliament on the appropriate assessment of the impact on the Firth of Forth special protection area.

Members indicated agreement.

The Convener: The next step is that the committee will agree and present its findings in a report. Once published, that report will be considered by Parliament. That concludes item 2.

Item 3 is consideration of the further written evidence that has been provided by the promoter in response to requests that we made in our

preliminary stage report, which seems an awfully long time ago. Members will of course recall that we sought further evidence from the promoter on several matters. We sought that evidence largely because we felt it prudent to address outstanding concerns that were not substantial enough to delay our preliminary stage report. It should be noted again that the committee recommended to the Parliament that the bill's general principles should be agreed to and that the bill should proceed as a private bill.

Members will note that a substantial volume of written evidence has been received from the promoter at our request. It has been reproduced in appendices A to I to ED1/S2/05/22/5. In addition, two supplementary papers have been received from the promoter. One was received late last week and circulated to the committee as paper ED1/S2/05/22/7, and the other was received on Monday and provided to members this morning. I ask members to refer to all that evidence when considering whether we are satisfied that our initial concerns have been addressed.

I propose to take in turn each topic on which we requested further information and seek members' views. Is that agreed?

Members indicated agreement.

The Convener: Excellent. The environmental statement is the first subject. We discussed the bird survey report as part of our consideration of appropriate assessment. In addition, the landscape and habitat management plan and the noise and vibration policy have both been referred to in written and oral evidence. The promoter has also updated the noise and vibration policy; the revised version is contained in appendix B. Although the committee has yet to report its views on the content of those documents, I seek members' agreement that the promoter has fulfilled the committee's preliminary stage report recommendation in providing the three documents. Is that agreed?

Members indicated agreement.

The Convener: Excellent. I move on to congestion. As members will recall, we sought further reassurances from the promoter on the benefits that are attributed to the tram project and that flow from easing congestion in Edinburgh by 2026. In particular, the promoter predicted that there would be a 50 per cent increase in car traffic between 2001 and 2026 and that 50 per cent growth gave rise to substantial user and non-user benefits, which were calculated using various models. The committee sought further evidence from the promoter on four areas.

The first area was whether the 50 per cent increase in car traffic was realistic. To be specific, the committee asked the promoter for further

evidence of the spatial distribution of forecast growth in car use. I draw members' attention to the promoter's responses in appendices B and D.

Following from its concerns about the predicted level of growth in car use, the committee sought clarification of the impact on the benefit to cost ratio should the 50 per cent growth in demand not materialise. In appendix C, the promoter responds that growth in car use of only 34 per cent would result in a 1:1 benefit to cost ratio.

The committee sought further evidence of the validation that the promoter has undertaken on the models that it used to predict the benefits of the tram. In appendix D, the promoter has provided a substantial volume of evidence but, principally—I will cut through it for the committee—it asserts that the models are based on the central Scotland transport model, which is a Scottish Executive model that has been independently audited. Therefore, the promoter remains confident that the demand forecasts that were used to model patronage and revenue are sufficiently robust.

The committee also expressed concern that, as a result of breaking down the economic benefit of the tram into geographical areas, some possible anomalies had arisen whereby journeys in one direction are a benefit while journeys in the opposite direction are a disbenefit. In appendix E, the promoter has detailed the reasons why that situation arises and explained that factors such as congestion due to changed traffic management, on-street running of the tram and changes in route arising from traffic congestion have all had an impact. The promoter has provided detailed explanations, using examples from tramline 1, of how the situation has arisen.

I invite committee members' views on the evidence that I have outlined.

Phil Gallie: I will make one point on the figures for growth in car use. I have thought about them long and hard and I wonder how much the changing circumstances—higher fuel costs and perhaps future lack of availability of prime fuels—have been taken into consideration in the figures. If those factors have a major impact on the figures and growth in car use does not reach the predicted levels, that impact could be balanced out to some degree by the fact that, without doubt, there will be population growth in the areas around the tram route and the level of public transport service will have to be raised. I find myself looking at the figures and thinking that, if car use does not develop as predicted, that would say more about the need for a tram. Alternatively, if car use grows, that growth will probably also show a need for the tram.

The Convener: It is interesting that the figures that are given for car use in the past 25 years,

which is a similar period but a different context, showed that it had grown by 120 per cent. That was news to me, but it perhaps accounts for the congestion that is experienced in certain parts of the United Kingdom.

10:30

Rob Gibson: It is interesting that there is a period when use grows almost exponentially. The question that Phil Gallie raises about changing fuel use and how we will be able to measure its impact is a new factor that has arisen since many of the surveys were done because of the climate change debate. The central Scotland model did not take that into consideration. However, it looks to me as though the need for public transport is confirmed in whatever set of circumstances we find ourselves, whether that involves changing fuel use or population growth in the surrounding area. If that is the case, it looks to me that a lot of this is quite well founded.

The Convener: As there are no other comments, I seek members' agreement that the further evidence that has been provided on congestion addresses our preliminary stage concerns about the robustness of the promoter's predicted benefits.

Members indicated agreement.

The Convener: We now turn to patronage. Members will remember that an issue to do with double counting arose in relation to the number 22 bus on Leith Walk. The committee sought clarification about whether that impacted on the other tables that were provided. In appendix F the promoter has updated two of the tables that were identified by the committee and indicates that there was no change to a third table. The promoter then states that, having reviewed the bus survey information, it is content there are no other instances of double counting. The promoter remains confident that the forecasts that have been produced to date represent a robust basis on which to appraise the scheme.

The committee also sought an update on the construction of developments for which consent has already been given. The promoter has provided that information in appendix G, where members will note the two tables documenting the progress that has been made.

Before I invite members to comment on appendices F and G, I welcome Helen Eadie to the meeting. We understood that you might have been delayed and we are delighted that you are with us now.

Helen Eadie (Dunfermline East) (Lab): My apologies, convener. I have a heavy cold and it was difficult to get in.

The Convener: Do not worry about it. We are just happy to see you.

Helen Eadie: I have come to spread my cold; I am sorry.

The Convener: Do members have any comments on appendices F and G?

Rob Gibson: Of the 15,000 residential developments that are predicted to be completed by 2016, 5,467 are under construction or have been completed. A further 4,328 either have received planning permission or have an application in. When I was flying into Edinburgh airport yesterday, I was struck by just how much development is taking place in the area that the tramline will serve. It strikes me that that is good news because the promoter is ahead of the game with that potential increase in demand.

Further to the west, Edinburgh's Telford College seems to be well ahead of what the local plans predicted. We have heard evidence about why the tramline might be able to serve that market. If the tram is built, it looks as though it will have a market much more quickly than was predicted earlier.

The Convener: It is interesting to have a bird's-eye view of the site.

Rob Gibson: Yes, it was. How much is being built was graphically clear.

The Convener: As there are no other comments, I invite the committee to agree that we are broadly satisfied that the promoter has addressed our preliminary stage concerns to do with bus survey information and development consents.

Members indicated agreement.

The Convener: The committee agreed that although it was broadly satisfied with the information that was provided on the funding for and cost of tramline 1, it wished to receive an update on the overall estimate of expenses and funding, as well as on any additional funding that has been secured to reduce the risk of there being a funding gap for the project.

The promoter has responded in its progress report for September 2005 and the updated report for November 2005, which members will see in paper ED1/S2/05/22/7. I invite members to express their views on the adequacy of that written evidence.

Phil Gallie: At this point, I retain some reservations. I want to study the paper a little bit more. As far as I am aware, there has been a rise in the overall costings, although perhaps it is not as high as was feared at one time. The Scottish Executive is committed to covering that rise from £375 million up to £490 million, with an extra £45

million coming from the City of Edinburgh Council. That still leaves a bit of a shortfall, but I gather that the promoter can find a means of covering that. However, there are further points on the cost to benefit ratios. The question is whether the cost to benefit ratios would be maintained if the cost of the project changed. The promoter suggested that one means of meeting the shortfall would be to have only a part-build of the two lines, which would surely have an effect on cost to benefit ratios. On that basis, I note that I still have reservations.

Another aspect is the inflation rates that have been used. I want to know whether they relate to inflation in the construction industry, the steel supply industry and so on. I want to ensure that we do not just take general, index-linked rates but look much more deeply into the inflation rates that are used.

The Convener: Okay. Members have no further comments. Phil Gallie has given early notice of the areas that he will come at when we take evidence on the matter. Members may recall that we wanted to hear further evidence from both the promoter and the minister on the funding for and the costs of the project. It would seem more appropriate to do that towards the end of the process rather than right at the beginning. If members are agreed, we will write to the City of Edinburgh Council, Transport Initiatives Edinburgh and the Minister for Transport and invite them to give evidence, probably early in the new year. I am sure that some of the points that Phil Gallie raised will be put to them in considerable detail. Is it agreed that we will write to the council, TIE and the minister and invite them to attend the committee to give evidence?

Members indicated agreement.

The Convener: Are we content that the information that we have received so far enables us to proceed further?

Members indicated agreement.

The Convener: Finally, the committee sought updated information from the promoter on the cost of utility diversions. As members will recall, we had some difficulty in obtaining information on that during the preliminary stage, but I am pleased that the promoter has now responded. The response is attached in appendix I.

Having reviewed the response, I am broadly satisfied that the promoter has progressed the situation, although I note that the costs of utility diversion have risen from £31.8 million to £52.6 million. I understand that that may be the figure for both tramlines. I would welcome clarification of where the funding to meet the additional cost will be found, if the cost relates simply to tramline 1. Is it agreed that we will seek clarification?

Members indicated agreement.

The Convener: Excellent. That concludes item 3. The next item on the agenda is consideration of correspondence from Norwich Union Life and Pensions Ltd, which I will call NULAP to avoid confusion.

Members will recall that we met jointly with the Edinburgh Tram (Line Two) Bill Committee on Tuesday 1 November to hear evidence on the objection from Norwich Union Linked Life Assurance Ltd, which I will call NULLA. At that meeting, the promoter expressed concern that as NULLA had transferred its assets, which included Rosebery House at Haymarket, to NULAP, the bill no longer adversely affected NULLA. In addition, as NULAP could have objected late but did not do so, the promoter felt that it should not give evidence on behalf of NULLA.

After hearing oral statements from the promoter and NULAP, the committees agreed that it was unclear whether NULLA continued to be adversely affected. We therefore sought written evidence from the promoter and NULAP as to whether NULAP could maintain the objections in NULLA's name. I appreciate that the acronyms are confusing, but bear with me.

We have now received the written evidence that was sought, which is in annexes A to C. Having considered the evidence submitted on this matter, it is my view that, because of a company restructuring, NULAP has received the assets, rights and liabilities of the original objector, NULLA, including the ownership of Rosebery House. Is the committee content for NULAP to adopt and lead evidence on the objection that was lodged in NULLA's name?

Members indicated agreement.

The Convener: Excellent. As the ownership of the property that is affected by the bill has transferred to a new corporate entity as part of a wider corporate restructuring, the committee is content for the new company to carry forward the objection.

If I could now return to our meeting of 1 November, I have to say that I did not find it at all helpful for the promoter to raise this issue, with very little warning, on the morning of the meeting. We understand from evidence that we received that the promoter was aware in May of the detail of the change in identity from NULLA to NULAP. The promoter therefore had ample opportunity to make this detailed point long before the meeting on 1 November. Equally, we note that although the NULLA to NULAP transfer occurred in January, NULAP did not have the courtesy to notify the committee formally of the transfer; it simply adopted NULLA's objection and proceeded as if no explanation were necessary.

Had the issue been raised at an earlier stage, the committee could have made its ruling in advance of the evidence session. As it was, the committee was forced to postpone hearing the evidence until the matter had been resolved. That was inconvenient for everyone involved, including the committee. We therefore ask the promoter and the objector to reflect on our comments and ensure that this kind of situation does not arise again.

Having agreed to take oral evidence on the objection from NULAP, members will recall that we agreed to hear the evidence jointly with the Edinburgh Tram (Line Two) Bill Committee. Members will be of course aware that the timetable of meetings for this committee is booked up until 13 December and that the Edinburgh Tram (Line Two) Bill Committee is shortly to start consideration of its draft report. It is my view that, rather than hold up that committee's consideration of its report, this committee should not meet jointly with it to hear evidence on the objection and should take line 1 evidence on 13 December, when we have agreed to meet in the morning. That would have the added benefit of providing NULAP and the promoter further time to meet and perhaps reach agreement, which we would of course encourage.

Are members agreed that, should it be required, we will hear oral evidence on the objection from NULAP on 13 December?

Members indicated agreement.

The Convener: Thank you. That concludes the public meeting. There is no need for us to move into private session, given that we did not hear any oral evidence. All that remains for me to do is to thank you for attending and to close the meeting.

Meeting closed at 10.41.

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