

TRANSPORT AND THE ENVIRONMENT COMMITTEE

Tuesday 4 July 2000
(Morning)

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TRANSPORT AND THE ENVIRONMENT COMMITTEE 18th Meeting 2000, Session 1

CONVENER

*Mr Andy Kerr (East Kilbride) (Lab)

DEPUTY CONVENER

*Nora Radcliffe (Gordon) LD)

COMMITTEE MEMBERS

*Helen Eadie (Dunfermline East) (Lab)
Linda Fabiani (Central Scotland) (SNP)
*Robin Harper (Lothians) (Green)
*Janis Hughes (Glasgow Rutherglen) (Lab)
*Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab)
*Mr Kenny MacAskill (Lothians) (SNP)
Des McNulty (Clydebank and Milngavie) (Lab)
Tavish Scott (Shetland) (LD)
*Mr Murray Tosh (South of Scotland) (Con)

* attended

WITNESSES

Barry Cross (City of Edinburgh Council)
Douglas Gilroy (Scottish Accessible Transport Alliance)
Tom Hart (Scottish Association for Public Transport)
Neil Johnstone (Institution of Highway and Transportation)
Councillor Charlie King (Highlands and Islands Integrated Transport Forum)
Councillor Mark Lazarowicz (City of Edinburgh Council)
Robert Montgomery (Confederation of Passenger Transport UK)
Murdo Murray (Highlands and Islands Integrated Transport Forum)
Roy Pedersen (Highlands and Islands Enterprise)
Freda Rapson (Confederation of Passenger Transport UK)
Iain Robertson (Highlands and Islands Enterprise)
Marjory Rodger (Confederation of Passenger Transport UK)
Philip Shimmin (Highlands and Islands Integrated Transport Forum)
Alan Silver (Institution of Highway and Transportation)
Max Thomson (Association of Transport Co-ordinating Officers Scotland)
Andrew Warrington (Association of Transport Co-ordinating Officers Scotland)
Sandra Whitelaw (Confederation of Passenger Transport UK)
Muriel Williams (Scottish Accessible Transport Alliance)

CLERK TEAM LEADER

Shelagh McKinlay

SENIOR ASSISTANT CLERK

Richard Walsh

ASSISTANT CLERK

Alastair Macfie

LOCATION

Committee Room 2

Scottish Parliament

Transport and the Environment Committee

Tuesday 4 July 2000

(Morning)

[THE CONVENER opened the meeting in private at 08:47]

09:08

Meeting continued in public.

The Convener (Mr Andy Kerr): Welcome to the 18th meeting this year of the Transport and the Environment Committee. I have apologies from Tavish Scott and Linda Fabiani, both of whom are at the Holyrood progress group meeting.

Transport (Scotland) Bill: Stage 1

The Convener: Today, we will take evidence on the Transport (Scotland) Bill, for which we have been designated the lead committee. This is our final week of taking evidence. We will hear from the Confederation of Passenger Transport UK, the Association of Transport Co-ordinating Officers Scotland, the City of Edinburgh Council, the Scottish Association for Public Transport, the Scottish Accessible Transport Alliance, the Highlands and Islands Integrated Transport Forum, Highlands and Islands Enterprise and the Institution of Highways and Transportation.

First, I welcome Freda Rapson, Robert Montgomery, Marjory Rodger and Sandra Whitelaw, who represent the Confederation of Passenger Transport. I ask them to make a short introductory statement.

Marjory Rodger (Confederation of Passenger Transport UK): The Confederation of Passenger Transport would like to thank the Transport and the Environment Committee for the opportunity to give evidence on the Transport (Scotland) Bill. I am the regional director of CPT; the delegation members with me cover the spectrum of bus service operation. Freda Rapson deals with rural and Highlands and Islands operators. Sandra Whitelaw represents small operators, particularly those who run commercial services in semi-rural areas. Bob Montgomery represents the urban and large operators.

CPT welcomes the bill and supports its underlying strategies, which can deliver improvements to public transport. To CPT, the

most important aspects are partnership and consultation; with local authorities and operators voluntarily bringing together their skills and resources, CPT is confident that there will be benefits for users.

CPT has already presented the committee with considerable information on why we support partnerships rather than contracts. Contracts are bad news for the public and for operators large and small. Large operators are in a good position to bid for large contracts, but the exposure is huge, should they lose, and that risk factor will be reflected in the price. Who will make an effort to serve the public when the end of their business is in sight because somebody else has won the contract? Who will be able to keep their work force until the last bus is run into the garage? Small operators will baulk at the bureaucracy of contracts and area-based quality contracts will be beyond their managerial, operational and capital-raising grasp, even if they currently offer a good service in an area.

We have shown ourselves able to adapt and to develop services to attract people. In partnership with the transport authorities, we can achieve our shared objectives of quality, accessibility and modal shift. Changing the balance of responsibility and powers is irrelevant to the transport agenda for Scotland.

Helen Eadie (Dunfermline East) (Lab): Good morning. It is nice to see you all here so early in the day. You support an approach that would require local authorities to consult operators and users rather than one that would merely encourage them to do so. Why should they be compelled to do so?

Marjory Rodger: In the local transport strategies, consultation with the operators is already required. It is only in the joint transport strategies that it is not. If we are to pool resources effectively, there must be an input from the operators in the early stages of the planning process.

Robert Montgomery (Confederation of Passenger Transport UK): Operators have an enormous amount of information about what is going on. We want that to be in the system at an early stage, as that would be helpful to everyone involved. We are talking about consultation; no one is suggesting that the local authorities would have to do what we said.

Janis Hughes (Glasgow Rutherglen) (Lab): You said that you support partnerships as opposed to contracts and your submission says that there should be full consultation before the advent of a quality partnership. Are you satisfied that quality partnerships, as proposed and after full consultation, are strong and binding enough to

effect the changes that are needed in the bus industry?

Robert Montgomery: Objectives tend to be achieved more easily with willing participants. People with a common objective who can sit around a table and agree where they want to get to, what their strengths are and who can do what—and then voluntarily do all that—will work much better than people who have been told what to do by another agency. That is the strength of partnerships and it is why we think that they are important. The bill suggests a wider-ranging partnership than we have seen to date. We are keen that it be made to work.

Janis Hughes: As you know, we have taken evidence from various local authorities, some of which felt that there were insufficient safeguards to ensure good operator participation in partnerships. You say that, in partnerships, the onus rests with the operators. That seems to be a contradiction—can you explain it?

09:15

Marjory Rodger: The onus of delivering in partnerships rests with everyone. The local authorities have put measures into their local transport strategies and, for their part, the operators are committing themselves to investment. They have to get a return on that investment.

Robert Montgomery: Under partnerships, there are sanctions against operators if they do not deliver, but there are no sanctions against local authorities. We are not suggesting that there should be, but we are pointing out that one of the strengths of the bill is that, once an operator engages in a partnership, failure to deliver could threaten their operator's licence. We are not complaining about that; we are happy about it. A strength of the partnership arrangements is that they have teeth.

Janis Hughes: Are you saying that a partnership should be between equals, but that the onus on operators is greater than on local authorities?

Marjory Rodger: No. We are saying that, as the law stands, there is a sanction on operators if they fail to deliver. If they have registered and the traffic commissioner has a copy of the partnership registration, and if they have said what they intended to do and then failed to do it, action can immediately be taken.

Mr Murray Tosh (South of Scotland) (Con): Does the difference between statutory quality partnerships, as proposed, and existing quality partnerships, which are entirely voluntary, lie in the enforceability of sanctions for non-performance?

What other benefits do you see in the new statutory partnerships?

Marjory Rodger: I listened to the evidence that indicated that local authorities would be bound to the local transport strategies but that operators would be able to change their minds. Partners will be bound to the strategies and will have committed themselves to a five-year minimum term. We are happy with the voluntary arrangements. If the consultation is right and if both sides show willing, the strategy should be right. We feel that real progress can be made on that basis.

Robert Montgomery: Statutory quality partnerships will allow local authorities and the traffic commissioners to decide which operators, in certain circumstances, can use certain routes and infrastructure. For example, if a local authority invests in a significant upgrading of its infrastructure and facilities, it might want to ensure that the services in that corridor are provided with good, low-floor, clean, and clean-engined, vehicles. Under the current legislation, they cannot do that; with a statutory quality partnership, they could.

Mr Tosh: That is an important point. Some evidence that we took from local authority interests last week suggested that local authorities could go through the whole process of investment in partnerships but still find that they had poor-quality operators and bus wars. You are inferring that that will not happen.

Robert Montgomery: We are inferring that, if a local authority does not want older, high-floor vehicles, but wants good-quality, clean-engined and accessible vehicles, that could be part of the partnership and could be enforced statutorily.

We regard the competition element of the partnership as important. Competition can stimulate innovation and ensure that people think and do not get lazy. We have to be careful not to write competition out of the system. There is a kind of competition that does nobody any good, but there is another kind—between professional and reputable operators who are trying to serve the market as best they can—that brings innovation and change. Without that second kind, things will just stay as they are and we will never see innovation.

Mr Tosh: In your submission, you make a point about fares and frequencies being agreed but not being part of the formal partnership scheme. Local authorities have told us that they would prefer their powers to be enhanced—perhaps in the same way as the Strathclyde Passenger Transport Executive's powers were enhanced over the rail system—so that they can specify services, ensure minimum frequencies to outer-city housing

estates, for example, and set parameters for fares. Why should that not be a legitimate approach within a quality partnership?

Marjory Rodger: We are asking for full consultation before anyone signs up to a quality partnership. If an operator is investing heavily, he is hardly going to say, "I am getting a fleet of new, low-floor vehicles, but I will run them only every couple of hours." He wants a commercial return. Certainly, it should be easy to agree a minimum frequency. The discussions should be voluntary—if the local authority does not like what the operator is offering, it does not have to sign up to the partnership. Minimum frequencies can easily be agreed voluntarily. If you give powers to the local authority to enforce them, that represents contracts by the back door.

Mr Tosh: The authorities are looking for some way of ensuring that there are bus services in the evenings in certain places and that the operators will take responsibility for perhaps running some services at a loss, offsetting that against profits on the major routes during peak periods. Is it legitimate to look for a social conscience from the operator in extending and developing the service?

Robert Montgomery: Operators do that in the current environment. We have considerable cross-subsidy in our networks. We provide significant services that are not profitable in their own right, but they are part of the network and we see the network as important. We would not like unilateral stipulation of fares and frequencies by local authorities because that is not partnership—that is contracts. If fares and frequencies are important to local authorities, they should bring that to the discussion in the partnership. As an operator, we can bring to the discussion knowledge of the benefits and disbenefits of particular courses of action. We can agree among ourselves on the best way in which to do things.

Frequencies are relatively easy to work into a partnership. Fares are slightly more difficult, because the economic environment is changing all the time. For example, if an authority tried to stipulate a particular fares level, say for five years, and the whole economy changed, the partnership would fall apart because the operator would go bust. There needs to be a two-way, voluntary discussion on these issues.

Mr Tosh: I think that you are saying that the statutory partnership—the contractual partnership, if that is not a contradiction in terms—is only part of the partnership and that in fact the partnership can be much more extensive on a mutually agreed basis.

Marjory Rodger: Yes.

Freda Rapson (Confederation of Passenger Transport UK): May I add something? We

operate quality partnerships in some of our areas. The majority of our services are subsidised. We have few commercial services in the Highlands and Islands. Recently, we had calls to tender for a service in one of the areas. When we tendered for it, we were given the tender specification by the council, which had three or four services per day running between two points. We wanted to enhance the service, which had not changed since 1964, so we provided an alternative. The local authority had continued to put out the service year upon year with no thought to change. In one way that is stability, but we wanted to enhance the service in line with the needs of the community. I am glad to say that the authority accepted the enhanced frequency that we offered, albeit at an increased price, but it is only a marginal price increase, because we are talking about off-peak journeys. Operators have something to contribute in situations in which we can enhance services.

Mr Tosh: That is an interesting point. In one of your bullet points you say that

"Block Quality Contracts are too rigid, unresponsive to change"

and so on. There are many semi-rural or utterly rural parts of Scotland where the local authority's concern is to keep some kind of network going, linking the principal towns and villages. We have heard evidence that such local authorities think that contracts are appropriate for their areas. They do not want to spend time working on partnerships that they do not think can be achieved. The only way that they can see, given the increased pressure on their resources, of keeping the loss-making runs to isolated villages going is to cross-subsidise. They see contracts as the best mechanism for that. Do you agree that, in certain areas in Scotland, it is legitimate to go for that approach, because that is the only one that will work in those areas?

Freda Rapson: Sandra Whitelaw can answer some of that, but I will answer from our perspective. Our four commercial services use fewer than 10 of the 260 vehicles that we operate, which proves that in the majority of cases we are working under contract. We cover the whole of the Highlands as well as Orkney and Shetland, which is a wide spectrum. Where we are involved in quality partnerships, we put low-floor vehicles on commercial routes and the council provides the infrastructure, but mainly we operate contracts. For example, on Shetland, the council stipulates the fares, the vehicle specification—full low-floor to current Disabled Persons Transport Advisory Committee standards—and even the heating that is required. To a certain extent, therefore, we operate under contract, but in reverse, so to speak—it is not a franchise and it is not commercial; it is as stipulated by the councils.

Sandra Whitelaw is in a slightly different position, because she operates in a rural area that is commercial.

Sandra Whitelaw (Confederation of Passenger Transport UK): We are a small semi-rural operator. Often, operators our size fill the gaps in semi-rural areas, probably because we have lower overheads. We are investing in low-floor vehicles and are providing a quality service, although sometimes the infrastructure does not allow us to operate that type of vehicle. Quality contracts kill businesses of our size. We could not survive in that environment.

Mr Tosh: Is that because you could not gear yourselves up to compete for such a broad area?

Sandra Whitelaw: Yes. We would not have the physical, financial or human resources. We would not survive in that environment.

Mr Tosh: The council could say, "Fine. Some of the businesses are too small. That is the market. We will deal with larger operators that are capable of bidding, because we would rather contract services out to operators that have the strength and the resources to bring to bear." What would you think of that?

Marjory Rodger: Sandra Whitelaw is talking as a small operator, which employs about 65 people in a rural area. A lot of small operators are significant employers in rural areas. I would have thought that part of the answer to the overall equation is to encourage small operators to work in semi-rural and peripheral areas, as employers and providers that are close to their market, with lower overheads than the large groups, which can run in such areas commercially.

The Convener: Could not the authorities decide that that was the contracted route and package the contracts in a manner that would attract smaller businesses? Surely that is their choice.

Marjory Rodger: You are talking about small contracts instead of area franchises. There is a place for contracts. As Freda Rapson has told you, they can work, but there is an overall cost implication. We are not saying that everything must be about partnerships or that everything that happens at present is wrong. In some areas, what is happening works very well. The vast majority of services are run without subsidy.

The Convener: During our investigation, we must determine a balance between the two opposing sides of the debate. We are trying to get from you where that balance should lie. The local authorities say that there are problems with the delivery of services and that they are excluded from the setting of fares and frequencies. You are saying that contracts have a number of inhibiting features—investment, long-term projections and

competition—for smaller companies in particular. We need to assess the arguments. That is why we are pursuing where you stand on the issue of contracts and partnerships in a wee bit more detail. That is the central argument to this aspect of the bill, which is why we have focused on it.

Helen Eadie: City of Edinburgh Council has said that the partnership did not work, although some people cited it as an example. There was multi-million pound investment in greenways in Edinburgh, but none of the operators would tie themselves to putting in low-floor buses, frequencies or anything else. The point that I picked up when I read about this at the weekend was that, although the partnership was set up in Edinburgh, City of Edinburgh Council just saw it as a statement of good intent. The partnership is seen to be working by some people, but City of Edinburgh Council is saying that it is not working.

The Convener: Do you have any views on that, Bob?

09:30

Robert Montgomery: The partnerships that are envisaged by the bill are different from the partnerships that can be established under the current arrangements. That is a fundamental point. It would be wrong to say that the bill will not work because what has happened in the past has not worked. The bill will introduce a different kind of partnership. The statutory underpinning of the new partnerships will also make them much more attractive to operators.

I do not want to get bogged down with details. However, we are the minority operator in Edinburgh, operating around 20 per cent of the buses in Edinburgh. Following the development of the greenways, we have spent £7 million on 76 new buses for Edinburgh, 48 of which are low-floor accessible vehicles. We have had discussions with City of Edinburgh Council over the past 12 months, at which we have been asked to bring our best product—the overground-style service that we set up in Glasgow—to the city. Such services guarantee high frequencies along greenways, later last buses at night and more stability regarding route alignment.

All those things are happening, so we question the suggestion that there has been no response from operators to City of Edinburgh Council's greenways policies. We are experiencing a growth of around 2 per cent a year in our passenger numbers in Edinburgh as a result, and we understand that Lothian Buses is experiencing a similar growth in its passenger numbers.

Marjory Rodger: As a trade association, we do not hold commercial information on our operator members. I would like to return with the figures for

Lothian Buses. As you know, under the terms of the Disability Discrimination Act 1995, we are committed to providing low-floor vehicles. Lothian Buses has invested heavily in such vehicles and is committed to continuing that investment. In view of that and the frequency of buses along the greenways, I am very surprised by your comments. I would like to return to the committee with written facts on those issues.

The Convener: As there are no further comments on that issue, we will move to consideration of concessionary travel.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): What are your views on the proposals for concessionary fares that are outlined in the bill?

Marjory Rodger: We have already given evidence to the committee on that issue. I appreciate why it is felt that we should not be any better or worse off. The more concessionary passengers there are, the more it should be possible to cross-subsidise. A wider network could be provided, as a certain passenger level could be guaranteed, and that could be extended. We can be sympathetic to that, but there would be a cost involved. We would also caution against destabilising a network. Bob Montgomery can cite an example from Aberdeen.

Robert Montgomery: We are supportive of the idea of concessionary fares and local authorities' aspirations regarding them. However, a change from separate, local authority schemes to a single, national scheme could disrupt the network. There are good schemes in Fife and Strathclyde, which work very well. A national scheme that involves changing those schemes might change levels of demand for bus service and activity.

We are trying to deal with a major shock in Aberdeen, where a decision by the city council to change the concessionary fares scheme has wiped a million passenger journeys a year off our bus network overnight. That has a major impact for the Aberdeen bus network, and we are currently considering the matter. Those passenger journeys have disappeared as the result of a decision by Aberdeen City Council. That is the council's decision, and it is perfectly entitled to take whatever decision it chooses on how it deals with pensioners in Aberdeen, but the move from a flat fare of 20p to half fare has wiped out overnight a million passenger journeys a year. That has an impact on the network—for everyone.

We caution against such changes. A single national scheme will involve change, which could cause shock waves across the rest of the network. We ask both the Executive and local authorities to stop and think, to consult operators and to talk through what they are doing. We can then explain

the likely implications.

Cathy Jamieson: So you are suggesting that if a national concessionary scheme were introduced that was less favourable for passengers than current schemes, people would perhaps not make the journeys.

Robert Montgomery: Yes.

Cathy Jamieson: The concessionary fares scheme in the bill would apply to pensioners and to people with disabilities. What is your view on extending that to include a broader range of groups, including people on low incomes or particularly disadvantaged people?

Robert Montgomery: As operators, we do not have any issue with that. Under the current legislation on concessionary fares schemes, operators are neither better nor worse off under any scheme. We are almost agnostic on the matter. It is an issue not for us, but for the authorities, who will have to pay for the scheme. As far as we are concerned, if local authorities choose to give everybody concessionary fares, that is fine.

Cathy Jamieson: So you basically do not mind, as long as you are compensated?

Robert Montgomery: We do not mind: if people travel on buses, that incurs cost. The costs need to be paid for, and it is simply a matter of how we choose to spend resources.

Marjory Rodger: For us, it is a recouping of cost. The payments may look large, but large costs are incurred.

Nora Radcliffe (Gordon) (LD): Am I right in thinking that the plug was pulled on concessionary fares in Aberdeen about a year ago?

Robert Montgomery: One of the issues that concerned us was that the councils in Aberdeen, Aberdeenshire and Moray have had a series of changes in concessionary fares schemes over the past two or three years, so there has been no stability.

On 4 June this year, Aberdeen City Council changed its scheme significantly. If I remember rightly, Aberdeenshire Council changed its scheme a year ago, when Aberdeenshire and the city split in relation to the scheme. We have had a series of movements. That affects pensioners' travel patterns, some of which have changed substantially. If there can be such an impact on the demand on the network, that washes its way through to the viability of individual routes and services.

We are sometimes criticised for not being stable, but we are keen on stability. Stability, however, is a two-way street. Everybody who is involved in the business of providing transport needs to think

about stability and to try to avoid making big shock decisions.

Nora Radcliffe: I was going to ask about the recovery rate from changes. From what you have said, that would be difficult to gauge, because there has been a series of changes.

Robert Montgomery: For Aberdeen and Aberdeenshire, it is not easy to identify a stable travel pattern over the past few years because of the changes in the concessionary fares scheme and the major shifts in levels of demand. That gives us a bigger challenge in predicting the level of demand and passenger numbers. As professional operators, we learn to cope with that.

If, as a result of the bill, there is a significant change to concessionary fares schemes, we all need to be aware that that could send out shock waves elsewhere.

Nora Radcliffe: Do you think that eligibility for fuel duty rebate should be extended? I think you said that you would support the case for interurban coaches to qualify for the rebate. Should school buses and community buses, for example, be included?

Marjory Rodger: Yes. We drew particular attention to interurban services because large areas of Scotland are not accessible by rail and interurban coach is their link. Currently, 30 per cent of the Scottish Citylink Coaches network does not qualify. Nationally, or UK-wide as I should say, 80 per cent of the National Express network does not qualify. We think that interurban coach services are an essential part of the public transport mix.

I would go further and suggest that the rebate should apply to all school vehicles and, if we are serious about reducing congestion, all multiple-occupancy vehicles, including post buses and community buses. To put it simply, I would propose that the rebate should apply to multiple-occupancy vehicles.

Mr Kenny MacAskill (Lothians) (SNP): Rather than extending fuel duty rebate, has any consideration been given to offering rebated fuel, such as red diesel or an equivalent? How could operators manage that? Do you have bunkering and storage facilities or some other way of managing rebated fuel?

Freda Rapson: In my view, the fuel duty rebate should be extended in total. Under a rebated fuel system, two different tanks would have to be kept. If a vehicle was used one day for a Citylink service but then used for a local service, a rebated fuel system would be difficult to operate. The men in black—or whoever they are—might come to check someone's diesel tanks and find out that a vehicle was running on red diesel when it should not be.

There is a lot of bureaucracy in the current fuel duty rebate system. That could be removed if there was just a blanket subsidy, or if the money was just taken off and given out net, rather than paperwork having to be filled in to make a claim for the rebate.

Robin Harper (Lothians) (Green): I want to ask a related, operational question, concerning a matter on which I have been lobbied several times recently. Is there any good reason why buses should be left with their engines running for long periods of time, sometimes two to three hours, between jobs?

Marjory Rodger: As the non-operator here, I would say no. I cannot understand that practice. It is usually against company rules, but I will pass the question to the operators. Fuel is a significant cost, and I cannot understand any responsible operator encouraging drivers to waste it.

The Convener: I see that Bob Montgomery has a resigned look on his face.

Robert Montgomery: The simple answer is that there is absolutely no good reason. We employ 5,000 people across Scotland. I cannot guarantee that all 5,000 of them switch off their engines when they should, and we deal with the ones who do not when we hear about it. Generally, that should not be an issue.

Engines should certainly not be left on for hours, but there is sometimes an issue about them being left on for a two-minute stop. If any of my drivers were leaving their engines on for two or three hours, I would want to know about it.

Freda Rapson: I would concur with that.

Robin Harper: Can you give us any recent examples of advances in the information that is provided for passengers, or of new joint ticketing strategies?

Robert Montgomery: There are two issues in that question: information and joint ticketing. As operators, we have been keen to improve levels of information, because improved information gets more people on to buses. That desire for improvement has been matched by the Executive's and the UK Government's aspirations in PTI 2000—the new public transport information project—which will provide a comprehensive telephone information service across the UK. The Confederation of Passenger Transport is keen to make the service happen, and is working very hard to achieve that. Occasionally, we are frustrated by what we see as different agendas, but we are keen to be involved and for the service to go ahead. We envisage that a significant portion of the cost of providing the service will fall to us.

There has been a whole raft of initiatives to provide joint ticketing, including through-tickets on

buses, transfer tickets between buses, transferable tickets between operators and bus-rail ticketing. The industry and CPT as a whole have been very keen to provide bus-rail through-ticketing in every town and city in the country. We are particularly disappointed—that is probably an understatement—that we have delivered that in Aberdeen, Dundee and Edinburgh, but are unable to deliver it in Glasgow, because SPT has opposed it. SPT has indicated that it regards bus-rail through-ticketing as damaging to its rail network; it has therefore not co-operated with us to deliver that.

The perception is that, if bus-rail through-ticketing is allowed in Glasgow, people travelling into the city might not complete their journey by train, which some people currently do; they may instead complete their journey by bus, which may damage rail revenues. We are working with SPT to try to find a way round that, and have suggested to its representatives that people could be given the option of a through-ticket that they could use on either a bus or a train. We do not have any difficulty with that, but we are still having difficulty getting SPT's agreement.

As operators, we have considerable frustrations, and achieving through-ticketing is, let us say, bureaucratically constrained. From a commercial point of view, we think that through-ticketing is the way to go, and we are keen to proceed with it. Sometimes, however, the bureaucracy frustrates us.

Marjory Rodger: We are delivering the national integrated transport timetable on a voluntary basis, working with local authorities. Scottish Executive consultants came up with 82p as the average cost of a call. Given that the average urban bus journey costs 70p, that journey will always be made at a net cost to the operators.

Freda Rapson: I can give a specific example of joint ticketing that we have been working on with Orkney Tourist Board. A ticket can be sold at the Edinburgh tourist information centre to take someone all the way to Kirkwall. The journey includes a Scottish Citylink service, the John o' Groats ferry and us, on Orkney. In case members have anything to do with awarding the contract, I advise that we have had problems getting hold of someone from P&O to do a similar project. However, we are working on that.

The Convener: That is now in the *Official Report*—well done.

I want to ask a couple of questions. I know that we have discussed fares and frequency, but I want to get them clear in my own mind. Bob Montgomery said that those issues would become part of the game, and that when one entered into a partnership, they would be up for discussion. Can

you re-emphasise why they should not be underpinned in the legislation?

09:45

Robert Montgomery: We have tried to say all along that every partnership is unique. One of the benefits of partnership is that, if one is involved in a situation in Kilmarnock, Glasgow or Galashiels, the appropriate local authority and the operator will sit down and say, "What are the issues? What do we want to achieve over the next five or 10 years, public transport-wise?" They will put their objectives on the table and hammer out an agreement.

We are reluctant to accept the imposition of a fixed template that says we must agree X, Y and Z, because such agreements will depend on the circumstances. One can agree broad frequencies. For example, we have commitments to frequencies for the next 10 years on 18 routes in Glasgow, on which we have clear and voluntary undertakings not to vary those frequencies for a decade. We do not have a problem with doing that, but we are a bit concerned about different networks in different situations, as they will have different levels of demand and viability.

For some of those networks, it is clear that one can give guarantees on fares; on others, it is clear that one can give guarantees on frequency. FirstGroup operates about 40 per cent of the buses in Scotland. We give indefinite, permanent undertakings on fares to the Office of Fair Trading for most of those routes, so that is not an issue for us, as we do not have freedom in relation to our fares, for reasons of competition.

As an industry, we are concerned about giving guarantees that we cannot keep. We live in a commercial world. Fuel prices, labour costs and travel demands vary and local authorities change their concessionary fare schemes; as a result, travel patterns change. We do not want to make false promises by saying to people, "We guarantee to maintain these fares and these frequencies for five years", because the economy may move. We would prefer to go into a voluntary agreement that says, "We know what you want to achieve. This is what we can guarantee, and this is what we can try to do."

If we were to enter into fixed agreements on frequencies and fares in every partnership, that would be a bit like contracts. If the economy were to change, we could not change the agreement and we would go bust, in which case the service would disappear. That factor had an impact recently in London, where operators have disappeared off the face of the earth and left no services because they could no longer comply with their commitments. This is an issue of

flexibility.

The Convener: Could not the contractual arrangements give some flexibility by providing for such things as renegotiations, discussions and annual reviews?

Robert Montgomery: Each partnership is unique. When an authority has a particular concern about frequencies and fares, it should be possible—with a viable, practical and workable solution—to reach agreement with operators to address those concerns in the partnership, which is fine. There should be flexibility, rather than unrealistic ambitions.

The Convener: My last question concerns compensation. I know from your submission that “CPT seeks statutory recognition of operators’ rights to compensation”

on cessation. Could you explain that concept to me? Why should you get compensation?

Marjory Rodger: The Transport (Scotland) Bill policy memorandum recognises that an operator who was running a business profitably might have that business removed from him because he has lost out by having to submit a tender. Surely he would be entitled to compensation.

The Convener: Is that not the same commercial environment that everyone else experiences? If people put in a bid and lose, so be it. I know that there are bigger infrastructure investment issues. I am sure that that is the ground you will want to cover.

Robert Montgomery: I can give a large-operator view, and Sandra Whitelaw can give a small-operator view. As a large operator, we paid well in excess of £100 million to acquire our Glasgow business. That money found its way to the local authorities, because when the businesses were privatised, the local authorities took significant capital receipts. Of the £100-odd million that we paid, a significant proportion was for good will—not for fixed capital assets—so if the whole Glasgow market went into a contract arrangement, that would effectively take away our business and hand it to somebody else. We would have made that significant investment and received absolutely no compensation. You could argue that local authorities have been paid for bus businesses, yet some years later they could take them away again without paying for them. That is the argument, but I am sure that Sandra Whitelaw has a different perception.

Sandra Whitelaw: We are a smaller, family business. Over 27 years, we have built up a business by investing heavily in vehicles, people and premises. If we were not compensated for losing out in quality contracts, the continual investment would be lost. That is money that we

have put into the business and would lose through quality contracts. There would be nothing left.

Mr MacAskill: I understand where you are coming from on joint ticketing, but smart card technology has not been mentioned. Is there an argument that ticketing is the technology of the past century, and that we should miss out ticketing and go straight to smart card technology? What is being done by the operators, and what should be done by the bill?

Robert Montgomery: Three of the major groups—Stagecoach, National Express and ourselves, that is, FirstGroup—are partners in a company called Prepayment Cards Ltd, which is developing smart card technology for use in the transport industry. We are keen on the potential of smart cards, and a range of smart card experiments is taking place.

FirstGroup is conducting a substantial experiment in Bradford, where we are seeking to move huge volumes of people over to holding smart cards. We are transferring every pricing and ticketing product to smart cards, in a major, focused experiment to see what you can do with smart cards. We hope that if that experiment works, we will be able to roll out the scheme across the country. As far as Scotland is concerned, we are keen to use smart cards.

We are also in discussion with Aberdeen City Council about the possibility of carrying out a smart card experiment in Aberdeen, following the experiment in Bradford. As far as all operators are concerned, smart cards have huge potential.

Marjory Rodger: Can I pick up on one or two points? Ten per cent of the PCL shareholding is held in reserve, so that any other operators can buy in. It is not a closed shop. Also, smaller operators would not have to invest so heavily to buy the whole equipment set-up. They could buy equipment on an agency basis so that they could use the facility. I must stress that there is still no business case for small operators; the outlay that they would have to make without financial assistance would not be matched by the return. That is a note of caution—I am not saying that it is not what we should do.

Mr MacAskill: Should a smart card scheme be made compulsory or dealt with nationally? Perhaps a national smart card scheme should be dealt with nationally and the money should be recouped in other ways. If it is possible to integrate the transport system in Malmö and Copenhagen, across two countries and languages, it would be absurd to have a smart card scheme that operated in Fife, Glasgow and elsewhere but not in Edinburgh.

Marjory Rodger: I agree. PCL has just negotiated an agreement with the post office

network to allow cards to be sold in post offices. That has just been agreed in theory. In other words, they are planning on looking ahead. There is also a fraud incentive. Lothian Buses is saying that with every young person having access to a computer and a scanner, some remarkable fraudulent copies of £330 annual season tickets are being picked up. There are all sorts of angles here.

10:00

The Convener: That will be read widely in the *Official Report*.

If there are no further questions, I thank Robert Montgomery, Marjory Rodger, Freda Rapson and Sandra Whitelaw for coming. It has been a good session and we have covered many issues. We appreciate your written submission and oral evidence.

I ask the representatives from the Association of Transport Co-ordinating Officers Scotland, Andrew Warrington and Max Thomson, to take a seat at the table.

Andrew Warrington (Association of Transport Co-ordinating Officers Scotland): First, thank you for giving us the opportunity to give evidence. ATCO Scotland represents public transport co-ordinating officers from the majority of local authorities in Scotland.

As we said in our submission, we support the intent of the bill, although we consider that the focus on putting people first is not necessarily covered in all its aspects. The underlying ethos of the bill is integration, but we are concerned that rail, ferries and other modes of transport are not covered. The bill has significant financial implications for local authorities and that needs to be addressed.

On bus services, which is our main focus of interest, we welcome the additional duties and powers for local authorities that are detailed in the bill and the greater flexibility that that will afford us in undertaking our responsibilities. We support quality partnerships, but certain aspects of the bill regarding them need to be addressed. While we note that fares can be included in the partnership contracts, that should be stated more specifically. We are not trying to take commercial innovation away from bus operators, but we think that maximum fare ceilings should be an element of quality partnerships.

Similarly, we think that there should be a requirement for a minimum frequency of service in a formal partnership. We do not think that quality partnerships are the panacea that some commentators suggest they are. There are different answers for different localities in

Scotland—it is a varied country. Quality contracts have considerable merit in certain circumstances, such as in small geographical areas, so we do not envisage quality contracts in Strathclyde. That might concern some people in the bus industry. The 21-month lead-in time takes no cognisance of the scale of quality partnership contracts or of what they must try to achieve locally.

We can address during questioning the points on the fuel duty rebate that we made in our submission. We are supportive of the principle of concessionary travel, but although the Scottish Executive wants to take powers, it does not appear to have addressed the financial implications. The Confederation of Passenger Transport addressed some of the pressures that councils are under in relation to their revenue support budgets.

There is no doubt that the bill as drafted would be a positive step forward for public transport in Scotland. However, we suggest respectfully that if some of the points that we have identified in our submission were taken on board, the benefits to the travelling public—which is what we are all interested in—would be significantly greater.

Helen Eadie: In the bullet points in your submission, you say that you do not support the view that there ought to be statutory partnerships and you cite as a reason for that the significant amount of partnership working that already exists in public transport. Do not you think that statutory bodies would have a greater impact on the co-ordination of all parts of the transport network, including those reserved areas that are run by the Scottish Executive?

Max Thomson (Association of Transport Co-ordinating Officers Scotland): We have no problem with the concept of statutory partnerships, but we are slightly concerned that in the bill, the terms of quality partnerships extend only to the bus industry. A fully integrated approach to transport would require the extension of the provisions to other modes of transport.

We understand that there are problems as a result of reserved powers, especially in the rail industry, but we support the concept of a statutory quality partnership. We would like the statutory scope of such partnerships to be extended to matters that focus on frequencies and figures, which the committee discussed with previous witnesses.

Janis Hughes: Your submission mentions that you support the idea of quality partnerships. Are such partnerships strong and binding enough to effect the necessary change, given their statutory basis?

Max Thomson: We have some concerns about that. The provision of bus services varies

considerably throughout the country and quality partnerships will improve that, but local authority officers are concerned that a local authority could invest large sums of public money—local authority money and money that is obtained through the public transport fund—in a quality partnership with no guarantee that even the existing level of service would be maintained for the lifetime of the partnership. That causes us some concern.

Others, who represent the semi-rural areas, wonder to what extent a quality partnership could truly deliver improvement and what a local authority could do to improve the prioritisation of routes and the infrastructure in rural areas as well as provide better information, more bus shelters and so on. The essential package that can be put together is being questioned.

The Convener: You heard the evidence of CPT. In an imaginary room in which you were all sitting down to negotiate your partnership, where would the power lie if fares and frequency were not underpinned by statute?

Max Thomson: An operator that successfully implements a statutory quality partnership agreement with a local authority will get some protection from competition in that the threshold for entry to the market will be raised. However, we would not want the operators to abuse their position by increasing fares just because the cheap and cheerful operators cannot come in and cream off some of the passengers. That concerns our members.

Andrew Warrington: The public are always telling councils that the key aspects of a bus service are fares and frequency. We are not saying that every detail should be specified, but provision of some broad operational parameters—such as a fare ceiling or a minimum frequency level—would be a positive step, because such details give security and help to promote partnerships. As I said, although we do not suggest that an operator's commercial ingenuity to develop their service should be removed, there should be a formal framework in which the service would operate. It is also fair to say that although quality partnerships are appropriate in the larger urban areas, their relevance diminishes in more rural areas.

Janis Hughes: Should there be scope within the terms of a quality partnership to specify such improvements to bus services as disabled access?

Max Thomson: Yes. Whether we are talking about quality contracts or quality partnerships, the essential approach must centre on how to improve matters over a defined time scale while achieving the targets that we are aiming for. Quality of service in all aspects—including accessibility—

must be one of those targets.

Andrew Warrington: Although there has been huge investment from the larger transport groups in particular, that has been predominantly centred on large urban areas. There has been nowhere near the same level of investment in semi-rural and rural areas, because the rates of return for businesses are much lower in such areas.

Mr Tosh: In the set of bullet points that you gave the committee, you are quite critical about the 21-month lead-in time to set up quality contracts. A fortnight ago, the minister came before the committee and under questioning she said, essentially—I am sorry that I do not have her words to hand—that the 21-month period was not a hurdle that had been put in the way of contracts. She said that it simply reflected the Executive's experience of tendering for contracts for trunk road maintenance. She went into detail about such aspects as advertising time and the length of time it took for tenders to come in and be evaluated. She argued robustly that, based on the Scottish Executive's experience, the process would take 21 months. In your bullet points, you said that that is not the case and that the process could be completed quickly and easily. Those two statements are very different—I would like you to expand on that.

Andrew Warrington: Perhaps I could give you an example from Perth and Kinross, which is a rural council. We will undertake a whole tendering exercise—from consultation with the local public to going through the formal tendering procedure to the award of the contract—in six months. That has been standard practice in the majority of local councils in Scotland, because of school transport commitments and other requirements that must be met. We do not have the opportunity to take almost two years to put local bus service work out to tender.

However, we accept that there will inevitably be a time lag in our tendering time scales if, for example, an operator has to invest in newer vehicles. The contract period might commence with a two or three-month period to allow for that. Although we are flexible in that way, six months would be a good reflection of the average time scale within which most local authorities would work.

Max Thomson: We accept that there needs to be a significant consultation period, but given that any move towards quality contracts will arise from a local authority's local transport strategy, there will already have been extensive consultation on the direction in which the local authority sees the market for public transport going and the way in which the network might develop. We might well be talking about horses for courses. For example, a quality contract might not be issued for the entire

area of Strathclyde Passenger Transport Executive. Authorities might have to break the network into more manageable chunks to carry out such activity.

Mr Tosh: Is that the reason for the variation between the time period that is suggested in the bill and your experience? Do you think that the people who framed the bill envisaged tendering in Strathclyde taking 21 months, although your experience suggests something different? Are there other issues? There is a considerable difference between the 21 months that is mentioned in the bill and the six months that you suggest the process might take. It is difficult for us, as amateurs, to square that circle.

Andrew Warrington: As CPT said, it is horses for courses. In some instances, one bus route in an area is commercial and the remainder of the network is tendered. Integration of that into a quality contract requires a different time frame from a situation in which there is a far greater commercial commitment from the operator.

I do not think that a period of 21 months should be viewed as right or wrong; more flexibility is needed. If contracts are based on local transport strategies in local authority areas, operators should have the right of appeal if the council proposes quality contracts on certain routes or in a locality. From the operators' perspective, that is only fair. It is not appropriate to set a definite time period, because we could be comparing variant networks.

Mr Tosh: I will pick up on the next point in your submission. It states that quality contracts "may actually stimulate competition". That is not a universal expectation. Will you expand upon that and show how contracts could develop competition?

Andrew Warrington: From a rural perspective, smaller operators are reluctant to compete with the larger groups. In the past, small operators have won local authority contracts, but the larger operators have registered services commercially to ensure that they keep their market share. The good thing about quality contracts is that they provide some permanency. They allow smaller operators to invest, knowing that the contract will exist for between three and seven years, depending on the terms of the quality contract. That cannot be taken away from them. Contracts provide opportunity, because the smaller operators do not have to fear larger groups that do not agree with their business development; the contracts offer the smaller operators some permanency. ATCO has said that there could be increased interest in quality contracts in such circumstances.

Max Thomson: The competition moves from

the roads to the franchises. All the evidence on competition for rail franchises and franchises to operate parts of the bus network in London suggests that there is healthy competition to secure the right to operate those services.

The association believes that in order to retain the positive elements—such as innovation—that competition on the street can bring to bus operation, quality contracts must set targets for declining subsidy and increasing passengers over the time in which they operate. That would ensure that successful operators had a positive incentive to continue to grow their businesses and make the product increasingly appealing to passengers and potential passengers.

Mr Tosh: The next point in your submission is about quality contracts facilitating best value. Would they do that? I can understand that it might, from a local authority point of view, represent a form of value to make profitable routes bear the cost of loss-making routes, but if the burden of maintaining the low-value, loss-making routes is put increasingly on the viable routes in a contract, will not that diminish the return to the contractor and the overall quality of the service? If a contractor's returns are reduced, he will invest less in innovation, new buses and modern buses. Are not you taking a narrow view of best value?

Max Thomson: I do not think so. By including a mix of services in a franchise and setting targets within that, the operator will want to increase his rate of return during the life of the contract. He will examine all elements of that business to see whether more can be done through, for example, fares offers and ticketing opportunities.

The contract should be seen as a minimum requirement—if the operator wants to add to it, the local authority should not try to prevent that. If an operator wants to add journeys in the evening or to increase the frequency of services to try to stimulate demand, for example on Sundays, that will be all the better.

10:15

Helen Eadie: I was interested in the London example that you mentioned. Will you expand on the points that you made? From the evidence that we have taken and the documentation that we have received, my understanding is that London is an example of a city where buses have a stable if not increasing share of public transport. In London, there are contracts and the market has been segmented. Could that example be followed in Scottish cities?

Max Thomson: The way in which the London franchise system works is unique in the United Kingdom. Of course, London has never been through a period of bus service deregulation—it

moved straight from the old licensing system to the new franchise regime. London Transport, as the public transport authority, defines the network and puts elements of it out for franchise through a tendering system. Generally, it has done that by breaking the network down into relatively small chunks. Those are often single routes—although, of course, in London, a single route can involve 40 or 50 buses. London Transport also invites tenders in such a way that the operator can put in an alternative tender that says, “We have thought of a good way of increasing the frequency here, and adding to the route there.” The operation is not, therefore, straitjacketed.

In the early period of franchising, operators tendered for the operation of a service and London Transport retained the revenues. Over the years, the system has changed to one in which the operators retain the revenues and therefore have an interest in growing the business, marketing the product and bringing innovation to the system. That is done in a way that might not happen if all they had to do was turn up, run the buses and get a guaranteed income.

In the rail system, we are considering the extent to which the shadow strategic rail authority will set targets during the life of a rail franchise. There will be a decline in subsidies that are paid over the period of the franchise, so the operator again has an incentive to do all that it can to go out and win more passengers.

Robin Harper: I have a two-part question on information and through-ticketing. In your submission, you make it clear that you feel that the bill is lacking. You say that it does not provide for enough integration because it does not include other modes of transport, especially trains and ferries. Will you expand on what you said about information? You say that the method of delivery is not all that important and that the key point is that the information should be multi-modal and impartial. Do you envisage some kind of co-sponsored, central information service?

Andrew Warrington: I am aware that there might be some differences between the bus industry and our organisation as regards information.

I was trying to make a point about the delivery of information services on the street, irrespective of whether that service is provided by the bus company, the local authority or another party. The standards that are set are crucial and the information should be multi-modal and impartial. There are models around the country, such as in my local authority, that provide all the information on the street and most of the published timetable information for all operators. That model works well in Perth and Kinross: there are other cities and locations where operators provide the

information on the street.

Irrespective of whether one is dealing with a large group operator or a smaller operator, the key is to ensure that the public see something that is clear, understandable, impartial, accurate and up-to-date and provides them with the information they need. Customers are not necessarily bothered about corporate niceties; they want accurate information. Legislation must ensure that standards are set—that is the key. We are not saying that information services should be the responsibility of local authorities or of the transport industry, but they should be tied into local circumstances.

Robin Harper: Do you think that the information should be impartial?

Andrew Warrington: Yes, totally. We must ensure that when a person looks for bus times on a route on which a number of operators operate, all the information is provided. Locally, even if we have two or three operators on one route, the information that the customer will see at the roadside will cover all operators and will often be in composite form. Therefore, people know that the next bus after 11 o'clock will be run by operator A or operator B. That is a key issue. We do not try to present one operator in a more up-tempo fashion than another—we try to provide accurate information.

Robin Harper: What are your ideas on the collection and dissemination of information on through or joint ticketing? The committee has heard that it costs a bus company 82p to answer an inquiry, which does not seem very cost efficient to me.

Max Thomson: That figure comes from consultancy advice to the Executive on setting up a Scottish branch of the PTI 2000 national timetable, which is based on somebody telephoning a national number with an inquiry. The consultants estimated the average time that they thought a call would last and compared that with the average cost of providing a bus trip in Scotland. We should, however, take into account the fact that a single inquiry could lead to more than one bus trip—it might involve someone making that bus trip five days a week, 52 weeks a year.

At present, bus companies and local authorities are involved to some extent in running a sort of call centre to give information about bus services. If PTI 2000 is successful and becomes the single point that everyone knows they should phone, there might be savings for some organisations. They would not have to mirror that activity and they could use those resources to do other things. For example, in my council area, staff who currently answer telephone inquiries about

services might be used to go out more to meet the public and large employers. They could give roadshow presentations and deal with people's transport inquiries in their workplaces. They could go out and explain how the network works for the customer and bring back feedback on how the network might be improved.

Robin Harper: You referred to multi-modal information. I know that only those people who have access to the internet would benefit from this, but are there any examples of relevant websites?

Max Thomson: There are many examples of such websites; the number is multiplying as local authorities develop them. Most authorities have something up and running. Lothian Buses in Edinburgh is about to introduce a journey planner on the web. People would be able to access the site, type in the starting point and destination and be given their journey options. Good information depends on a relatively stable network. If the network is not stable, it does not matter who has what powers, they will not have the resources to keep up to date with good, accurate, useful information—whether that is on street, online or in public offices.

The Convener: I invite Cathy Jamieson to ask about concessionary travel. I remind members of the timetable that we are working to this morning.

Cathy Jamieson: My questions are short and are likely to prompt short answers.

Max Thomson: We will do our best.

Cathy Jamieson: What are your views on the possibility of extending the scope of the groups that are eligible for concessionary travel, beyond those outlined in the bill? Would you support that?

Max Thomson: As long as the funding is in place, I would not see any problem with that. Indeed, that would extend the social inclusion programme, because concessionary travel is key to giving people access to employment, for example.

Cathy Jamieson: On concessionary travel, your submission says that, although

"the Executive is indicating that they are to take powers, they have not clearly stated their intention to accept financial responsibility."

Do you have any views on how the Executive should take that on board?

Andrew Warrington: As the CPT suggested, this year several councils have been forced to change their travel concession schemes—in some cases for the first time in three or four years. In the budgeting process, they have been left with the stark choice between maintaining support for local bus services or maintaining concession levels.

That was the situation for my local authority. It is fine for the Executive to take the powers, but the financial resources must go with them—whether that is managed at local or national level.

Cathy Jamieson: Your submission also mentions the lack of powers extending to rail services and suggests that the Executive should address that. Would you be in favour of a matching concessionary fare scheme for rail travel?

Andrew Warrington: Yes. If we are trying to provide a transport mix where people have choice, the railways are an important resource. Our experience from the introduction of the national blind scheme last year—a good partnership between the bus companies, the majority of rail companies and local authorities—showed us that concessionary travel is a multi-modal issue. It is essential that the provisions cover all the main modes.

Nora Radcliffe: Do you anticipate a further layer in bureaucracy if the shift that you propose from fuel duty rebate to a system of direct grants to road-based passenger transport were to take place?

10:30

Max Thomson: The main element of our thinking is that the present fuel duty rebate is an untargated subsidy. Anyone who operates a local registered bus service is entitled to fuel duty rebate for their mileage. A direct grant would be a useful tool for local authorities because the subsidy would be better targeted and would lead to the increases in frequencies that are essential in order to give people a viable public transport alternative. At the moment, there is nothing to stop wasteful competition being subsidised through the fuel duty rebate system.

The industry changes over time. In the early years of deregulation, there was a lot of competition on the roads, much of which would not have existed if operators had had to pay fuel duty at full rate. There is some evidence to suggest that in some areas we are moving back into an era of on-street competition. The extent to which the Exchequer plays a part in such wasteful use of time and resources is something to bear in mind.

Nora Radcliffe: The Convention of Scottish Local Authorities has spoken about the fact that the Executive should be a partner for change in pursuing the aim of integrated transport. Do you have a view on that and on whether the bill envisages a significant enough role for the Executive?

Andrew Warrington: The Executive is an essential part of the partnership. Our submission

concentrated on the bus service elements of the bill, but responsibility for trunk roads, rail and ferries lies with the Executive, which must accept that responsibility. The bill probably does not give enough comfort that the Executive understands fully the essential nature of its role. That needs to be addressed. Trunk roads run through our main cities and towns and are an essential element of the policies, whether we are talking about road user charging or whatever. A town cannot have charging policies if some of the main roads through the town are excluded. Trunk roads are not only long-distance routes; many of them are essential routes in the locality. The Executive has an essential role, particularly in rail. The bill makes little reference to rail, which is covered in the UK bill, but there needs to be a greater focus on it—for much of Scotland, railways are an important element of the transport mix.

Max Thomson: The Executive is involved through its responsibility for trunk roads and for giving direction and guidance to the strategic rail authority on how rail franchises should operate north of the border. However, just as local authorities are supposed to have a vision through the local transport strategy, our association would like the Executive to have a national vision of where we are going and of the targets that we want to achieve collectively, as it does in other aspects of transport, such as road safety and reducing accidents.

The Convener: I do not see any member indicating that they have more questions. I therefore thank Andrew Warrington and Max Thomson for coming along. That was another useful session. We appreciate the bullet points that you gave us as well as your oral evidence.

I ask the representatives of City of Edinburgh Council, Councillor Mark Lazarowicz and Barry Cross, to join us. Good morning. You are very welcome. Will either of you be making an opening statement?

Councillor Mark Lazarowicz (City of Edinburgh Council): I will make a statement if I may. I introduce Barry Cross, the city council's transport planning manager. We have submitted written observations. I want to make it clear that the council has not formally approved the written documentation, as it has not given a response as such to the bill. However, the submission is based broadly on views expressed during the consultation on the bill.

I want to highlight a couple of the points in the paper that set out our concerns about the proposals in the bill, which we generally welcome. We are concerned about the relationship between quality partnerships and quality contracts, which has been at the centre of much of the committee's discussion this morning. The fact that quality

contracts are seen as a last resort is a weakness in the bill. Our view is that local authorities should be able to move much more simply to establish a quality contract if they think that that is the best option.

An example would bring a touch of reality to the question of how the proposals would affect transport in an area. In Lothian, unlike in many areas of Scotland, there is real competition between a number of operators. In Edinburgh, the principal operator is Lothian Buses, but a significant role is played by FirstBus. Although FirstBus is dominant outside Edinburgh, Lothian Buses has a presence. In the past few months, Lothian Buses has carried out a major enhancement and reorganisation of the network, which brought a number of benefits, although the company withdrew some services from Midlothian.

In the past few weeks, the FirstBus network has been reorganised, which appears to mean that that company will concentrate on a few key routes in Edinburgh and in some of the more populous surrounding areas. The disadvantages appear to be the withdrawal of certain services from Midlothian and East Lothian and the fact that the newer buses are being put on the Edinburgh routes while the rural areas get the older buses.

I understand that Lothian Buses is likely to change its network to take account of the greater FirstBus presence. That might lead to a reduction of service on the less commercial routes in Edinburgh. At the end of the process, there will be more buses on certain routes, which will benefit many passengers, but there will be fewer buses on the less profitable routes. As those routes are likely to cover areas where social inclusion issues are the most important, the local authority might have to step in to bridge the gap and deal with the associated difficulties.

What can the model that is proposed in the bill do about that situation? The quality partnership model might be the way forward, but we are sceptical about that. The ability to put in place a quality contract in a simpler way might make quality partnerships easier to achieve, as those involved would be aware of the ease with which the quality contract back-up can be called on.

We have ventured to suggest a form of words that might be taken into account to tighten up the bill. The wording has not been drawn up by parliamentary draftsmen and I am sure that it can be improved on. We suggest that, instead of saying that a local authority can move to a quality contract only when it believes that that is the only way of running the necessary services, the bill should say that a local authority can move to a quality contract if it believes that that is the best way of running the necessary services. That approach might merit consideration by the

committee. We suggest that the quality partnership model should allow for fares and frequencies to be included in the framework, notwithstanding the comments from the CPT. Our experience of quality partnerships has not been positive to date. Barry Cross can expand on that if the committee wishes.

Our council is in favour of the powers given to local authorities to develop a road user charging scheme. We are developing such a scheme, although we have not taken a decision in principle to go ahead with it, as that will depend on the bill. Paragraph 6 of our paper refers to our concern about a gap in the bill, which does not seem to allow for any provision for charging on existing trunk roads, even when they form an integral part of road networks. We accept that the committee and the Executive have views on road user charging on trunk roads, but it could make sense to allow cities to have road user charging on trunk roads as part of a wider scheme. We understand that such powers are being provided for in legislation in England. It would make sense for them to be included in the Scottish legislation as well.

The Convener: Thank you. You have given us a very useful synopsis of life on the ground.

Helen Eadie: In your short, sharp submission, you say that you would prefer the bill to create statutory transport authorities rather than to rely on voluntary joint transport strategies. How will the statutory transport strategies be an improvement on voluntary arrangements?

Councillor Lazarowicz: I think that we were the only authority to say that the regional transport authority model would have been suitable, especially in south-east Scotland, where it is clear that transport issues in Edinburgh cannot be separated from those in surrounding areas. Notwithstanding the criticism that I have heard of Strathclyde Passenger Transport, for example, I think that a statutory authority would have been better for south-east Scotland. Our view is that joint transport strategy provision is useful. It is a way of allowing the Executive to reinforce the current discussions among local authorities to produce regional transport strategies. We have a good relationship with our neighbouring local authorities in the south-east Scotland transport partnership, which involves authorities from Fife to the Borders. The joint transport strategy powers are a useful tool if the local authorities cannot agree on a way forward for a particular part of the country.

Robin Harper: A few of the questions that I was going to ask, on trunk road charging in particular, have been answered quite clearly in your submission and preliminary remarks. You envisage particular difficulties because of the

definition of workplace parking. You suggest that the definition should be widened to include scope for charging for all private non-residential parking, including customer car parks at offices, shopping centres, leisure centres and so on. You say:

“This would also be more consistent with wider transport policy objectives.”

I presume that you would include out-of-town shopping centres in that list. Will you expand on the problems that the bill presents in this respect?

Councillor Lazarowicz: We would have preferred the bill to provide for clear powers to impose such a parking levy. Although we have not reached a final decision on what scheme to promote, I think that it is extremely unlikely that we will promote a scheme for workplace parking in Edinburgh. In the consultation that we undertook last year, there was a lot of hostility to that option, which received the lowest level of support. As the bill stands, it is not likely that workplace parking levies will be introduced in Edinburgh.

The opportunity to charge for other private non-residential parking, such as at out-of-town shopping centres, will allow for control on such developments and, more important, will ensure that such developments meet their full environmental costs. It will also allow for the full transport infrastructure to be put in place. At the moment, we feel that planning legislation is too limited in terms of planning controls. The ability to extend the scope to private non-residential parking would be helpful.

Barry Cross (City of Edinburgh Council): One of the principal objectives of our local transport strategy is to encourage a shift from private car to more sustainable modes. Leaving large amounts of parking, in particular at the out-of-town or edge-of-town developments, out of the equation in a parking charge regime would create an uneven playing field for similar destinations within city centres. That raises all sorts of equity issues.

The introduction of parking by definition of user raises issues of how to cope with multi-use spaces, how to enforce the scheme and how to deal with employees who choose to park in public spaces—for example, at out-of-town or edge-of-town shopping centres. We wonder whether the limited scope for that type of parking regime renders the scheme almost unworkable.

Robin Harper: I presume that you intend to implement road user charging in Edinburgh. What vehicles should be exempt from road user charging and from workplace charging, if that were to be introduced?

10:45

Councillor Lazarowicz: We have not decided

whether to introduce road user charging in Edinburgh, as we have not yet done the necessary preparatory work. There is a balance to be struck. We would want to exempt some categories of road user, but the more exemptions there are, the more difficult it would be to implement the scheme. The council has not yet arrived at a firm view on that.

Barry Cross: That is one of the work-up areas that we will address at the next stage of our work. Lots of people legitimately request exemption, and the question is where the line is drawn. We must bear in mind the social inclusion and exclusion issues and the need to encourage mode share and mode shift. All those issues will have to be considered as part of the development of the package, if the council gets to the point of submitting one to the Scottish Executive for approval.

Mr Tosh: I have a question on road user charging and the interface between modal shift and revenue raising. We took evidence last week from Glasgow City Council, which is thinking of introducing workplace parking levies. It was clear that that council views such a scheme primarily as a revenue-raising project, whereas Barry Cross has spoken about modal shift being at the heart of any charging system that City of Edinburgh Council might introduce.

The discussion in the press has floated the idea of charging at £1 a journey, but I know that the council is not committed to that and has yet to make a fast decision on any such matters. Charging that amount, however, would deter only the marginal road user and would not be likely to encourage a modal shift. If charges are introduced at the level that has been suggested in some paper-based studies to encourage a modal shift, motorists will be walloped with fairly hefty costs. I cannot quite work out where you are coming from—whether such charging is really an exercise to raise revenues to improve the railway network and some of the bus routes and how you are going to achieve a significant modal shift.

Councillor Lazarowicz: The scheme is designed to achieve a modal shift and to raise revenue: the two are interlinked. If revenues can be raised, public transport can be improved, which will make a modal shift more likely. As you rightly point out, the level at which the road user charge is set will have major implications for the extent of modal shift.

Considerable research has been carried out by consultants on the city's behalf. The research is not yet complete, but the initial indications are that, even at the lower level of charge, there would certainly be an impact on traffic levels, which would vary from street to street. At a £1 charge, traffic would be reduced by around 6 to 7 per cent—Mr Cross may correct me if I am wrong.

That is without factoring into the equation the expenditure on public transport improvements that would be financed by the charges. Other research has suggested that, for a substantial number of streets in the city, the reduction in traffic would be more than 10 per cent. The reductions are not insignificant, even for a relatively small charge. Obviously, higher charges will have a bigger impact. A balance has to be struck between the level of charge and its effect in reducing congestion.

Mr Tosh: If you can achieve reductions of between 7 and 10 per cent in traffic in certain areas, might you not free up road space that other people who currently choose not to drive will decide to fill? Can you do an impact assessment that will show the overall impact and net improvement?

Councillor Lazarowicz: I emphasise that the 6 to 7 per cent reduction is based on the imposition of a charge without the investment to go alongside it. Current modelling has taken that into account. The possibility of space being filled by other road users is precisely the kind of issue that is the subject of our current modelling. The effort to minimise that possibility will be one of the determining factors in where one puts a charging zone or cordon. Our current modelling is sophisticated and takes account of possible substitution effects when road space is freed up. Mr Cross will expand on that.

Barry Cross: Marginal reductions in traffic volume can lead to significant reductions in congestion and therefore pollution; one has only to think of the improvement in conditions in cities during school holidays for an example of the way in which a relatively small reduction in volume can improve conditions for all users.

Our strategy also gets to grips with ensuring that some of the space created by a reduction in general traffic volume is given to sustainable modes and that the attractiveness of those sustainable modes is improved. Within limits, we have seen that in the significant investment of space to public transport. We have provided additional space for cyclists, although we have much more to do in that respect. One also sees a real need in city centres to give more space to pedestrians. We want to make those modes as attractive as possible to give people freedom of choice.

Mr Tosh: We wanted to ask you about the proposed Forth road bridge board. The people from whom we have taken evidence so far have been firmly of the opinion that the maintenance of the bridge should have the first call on the money. However, a general view was expressed that it would be legitimate to spend money beyond that, on improving the road network in the surrounding

area. What are your views on that, and what would be acceptable parameters for those financial powers? In other words, how far away from the bridge can you go?

Councillor Lazarowicz: I do not think that we should be too specific on the geographical limits. However, we would welcome the revenues from the bridge being used—after maintenance work had been taken care of—for general improvements in cross-Forth travel. That would include improvements in the road network. We would like a dual carriageway link between the bridge and the M8/M9 junction and we would like to have public transport across the bridge. We regard those two things as a package. The new joint board—if it has the right powers and direction—will play a crucial role in improving cross-Forth travel through both the road network and public transport.

Mr Tosh: Should ministers have powers to cap the tolls or should that be a matter for the joint board? Do you accept the point that Fife Council made quite forcefully last week—that the majority of the users are from Fife and so Fife should have the whip hand? I am sure that Fife Council would not use that expression, but it would like the composition of the board to reflect the customer base.

Councillor Lazarowicz: The majority of the users are from Fife but I imagine that most of them are going to Edinburgh. You can approach this issue by considering either where people start from or where they end up. The current bridge board has a membership that is 50 per cent from the City of Edinburgh Council and slightly less from Fife Council. Clearly, Fife and Edinburgh will be the two authorities that are most involved. There will be an impact on both sides of the bridge. There will be an impact on people who live in Fife but work in Edinburgh, but what happens on the bridge also has a major impact on the transport infrastructure and traffic patterns in Edinburgh. We have not considered the issue of capping the toll, so we do not have a view on that.

The Convener: That was beautifully answered, Mark.

Cathy Jamieson: I do not want you to repeat what you outlined in your statement and the full evidence that you give in writing, but I do want to address the concessionary travel scheme. You mention in your submission that

“Ministers should consult extensively with affected local authorities before using new powers, and on details of how any additional funding will be allocated.”

How should it be allocated if the concessionary fares scheme is extended?

Barry Cross: We are keen to make sure that any system takes account of the fact that at the

moment different local authorities invest different proportions and different amounts of their budget into concessionary travel. We heard earlier from ATCO Scotland that often the trade-off within a constrained budget is between concessionary travel and supported services. Ultimately, it is no good having a brilliant concessionary scheme if you have no services because you cannot support them. It is important that if authorities have been putting a considerable amount of effort and finance into concessionary travel over the years, they do not feel that the scheme that is devised penalises them for that. There is a need for a review of concessionary travel, but it should be done in a way that takes account of how local authorities have balanced concessionary travel with the supported service budget.

Cathy Jamieson: What is your view on extending the scope of the groups that are eligible for concessionary travel beyond pensioners and people with disabilities?

Barry Cross: The first and most important point is the budget. It is no use extending the support of a concessionary scheme if one does not have the finance to fund it. There are cogent arguments for why teenagers between the age of 16 and 18 in full-time education should continue to get child fares through some support mechanism. Undoubtedly there are other groups for which one could develop an equally logical set of arguments. They need careful consideration, not least because of the potential for opening Pandora's box on concessionary travel, which is an expensive facility to buy. The most important point is making sure that budgetary issues are addressed prior to deciding how funding is best divided up between those who are claiming a concession.

Councillor Lazarowicz: Mr Cross is rightly being cautious before I promise in this committee to spend all his budget. The general principle of extending the scheme is one that we support, because compared with groups that do not benefit, existing eligible groups such as pensioners have a much greater range of incomes than they did 20 or 30 years ago.

We are concerned about the impact of national schemes. National schemes are good, but clearly a lot depends on how they will be financed. There are some places, and Edinburgh is one of them, where people are more likely to come using the benefits of a concessionary scheme compared with other places. I will not suggest where, but that could be the situation. If we ended up having to subsidise concessionary travel users from other parts of the country without a reciprocal benefit, that would be a problem for us, as it would be for other authorities in a similar situation.

The Convener: Absolutely.

Cathy Jamieson: Should there be a national concessionary fare scheme for other services, such as rail, rather than just for buses?

Barry Cross: By and large, that is not an issue that we in Edinburgh have addressed seriously, because it does not tend to be an issue for a city the size of Edinburgh. It is more of an issue for the Highlands and other areas. We have not given it a lot of consideration.

Cathy Jamieson: I wish to ask another question, which is not solely about concessionary travel. As a whole, what would be the financial impact of the bill's provisions on the City of Edinburgh Council?

Councillor Lazarowicz: As a whole?

Cathy Jamieson: Yes. Do you have concerns?

Barry Cross: Given that the Forth road bridge and road pricing are included, I am not sure. *[Laughter.]*

Councillor Lazarowicz: It is a difficult question to answer. We would have to break it down into the different aspects.

Cathy Jamieson: I presume that you would be happy to do that if we needed further information.

Councillor Lazarowicz: We would do our best.

The Convener: As there are no further questions, I thank Barry Cross and Councillor Lazarowicz.

11:00

Mr Tosh: I am sorry. I did not realise that we were finishing. I want to go back to the question of contracts and partnerships for buses. In the light of recent experience in the Lothians, would you prefer, if the option were open to you, to go for contracts—or at least some contracts—rather than a partnership?

Councillor Lazarowicz: That would be our preferred option. I understand also that it is increasingly the preferred option of Lothian Buses plc, in contrast perhaps to much of the rest of the industry. We would certainly like to have that option, because it might make it easier to bring about quality partnerships.

Mr Tosh: That is interesting, because a lot of the evidence has suggested that people envisage partnerships for the cities and contracts for the rural areas, but it seems that that is by no means a universal perception.

Barry Cross: You are quite right. The ability to move much more readily to contracts would, I suspect, focus the attention of operators who perhaps currently make decisions in isolation. There is a real issue about some of those

decisions being made on the basis of how to take an extra 1 or 2 per cent off the current bus market share, rather than looking more generally at the share of the total market that the bus has.

We need to add a sense of realism to the mechanism, rather than having people say, "We have to go through the approval, then wait the 21 months and by then we will have had a general election and a local election". Is that mechanism real? Will it ever catch up with us? That is what we need. In discussions with operators, we see that that focus is lacking at the moment. We have good working relationships, but the lack of focus and of a potential means of delivery means that all the well-meaning discussion does not often result in a signed deal.

The Convener: Are there any other questions?

Robin Harper: I deliberately missed out a question, because of the need to shorten proceedings. Very briefly, do you have evidence of best practice from elsewhere in the world of the effectiveness of workplace parking levies?

Councillor Lazarowicz: Neither of us is aware of any such evidence.

The Convener: Thank you.

I ask Tom Hart of the Scottish Association for Public Transport and Muriel Williams and Douglas Gilroy of the Scottish Accessible Transport Alliance to join us.

We will give committee members a two-minute break.

11:03

Meeting adjourned.

11:07

On resuming—

The Convener: I welcome Muriel Williams, Douglas Gilroy and Tom Hart and thank them for their written evidence. Members' questions will be directed at the Scottish Accessible Transport Alliance or the Scottish Association for Public Transport, but you can decide who will answer them as appropriate.

Cathy Jamieson: My first question is for Muriel and Douglas. How serious are the current problems of accessibility and affordability? To what extent does the bill address those problems?

Muriel Williams (Scottish Accessible Transport Alliance): From the point of view of accessibility, most transport is not available to me. I had to make special arrangements to get here today because I could not come by public transport.

Douglas Gilroy (Scottish Accessible Transport Alliance): People with disabilities encounter many hurdles in their daily life when they try to use public transport. If, as Muriel indicated, someone has a mobility problem and none of the vehicles—the trains, buses, ferries, aircraft and even taxis—are accessible, that is a monumental hurdle to overcome. There is also the infrastructure—the train could be accessible but not the railway station. It is the same with bus stations, which might not be fully accessible either.

As far as accessibility goes, it does not just apply to the infrastructure or to the vehicles, it also goes to someone acquiring information before they start their journey, which is very important. The bill is peppered with statements on this. Section 4.1 states that when it comes to any discussion on quality partnerships, tendering services or the granting or revoking of any such services, notice only needs to be given in one paper in the area that the service covers. If you are, like me, totally blind, that is not much use, nor is a notice on a bus about an alteration in the services. I have a learning difficulty, so a notice in the local paper is not any use to me. In many instances, this information will not be accessible. I cannot look at a timetable board at bus stops, bus stations or railway stations, especially unmanned railway stations, and say, “Right, the next train to Edinburgh is at such-and-such a time.” I cannot do that, nor can anyone with a learning difficulty.

Accessing information is very important. It could be accessing information once you are on the vehicle, whether it is a train or a bus. The technology is now available to be used. It is imperative that disabled people have access to information about when the next bus or train is, or if you are on a vehicle such as a train or a bus, where you are and what the next stop is. That is now a requirement for the rail industry, but is not a requirement for bus services. There should be a requirement that information must be given out. It does not have to be reliant on the driver. The technology is there to do it through automation.

Affordability is also an important factor. Many disabled people are in the lowest income grouping. The statistics show that, for example, of people who are blind or partially sighted, some 83 per cent of those who were eligible for employment were unemployed or were not in paid employment. I am glad that, because of those statistics, the situation has been acknowledged and we now have the Scotland-wide voluntary scheme for blind people.

Unemployment is also a major issue for other disabled people. Many disabled people cannot afford to buy a car, so they have no option other than to use public transport. If you have a learning difficulty and you are unemployed, you cannot

take the written driving test to obtain a licence. The bill does not go far enough in addressing those problems of social exclusion and discrimination against disabled people.

Cathy Jamieson: That is a clear introduction to some of the problems that people face. I am sure that some of my colleagues will want to come back to those points.

I will now ask Tom Hart a question. How serious are the current pollution and congestion problems? To what extent does the bill address those problems?

Tom Hart (Scottish Association for Public Transport): The pollution and congestion problems have been getting worse. In some respects pollution from cars has been eased as the car population changes. However, the other type of pollution, which is still there, is that in some streets there are too many cars and vehicles going too fast to make it a pleasant environment. In a sense, we must ask what we mean by pollution. Noise is also an issue.

In some areas that are not terribly polluted, people are excluded from using public transport because it is not there, or if it is there, the fares are high. I do not think that the bill goes as far as it could in improving the situation. We have Government targets, for example, for reducing CO₂, which is not directly harming you locally—it is not like nitrous oxides and particulates—but there is a global commitment to reduce CO₂ emissions and transport is still the biggest source of increase. Those issues must be addressed. We need more vision from the Executive, as well as tougher targets and monitoring of what it is aiming towards.

The Convener: I invite Helen Eadie to ask a question on the subject of joint transport strategies.

11:15

Helen Eadie: Good morning, Muriel, Douglas and Tom. This morning, you have heard that the local authorities have considered ways in which they might proceed with joint transport strategies. The involvement of the Scottish Executive is also being considered. In that context, has the bill made sufficient provision for the Executive and local authorities consistently to consider issues of accessibility and the needs of disabled people?

Douglas Gilroy: The bill does not make sufficient provision for that. We appreciate that the powers have not been handed down, but the target for making public transport accessible for those with disabilities is 2017 for buses and 2012 for taxis. Taxis are not mentioned in the bill. While the bus industry is the major thrust of the bill, all

modes of transport should be included. The bill does not seem to do so. There is no mention of trains, aeroplanes or taxis, only of buses.

Muriel Williams: I fully endorse what Douglas said. I am sitting here with notes that say more or less what he just said.

Helen Eadie: I read a paper by Dr Sheila Henderson and Dr Brian Henderson. It said that the bill missed an opportunity to make a disabled persons transport advisory group a statutory organisation. What do you think about that?

Muriel Williams: I think that that would be an excellent idea. The bill makes reference to consultation, but only on a voluntary basis. It is not sufficient to say that the authority must consult

“such organisations appearing to the authority to be representative of users of local services as they think fit”.

It would be appropriate to include a requirement to consult core bodies, one of which would be SATA, as it comprises disabled people and service providers. The local authorities can consult whoever they want to, but there should be a core group that they are required to consult. A consultative body would be welcome.

Tom Hart: There has been talk of consulting representative bus users, but there is no arrangement for that. To ensure integrated transport, the quality of the links and connections between modes must be guaranteed. Therefore there must be a body that can consider transport across the board, including things like park-and-ride schemes. We will come back to the committee with detailed proposals once we have gone through the bill section by section, but we believe that there should be an annual report from the Executive and another one from the councils on their transport policies. That report should include information about the five-to-10 year strategies as well. We are due to hear about a British 10-year strategy later this month.

Douglas Gilroy: We acknowledge that the advisory body would not be a Scottish equivalent of the Disabled Persons Advisory Committee, which is run by the Department of the Environment, Transport and the Regions. However, we regret that the bill does not include a provision to give a legal foundation to the proposed advisory body. We welcome the body, but will continue to make submissions on its remit.

Helen Eadie: In your evidence, you state that there is insufficient provision for “longer-term strategy” within the bill and that it is

“over reliant on partnership . . . and on competition”.

What other models did you have in mind, Tom, and how might they be included in the bill?

Tom Hart: The initial model was the

development of the concept of an annual report and transparency in what is being done—presenting options before final decisions are made. The bill proposes that annual reports should be issued on quality partnerships, quality bus contracts and road charging. Nowhere does it say that an annual report is required on the overall policy for transport and land use, and the way in which that links to social inclusion and access issues. We would like there to be a statutory requirement for an annual report, and for there to be a consultative stage before it is firmed up.

We would not disagree with some of the comments that were made earlier about provisions for implementing quality bus contracts more quickly. One of the effects of quicker implementation may be faster action on the partnerships. At present, we are under-aiming and will not achieve what we want to achieve. A slight majority of our members have cars. Many of them are keen to use cars less, but the fares and the poor quality of services encourage them to use cars even when they would rather not use them. There is scope for real change, but there is also a need to address what needs to be done for those who cannot have cars at all.

The Convener: SAPT has responded to the committee on the subject of road user charging and workplace levying, but Muriel Williams and Douglas Gilroy may also want to contribute to that discussion.

Robin Harper: I have a specific question for them anyway.

Tom, why do you think that road user charging as set out in the bill should be applied no later than six months after it has been approved?

Tom Hart: When some of the earlier decisions on the Thames and Severn crossings settlements were made, the companies that took them over were allowed to apply higher tolls as soon as they took over the existing crossings. That gave the companies an income stream to help to finance the building of alternatives. Until the charges are effective, there will be no reduction in congestion.

Once the alternatives are improved, there can be a greater effect, as City of Edinburgh Council is explaining. Simply postponing the charges until the alternatives are in place means that the congestion will worsen. That is why we would prefer the charging to be introduced relatively soon after approval of the scheme, rather than improving the alternatives only when all the contracts have been completed.

Robin Harper: Thank you. You state that additionality and hypothecation

“should not be confined to new forms of road charging”.

Would you like to expand on that?

Tom Hart: That is a huge issue that needs to be opened up. We are told that we will receive more money for transport through the UK comprehensive spending review, which will be linked to the outline of a 10-year UK transport strategy. A Scottish version of that, which includes more detail, is expected by the autumn. However, we feel that that will not guarantee enough extra money to provide what is needed to move towards sustainable, inclusive and integrated transport.

Many authorities have said that they will not apply road charges and it will be some time before those that will apply them receive any income. There is a funding shortfall, but we will not say that money should be taken out of other programmes to finance our transport needs. That is why it is important to increase road fuel duty but to earmark the proceeds for transport. Without that, we will not make the necessary progress.

If the proceeds of fuel duty were earmarked and the money was given to the Executive and to local councils, they could decide how best to use it. It is not always best to use such money on capital projects—which is the press's usual interpretation. Such money could be used to underwrite lower fares and to give fuel rebates in certain areas, although not to everybody.

The money could be a lever, but to get political support for applying that lever it would be necessary to commission a two-year study of the total costs that arise from road provision and road use in Scotland and of how best to meet those costs. That is not being handled well at the moment. The costs of road provision and use are substantially higher than the cost of petrol and those costs vary from area to area. We have never objected to some concessions for remote rural areas, but we do not want further encouragement for long distance commuting by car, which is what has happened around Edinburgh and Glasgow. People are moving out of the cities and are using expensive vehicles and more fuel, rather than less. That is the background to our proposals.

Robin Harper: You are opening up a new perspective.

The Convener: That point was well made and is one that we ought to consider.

Tom Hart: Examining all road costs and relating that to charges would allow us to evaluate how those costs could be reduced. We do not want pollution to continue at its present level and extra money could help to reduce it. Extra regulations could also help, but they must be targeted as part of a visionary strategy. The economy is growing faster than use of energy is increasing. We have already made progress in de-coupling economic growth from the use of energy. We must take that further by identifying income and costs and by

creating a better framework for progress towards a sustainable future.

Robin Harper: When I was young, buses were operated by two people—the conductor would call out where the bus was, what was close to the stop and where the next stop would be. All tour buses seem to be equipped with microphones that allow bus drivers to communicate with passengers, yet public transport buses do not seem to carry such equipment. The buses are equipped with radios so that the drivers can communicate with their bases, but they cannot talk to the passengers. Would you support a provision—either in a code of good practice or in the bill—to equip buses with the means to allow bus drivers to inform people where they are and where they are going?

Tom Hart: There might be safety issues attached to that. Announcements are made on tour buses, but on public transport many more would probably be needed. Tour buses often have couriers who do most of the commentary. I agree with the principle—we could develop programmes with an automatic audio and visual indication of destinations. Some of the light rail systems on the continent have automatic reminders about the next arrival point, but no announcements are made by the driver. We need to make progress on that.

There should also be a change in the fares structure, so that tickets are paid for off the vehicles. For example, such tickets might allow passengers to use any vehicle in a city or in a given area at off-peak times. We need to consider the overall fare structure, rather than focus merely on concessionary fares for the elderly and the disabled.

Douglas Gilroy: I would welcome the inclusion of a requirement for announcements at bus stops to tell passengers that a bus is approaching and announcements on buses to tell them what the next stop is. I stressed that technology means that a human is no longer required for such announcements to be made. There are many instances in other parts of the world of the use of technology. Trials are being undertaken a bit nearer home, in London. It is crucial that people with disabilities get that information and the technology to do that exists. For example, the department of transport at Napier University is testing different auditory location way-finding systems. In fact, they use radio signals, which can easily trigger off announcements.

It is a case of applying the technology rather than fishing about trying to find it or referring to safety aspects. There is no need for a driver to make announcements. It is imperative for the elimination of discrimination against disabled people that we try to go along with the principles of the bill. The bill is trying to promote greater social inclusion. Without such a provision in the bill,

those with disabilities will be socially excluded again.

11:30

Muriel Williams: I am very rusty about what is going on in buses, as it has been such a long time since I have been able to get on one. It is true that low-floor buses are being introduced, but they will have only one wheelchair space. If there are perhaps a few disabled people on the bus route, what happens if I go for a bus but someone in a wheelchair has got on at a previous stop? I have no guarantee that I will get to where I want to go, and no guarantee that I will get home again. I also have the almost insurmountable problem of getting from the house to the bus stop. I cannot give a view on access to buses at the moment, because I have not been able to use them.

Robin Harper: That is a very strong point.

The Convener: Are there any other questions? As no other member is indicating that they wish to ask a question, I thank the witnesses for coming today. It has been a useful session—

Douglas Gilroy: Before we finish, I want to raise a couple of points that I thought might have come up, but which did not. In relation to the proposed concessionary travel scheme, there is no mention of trains. Ferries are mentioned, but taxis and private hire regulations are not. I know that local authorities deal with taxi regulations, but it would be possible for the Executive to provide more criteria and guidance on the matter and on the renewal of licences between now and 2012. For example, if I owned 20 taxis, should not I make progress now on making my taxis accessible, instead of waiting until 2012 when all my taxis must be accessible? Cannot the bill provide some means whereby we progress to a more accessible transport system earlier than 2012? Taxis form an important part of an integrated transport system.

Although I said that we welcomed the recognition of the problems of visually impaired people, the bill has missed a great opportunity to amend the Transport Act 1985, so that the blind person's voluntary travel scheme—I stress that it is only voluntary—could be enshrined in legislation to ensure its continuance. It is vital that that scheme continues.

We welcome the fact that there is scope for concessions in road user charges and for workplace parking levies. The bill refers to any mechanism or apparatus relating to the motor car owner. The bill must cover exemptions for people who are not the car owner, but who have a badge for people with disabilities. I have an orange badge—it will be a blue badge in future—which is transferable from vehicle to vehicle as my needs

require. I urge the committee to ensure that the various aspects that are not directly related to the purpose of the bill are taken into account. If you do not, you are continuing discrimination against disabled people.

The Convener: Thanks. Does Muriel Williams have any comments?

Muriel Williams: No—Douglas has covered everything that I wanted to say.

Tom Hart: I want to make two final points. First, for the past five years the use of public transport has been growing faster than car use, which many people do not realise. Railways have shown especially strong growth and decline in the use of bus services has ended, although some of the background notes to the bill suggest that bus use is still in decline. The situation has already begun to change significantly without the introduction of strong policies. That indicates scope for getting people to shift to public transport in future, which has benefits for society and the economy.

Secondly, we want to move from annual reports to taking at least a five-to-10-year view of transport—that is how the UK Government views transport and it is how we need to view it in local council areas and regions in Scotland.

The Convener: Once again, thanks very much. The session has been useful.

I ask the representatives from Highland and Islands Integrated Transport Forum and from Highlands and Islands Enterprise to join us.

Welcome to the committee. This is the third in a series of meetings at which we have taken oral evidence on the Transport (Scotland) Bill. Thank you for your written evidence. I invite each organisation to make a short opening statement, during which it would be useful to outline the activities that each organisation undertakes. We will then open the discussion to questions from committee members.

Councillor Charlie King (Highland and Islands Integrated Transport Forum): Thank you for inviting us here today. My name is Charlie King and I chair the Highlands and Islands Integrated Transport Forum. On my left are Phil Shimmin, the director of roads and transport for Highland Council and Murdo Murray, the director of technical services for Western Isles Council.

We welcome the opportunity to comment on the Transport (Scotland) Bill. We would like to point out that much of the bill is geared towards urban situations. We represent an area larger than Wales that has its own particular problems with ferries, airlines, buses and trains. Many parts of the bill do not affect us, because we need policies for a rural situation.

As councils, we have taken massive steps forward in the past few years with community car schemes and bus schemes. We have opened new stations at Tain and Beauly, and in Western Isles we have combined school bus routes with passenger services. We are looking to do that in the Highland Council area, but we cannot do so yet.

People in the Highlands and Islands cannot operate without cars—they are essential. No matter how good services are, we could never provide adequate transport to suit everyone's needs. In the Highlands and Islands there is a larger percentage of car owners earning less than £10,000 per year than in any other part of Britain. A recent consultation that was conducted by our local transport strategy group indicated that the most common complaint was the lack of investment and revenue funding for our transport infrastructure, which makes the road network and infrastructure unsustainable. That was the No 1 priority in more than 30 public consultation meetings.

We welcome the formation of a transport authority for the Highlands and Islands. Only last week, in partnership with the Scottish Executive, we appointed a well-known firm of consultants to produce a report by the end of the year. We all agree that consultation is complex in a Highland context. We are conscious of the vital transport links in the Highlands and Islands that do not start or finish in the Highlands and Islands. For example, the Western Isles and the Argyll isles have links to Glasgow; Orkney and Shetland have links to Aberdeen. We would also like to examine freight, movement of which is the cornerstone of the Highlands and Islands economy.

We would like to see an authority set up that has democratic accountability; we do not want another quango in the Highlands. We also feel strongly that any funding to a new authority must be ring-fenced and not under-financed.

We welcome joint ticketing, and have a few such schemes in the Highlands that are in their youth, for example, with Mallaig and Fort William train and bus services. We also welcome standardised bus and rail timetables, but we would like all summer timetables for buses, trains and ferries to change to winter timetables at the same time. At the moment they are staggered, which causes lots of problems.

We do not really have a problem with town congestion in the Highlands. We have one main town and five satellite towns—Stornoway, Kirkwall, Fort William, Thurso and Wick—so congestion charging is not a way forward for the Highlands. We would lose out if we were not considered for funding—we must be funded in some way.

I welcome any questions.

The Convener: Thank you. Do Roy Pederson or Iain Robertson want to make any introductory remarks?

Iain Robertson (Highlands and Islands Enterprise): Yes. Thank you for the opportunity to talk to the committee. On my right is Roy Pedersen, who is head of transport at Highlands and Islands Enterprise. I am the chief executive.

Highlands and Islands Enterprise covers the whole of the Highlands and Islands—everywhere from the point of Kintyre up to a line between Forres and Elgin, the northern isles and the western isles. There are 90 inhabited islands in our area and the distances to the outside world are greater than many people can comprehend. For example, it is 420 miles from the Mull of Kintyre to Muckle Flugga in Shetland. That is greater than the distance from Berwick-upon-Tweed to Land's End.

We are members of the Highlands and Islands integrated transport forum. As Charlie King said, our transport issues are less to do with congestion and air quality than they are with time, cost and lack of frequency, particularly of ferry connections. The less access we have, the more difficult it is for our businesses to compete and the less chance we have to build incomes for our families.

By way of illustration, many of our islands are shut off from access to the outside world from early evening. The surface transport journey from Unst in the north of Shetland to Edinburgh takes 20 hours. It is cheaper to send a 40-foot container from Southampton to Japan than it is to send a 40-foot trailer and tractor unit from Aberdeen to Shetland at quoted rates. Some of our A-class roads, as Charlie King implied, are still single track. Inverness has just lost its vital air link with Heathrow—the main destination at which to interline in the UK.

Highlands and Islands Enterprise's task is economic development. We are proud of the change that has occurred in the Highlands. We are beginning to claw our way back after 200 years of decline and our population is rising. Good transport is integral to that—it is essential. One of the key issues that we face is to have better and faster rail links. We have managed to get some freight back on rail, which is a step in the right direction. We would like a continuous road development programme and a more cost-effective ferry system that has short crossings, greater frequency and longer operating hours.

We need more local air services—we have the only internal air service in the UK. We are about to try to secure an air service for Colonsay, so that the school kids there can go to school on Monday and come home on Friday instead of being away

from their families for weeks on end. We want slots at Heathrow to be ring-fenced. I know that it is not in the committee's remit to do that, but it is an extremely important issue for the Highlands and we were severely prejudiced by the unilateral removal of the Inverness-Heathrow service.

We are greatly supportive of a Highlands and Islands transport authority. If Scotland is to be economically competitive, we need a national transport policy that aims to solve long-term issues. The committee's work is the first step in that direction.

E-commerce is a big thing for us, but e-commerce without transport is a pen without ink. Better transport is not an optional extra for those of us who live in us in rural areas, but a necessity. I remind members of the example of Skye, where access has bred success. That can be applied to the whole of the Highlands and Islands.

11:45

The Convener: Thank you for those opening remarks, which provide plenty of food for thought. I ask Helen Eadie to open up the questioning on joint transport strategies.

Helen Eadie: Good morning, gentlemen. Your reputation for work on joint and regional transport strategies precedes you. We have heard from a number of commentators how much your work is being admired and we are aware that you have co-operated with the private sector as well as with the public sector.

You state in your written submission that you have

"been active, in partnership with others in pursuing a number of strategic transport projects aimed at improving the area's competitiveness in terms of business, inward investment, tourism and quality of life."

What difference might the creation of a Highlands and Islands transport authority make to such work?

Iain Robertson: The first difference will be one of flexibility in funding and in the ability to plan. We will also have more co-ordination. I agree with Charlie King that the issue is about democracy; the HIE board wants the transport authority to be led by the group of local authorities. We would be happy to be part of that. There is great flexibility in such an approach and there are great opportunities to include the airports and to pool resources. The Highlands and Islands Enterprise network has worked well in that way. It has done excellent work to ensure that the needs of each area are addressed as they arise and it has helped to move money from one area to another when a project has fallen back a bit. There is a great opportunity for such flexibility.

Councillor King: We see a transport authority as the way forward in solving transport problems in the Highlands and Islands. We do not want the matter to be dominated by councils; we want everybody to be involved. There is a lot of experience in the Highlands that is waiting to be used and we want to use people and get the best services.

For far too long, people have been returning to their homes after dark. We want the ferries to suit the people on the islands, so that they do not have to leave for their destination at a set time. We want lifeline island ferries to suit the communities they serve. We feel that a transport authority represents a chance to achieve that. We have a massive chance, and we should take it. We should consider all the options carefully and take what is best for the Highlands.

Murdo Murray (Highland and Islands Integrated Transport Forum): I want to comment on the difference that a transport authority in the Highlands and Islands could make.

Let us consider air services. At the moment, a number of public service obligations are required. If we take the example of the western isles, the Scottish Executive deals with the Glasgow-Barra route and Western Isles Council, or Comhairle nan Eilean Siar, deals with the inter-island services. Commercial services also operate to and from the islands.

The difficulty is that the public service obligations do not come about at the same time and there is no opportunity for integration and for putting the services out to tender together. A Highlands and Islands integrated transport authority would have much more flexibility in bringing together public service obligations throughout the Highlands and Islands. That would help with tendering, with competition and with the service that would eventually be provided.

Philip Shimmin (Highland and Islands Integrated Transport Forum): Charlie King referred to the appointment of a consultant. I have a single sheet of paper with me that lists on one side the functions that are carried out by the Scottish Executive and central Government. They include Caledonian MacBrayne, Highlands and Islands Airports Ltd, the harbour grant systems, freight transport, passenger rail services and so on. On the other side of the sheet are listed the functions that are carried out by local authorities, including bus services, school transport, road maintenance and some harbours and ferries that are run internally by councils.

There are further possibilities, such as fuel distribution and so on. The sheet perhaps sets things out nicely for the committee and would make a good summary of the elements that will be

covered.

The Convener: We will get hold of that paper and ensure that it is copied for members.

Helen Eadie: Do you think that the bill should include enabling powers to create statutory authorities, given that—if such powers are not included—further primary legislation will be necessary?

Murdo Murray: The island authorities—Orkney, Shetland and Western Isles—have reservations about that. It is a new dimension for us and it would be better to explore the matter. I think that the minister is taking the right approach by doing that and I hope that the committee will do so. It is heartening to be working together and it is important that that cohesion is maintained. If we can work towards consensual aims, the work will be much more positive and beneficial. If it is imposed—or superimposed—on us, it will be much more difficult to get the necessary co-operation that is required.

The Convener: Does Iain Robertson concur?

Iain Robertson: Yes. We have a good record in the Highlands of working with local authorities and other bodies in the past 10 years. We have the potential to improve the area by working together.

Helen Eadie: Phil Shimmin mentioned the paper that deals with how the Scottish Executive and the proposed Highlands and Islands transport authority will plan strategically. Will the bill enable that vision to be realised?

Philip Shimmin: We have set in motion a wide-ranging review and study. We are all prepared to wait until the conclusion of that study, which I hope will be before Christmas. Even if the study overruns a little, it will certainly be complete by the end of this financial year. If the study is favourable, that should be the basis of legislation to bring about a transport authority.

Helen Eadie: Charlie King might have alluded to funding in his opening remarks, but he might also wish to add to his comments. Do you have any concerns regarding the funding of joint transport strategies or of statutory transport authorities?

Councillor King: Of course. We use not only transport consultants, but economic consultants. Part of the consultants' brief is to consider funding. We all want a transport authority, but we do not want one that is underfunded from day 1 and that struggles to live from then on. It is an important strand of our consultation.

Nora Radcliffe: I want to explore the proposals for the transport authority a bit more. A lot of the strategic planning involves drawing a diagonal line across Scotland and declaring that one side is the Highlands and Islands, and the other side is the

rest of Scotland.

The Highlands and Islands is tremendously diverse, from top to bottom and from side to side. It has various affiliations with different parts of Scotland. Would it make more sense to break up the large chunk that is the Highlands and Islands into manageable bites and to take more account of how those bites relate to other parts of Scotland?

Could you comment on that, particularly in the light of your proposal that there should be

“a properly resourced transport planning unit at a Scottish level”

that examines “long term strategic planning”. That might cover aspects of the overall flexibility to which you refer.

Iain Robertson: Perhaps I could kick off on that question. We already have many boundaries, with local authority areas and local enterprise company areas. The Highlands and Islands have worked so well together as a unit that we have the potential to run the transport side very well. Furthermore, we are good at working with authorities in the south. We feel that we have a sufficiently cohesive economic identity within the current boundaries without needing to extend those boundaries or creating yet another confusing overlay.

Roy Pedersen (Highlands and Islands Enterprise): There will be cross-boundary issues wherever boundaries are drawn. Perhaps the Highlands and Islands is unique in that all the ferry services and services from all Highlands and Islands Airports Ltd airports are contained within the area. As a result, the system is quite cohesive, even though it has links with the outside world. An important function of the transport authority would be to reinforce strategic links with the outside world as well as intra-regional links. However, that would require some contact with a wider national transport planning mechanism, which is perhaps somewhat lacking at the moment. Such a mechanism would look perhaps 10 years into the future, instead of from year to year.

Councillor King: As I have said, we all recognise that Shetland and Orkney have links with Aberdeen; we also recognise that the western isles and the Argyll islands have historic links with Glasgow that we can never change. However, each of those links has to go through the Highlands. For example, we cannot catch a ferry from John o' Groats without passing through the area. As a result, it is in everyone's interests to have a say on the infrastructure—on how roads are maintained and so on. The six local authorities on the Highlands and Islands integrated transport forum have come together in that spirit, because there is strength in recognising other people's links. Murdo Murray might also like to comment on that issue, as his links go elsewhere.

Murdo Murray: Councillor King is right; the western isles have links with Glasgow. However, there have already been benefits through the voluntary partnership on transport that we have had in the Highlands and Islands. The issue centres on integration, which has important benefits for the passengers and people at the periphery. The Highlands and Islands integrated transport forum has been driven from the periphery, which is why we would not want something else forced on us. We should keep the voluntary partnership going as far as we can until it can stand on its own.

We do not see any difficulty with what could be perceived as a conflict between transport to areas outwith the Highlands and Islands and the intra-regional situation. Integration has benefits for people within and outwith the area and is the paramount consideration.

Philip Shimmin: I remember having discussions with Helen Eadie on interlinking circles as an illustration of how we cannot simply draw a boundary around an area and give it a transport authority. When we consider the road and rail links to both Glencoe and Drumochter, it is surprising how many of the journeys that people take go into the Highlands and Islands. As Roy Pedersen pointed out, many of the routes, particularly the CalMac routes, are self-contained.

The Convener: I will take Kenny MacAskill's question in a second. However, I should sound a note of caution to the witnesses and committee members—as the room is time-barred, we should keep the questions sharp and the answers as pointed as possible.

Mr MacAskill: Although I understand the difficulty with creating new boundaries, we are being forced down that route if we have a Highlands and Islands transport authority without neighbouring transport authorities to deal with overlaps. Highlands and Islands Enterprise covers west Morayshire, but Highland Council does not. Which boundary do we choose? If we choose the council boundary, what happens to west Morayshire? On the other hand, if we choose the Highlands and Islands Enterprise boundary, what happens to areas in east Morayshire, where a link to Aberdeen could be just as vital as west Morayshire's link to Inverness? How do we get around such a conundrum?

Secondly, the consultation on a Highlands and Islands transport authority is taking place at the same time as consultations and discussions on CalMac. How can we ensure that the two consultation documents interact and do not go in divergent directions?

Thirdly, if a Highlands and Islands transport authority is to have control over passenger service

obligations or contracts, should it be in charge of matters outwith its authority, such as flying to Glasgow or Aberdeen?

Finally, how do we get rid of the nonsense of central Government funding for CalMac being recycled to Highland Council, which charges substantial amounts for use of the ports and harbours that are every bit as integral and necessary for the ferries?

12:00

Councillor King: First, on Morayshire, Moray Council has stated that its links are with Aberdeen and has pulled out of the forum. The remaining five local authorities are working together in a more compact group, so that problem has taken care of itself.

Murdo Murray: As far as CalMac is concerned, there are two parallel issues to address—state aid and the way forward. The question of state aid will be explored over the next six to 12 months. Both issues will be addressed in parallel; indeed, one of the advantages of not having any statutory imposition at this stage is the flexibility to be able to wait for the outcome of discussions and consultations. Once the whole state aid question has been sorted out and the Executive knows what to do about the holding and operation of vessels—which are probably two different matters—the Highlands and Islands transport authority might have the opportunity to be involved in one or both aspects. As a result, it is important to take both strands together; any specific legislation on the Highlands and Islands transport authority should await the outcome of our discussions with the Executive on the way forward and on what will happen about state aid.

Philip Shimmin: Highland Council and the previous Highland Regional Council sold several ferry terminals to CalMac so that the company could invest money in roll-on-roll-off ferry links. As a result, CalMac became owners and operators of the terminals—Armadale and Kilchoan come to mind. We have offered to sell Uig to CalMac. However, it so happens that we need to make a substantial investment in improvements such as mooring dolphins for the larger boat at Uig. When we take into account the revenue stream and the capital investment required both for boats and for fixed infrastructure, it makes sense to have those aspects controlled by one transport authority.

Roy Pedersen: As both ferry and air services exist primarily for the benefit of the people at the far end, not generally for those in Glasgow, Edinburgh or Aberdeen, it is reasonable for any public service obligations or contracts to be controlled from the point of view of the end user.

Iain Robertson: That said, we should give

people in each area the choice of where they want to go. For example, there is no question of substituting another port for Aberdeen for the Shetland connection.

Murdo Murray: On ports, the question does not centre simply on local authority ownership; trust ports must also be considered. The Executive must give further consideration to the whole issue of ports, which is another parallel strand. All these issues must be explored, as each of them has a bearing on the other.

The Convener: Janis Hughes has a few questions about bus services.

Janis Hughes: I have one or two quick questions about quality partnerships and concerns in rural areas about high bus fares. How would quality partnerships work better if a fare pricing structure were written into them? Are you concerned that partnerships are sufficiently binding on both sides to protect the investments that have been made in infrastructure?

Philip Shimmin: We have limited experience of quality partnerships—we have some in Inverness and one on a more rural route outside Inverness. When one goes into rural areas with a quality partnership, one is faced with a major, practical problem. In villages that are strung out, people will stick out a hand to order a bus to stop. That is all very well, but a local authority might have to install platforms of a particular height for low-floor buses so that wheelchair users and people with buggies can get on the bus; it might have to install hundreds of platforms throughout the length of the route, which, frankly, would be unaffordable and a bit messy.

A lot of people are trying hard, as we are in our partnerships with the private sector and ScotRail, to encourage people to use public transport. An overriding issue is fares that are higher than people can afford, which leads to people not travelling. The bill does not seem to include a measure to empower people to put ceilings on fare structures. That means that we must be prepared to pay, somehow. Funding is a major issue across transport.

Murdo Murray: In the western isles, we do not have quality partnerships as such; we have contracts and tenders, all of which are subsidised. We have imposed a fare structure across the western isles, which has been beneficial. It would have gone a long way if the issues of a fair maximum fare and frequency had been dealt with.

The fuel duty rebate and the problem with the number of bodies that are involved are also issues. For example, the traffic commissioner is involved in registration, the Vehicle Inspectorate is involved in safety standards and the Department of the Environment, Transport and the Regions is

involved in the rebate. We would like some form of standardisation and an extension of the fuel rebate scheme to, for example, school runs, which are not covered. In the western isles, we have integrated school and public transport, and the rebate scheme makes things a little complex.

A way of funding the national public transport information service would be to pass on a proportion of the registration fee to the operators of that service.

Cathy Jamieson: What are your views on the possibility of extending the scope of the concessionary travel scheme beyond the measures that are outlined in the bill? Do you have concerns about the funding implications? Do you think that there is scope for extending the scheme to rail and air services?

Philip Shimmin: Just before the election, we reduced the scope of the concessionary fare scheme in the Highlands, in order to bring it within the geographic area served by the Highland Council. Therefore, we eliminated the scheme's links to Aberdeen, Glasgow and Edinburgh, which had been subject to the same concessions. There was a riot about that. When the newly elected members of the council came to power, they said, "We have got to change this"—and that is what they did. In the meantime, while there was a void, a lot of old folk phoned me and said, "The most important part of the concessionary fare scheme is the one that lets me get from my home to the post office, the bank and the shopping centre. When I am going on a long journey, I am sometimes accompanied by a member of my family and they often pay the fare." The part that they wanted most to hang on to was the one that allowed them to go about the place every day.

Since then, we re-extended the scheme to give the geographic spread, but our scheme gives a half-fare concession, which means that one can journey from Scrabster in Caithness to Edinburgh for half the fare. We must cope with a much bigger geographic area than a city council, where the boundaries are 10 miles apart. The issue of funding underlies that problem.

The Convener: Many of the issues that you raised also came out of questions to other witnesses on concessionary travel. Do you have questions on that subject, Murray?

Mr Tosh: Not on that subject, but while the representatives from the western isles and the Highlands are here, I thought that I might quickly mention the petitions that we are considering, which are about the removal of the date-stamp on Skye bridge concessionary tickets. We have received petitions both from Skye and from the western isles. How important is that issue to the operation of the economies of Skye and the

western isles? Are the petitions motivated only by individuals' sense of justice or are there serious issues that the local authorities think the Executive must address?

Murdo Murray: Comhairle nan Eilean Siar promoted that petition only this year, and a similar petition was promoted in Skye through the Scottish Crofters Union.

Before the Skye bridge was built, the CalMac ferry gave discounts to residents of the western isles. We still receive discounts on the ferry to the outer isles, by way of multi-journey or six-journey tickets. People in Skye can take advantage of 20-journey ticketing, but people in the western isles cannot really take advantage of that, as few would do 20 journeys, but plenty would do around six journeys. We were particularly keen to get a scheme that tied the six-journey ticket on CalMac ferries from Skye to the outer isles to a discount on the Skye bridge. Our idea was that people could present their six-journey ticket at the bridge and get a pass for the bridge that was associated with that multi-journey ticket. In other words, someone who did not have the multi-journey ticket would not get the discount. The scheme would be limited and yet it would benefit those who used the six-journey tickets. We think that such a scheme would be important to the economy of the islands.

Philip Shimmin: The forum was grateful for the negotiations that we had in our early life, just after the first elections to, and the establishment of, the Highland Council, when we met Donald Dewar and were able to halve the concessionary Skye bridge tickets. The fact that the price of crossing the bridge has been stabilised against inflation has brought this issue to light; it would make sense to remove the date-stamp from the book of tickets. For many people in Skye, that would mean that they would not have to use the whole book within a year, but could use it over 18 months. There is no doubt that that would benefit them.

Murdo Murray: What has been said about the multi-journey ticket covers only half the petition. The other aspect of the petition relates to agriculture and would allow people to transport hay and livestock across the bridge one way for free. Given that the western isles are in major economic decline and that the agriculture sector is crucial to the area, transport costs are economically significant to the islands.

The Convener: Thank you. Well done, Murray, for that forethought.

Mr Tosh: I am sure that we can send that information to the minister.

Nora Radcliffe: I did not understand the final bullet point under "Bus Services" in the Highlands and Islands integrated transport forum written submission and I would be grateful if you could

elucidate it for me. The bullet point says:

"There appears to be an omission in that a change to the registration rules is needed to better accommodate demand responsive services".

Could you expand on that?

The Convener: Perhaps you could write to us on that fairly specific question.

Nora Radcliffe: I just did not understand what the bullet point meant; I thought that it might be something that we should know about.

Murdo Murray: I think that the issue may be to do with registration. Comhairle nan Eilean Siar made the point that we supported the 56-day registration period for commercial services, including express coaches, but proposed a 28-day registration period for tendered services. That would have the benefit of allowing local authorities more time to respond to the withdrawal of commercial services—the bullet point may be to do with responsiveness. In our tendering exercises, we found that the time scale for tendered services caused difficulties for us, as we were joining together schools and public services and we had to respond to school deadlines and start dates. Different registration periods might assist us.

Nora Radcliffe: The answer is therefore in your main submission.

Murdo Murray: We can clarify that point, but we have certainly given a submission on it before.

The Convener: I do not see any other members indicating that they want to ask questions, so I thank the witnesses for coming down to give evidence. We appreciate their contribution to another useful session on the issues that will affect our deliberations on the bill.

I ask the representatives of the Institution of Highways and Transportation, Alan Silver and Neil Johnstone, to join us. Alan, will you make a short opening statement?

12:15

Alan Silver (Institution of Highways and Transportation): Thank you, convener. I am Alan Silver. My colleague is Neil Johnstone. We represent the Institution of Highways and Transportation, which is a non-aligned professional body that represents some 1,000 engineers working in roads and transport in Scotland, including consultants, contractors, local authorities and transport operators.

I will give a wee bit of background. I was formerly director of roads for Grampian Regional Council and was instrumental in developing the transport strategy for the north-east of Scotland. I am now secretary of a group of IHT members who

form the IHT Scottish policy forum. My colleague, Neil Johnstone, is a director with responsibility for integrated transport for Halcrow Fox in Scotland.

Previously, we have made submissions in response to the "Tackling Congestion" consultation paper. Generally, we welcome the bill, which will help to create and maintain an efficient transport system, enhancing Scotland's competitiveness as a result. Transport infrastructure will need new funds, as will the maintenance of existing assets, which are deteriorating due to on-going under-investment.

There has been extensive consultation on sustainability and integrated transport. We are pleased that the bill is now moving forward. However, we need to be assured that the new funding scheme will be fully allocated to transport infrastructure. We note that the key feature of the bill is the ability to raise funding, but there will also need to be a commitment by local authorities. IHT welcomes the requirement to develop regional transport strategies. The establishment of voluntary or enforced area transport authorities will help the development of public-private partnerships, which will ensure integrated measures.

Early establishment—a little faster than indicated in the bill—of quality contracts for public transport, which will deliver a minimal level of service, would be welcomed. We see integrated ticketing as essential, but it should encompass all modes of transport—road, rail, sea and air—not just road or public transport.

Our written comments were perhaps worded slightly wrongly, but I want to reiterate that the extension of fuel duty rebate for public transport should include school and community transport—all transport should be included, not just the narrow band that is allowed for at the moment.

IHT supports the need for road user charging, but the exclusion of the trunk road network is of considerable concern, as many area schemes for traffic control will include trunk roads within the cordon. The matter will be particularly difficult if congestion charging is considered for urban areas. It must also be ensured that charging is applied to control demand for road space, not just to divert traffic to other less desirable routes or purely to raise finance.

IHT supports the introduction of powers to allow workplace parking charges. However, the level of charge that is required to shift demand may be found to be excessive, so there is a big question mark over that one. Nevertheless, the power seems right. The confining of charges to the workplace, as described in the bill, will create a complex situation. If the power is to be introduced, we consider that all private, non-residential

parking should be able to be included as well.

We welcome the power to require authorities to provide a minimum level of travel concession, but consider that the establishment of a national concessionary scheme, funded by central Government, would be a more equitable solution.

Finally, we welcome the opportunity to give evidence to the committee and to help members in their deliberations on the Transport (Scotland) Bill.

The Convener: Thank you. You covered many of the areas of questioning in your opening remarks. We will see what members make of it. Helen Eadie has a question on joint transport strategies.

Helen Eadie: Good afternoon, gentlemen. I notice that you welcome the provision to require joint transport strategies and that you value the partnership approach. In your submission, you point out the need to include a wide range of public bodies, including the Scottish Executive. You do not mention the private sector. Should the bill have enabled the creation of statutory transport authorities and, if so, why?

Alan Silver: As we see it, voluntary groupings are the right way forward and they seem to be developing quite well. However, in case there is any failure, we believe that the bill should enable statutory bodies to be put in place. It is essential that we have transport authorities.

As I have discussed with you in the past, Helen, the concentric circle approach is certainly one way to go forward. That brings us to the bigger issue, which is that we need an authority for the whole of Scotland.

Neil Johnstone (Institution of Highways and Transportation): In an earlier response to the national transport forum and regional transport partnerships, which we made about two years ago, we said that it should be for local authorities to decide what powers were needed. We thought that statutory powers should not be off the agenda. Helen Eadie pointed out that we had not mentioned the private sector, but it is not omitted. Indeed, if joint authorities want an integrated transport package of any significance, they may well have to enter into a public-private partnership. Statutory powers could facilitate the ability to do that, so we believe that they should be available.

Helen Eadie: How do you see the Scottish Executive's involvement in that?

Alan Silver: We see the Scottish Executive as an essential partner. It delivers part of the transport infrastructure for any area. It cannot be excluded from any partnership, because it deals with the trunk road network and other issues. If it is not brought to the table, within the partnership, a strategy cannot be developed as a single entity

within an area.

The Convener: Janis Hughes has a question on bus services.

Janis Hughes: My question has been covered in the submission, so in the interests of time, I will not ask it.

Nora Radcliffe: Do you think that the provisions relating to information and ticketing are adequate?

Alan Silver: As I see it, the bill allows for a national information system. It also proposes joint ticketing, which is essential. There is now competition within public transport and we require the ability to allow a return journey by a different mode or multiple use on group tickets. For example, where I am from in the north-east, we have Stagecoach, FirstAberdeen and ScotRail. Someone might want to travel from Aberdeen to Inverurie by bus in the morning and to return by train. The basis on which joint ticketing is introduced in the bill is necessary in the transport world to encourage multiple journeys and the use of multiple modes of public transport.

Neil Johnstone: The bill makes provision to resort to statutory measures if the voluntary approach does not work. There is early evidence of through-ticketing measures being implemented, so we are not saying that statutory measures should be brought in at the start.

Nora Radcliffe: You also mentioned the introduction of set dates for timetable changes.

Neil Johnstone: That makes a lot of sense, as anyone who has tried to deliver bus deregulation will know. We must get across the fact that it is the user who is important, not the convenience of operators, authorities or the Scottish Executive. Users do not differentiate between aspects of the system; they experience the system as a whole. Unless the system is delivered as an apparent single entity, integrated transport will not work.

Mr MacAskill: I want to ask the same question that I asked the CPT. We have been talking about joint ticketing; but is such ticketing not the technology of the 20th century? At the beginning of the 21st century, rather than scrambling to catch up to where other countries have been for decades, perhaps we should not bother about joint ticketing but take a couple of years and move towards smart card technology. Other countries are moving on—should we not ignore joint ticketing and move to smart card technology?

Alan Silver: Joint ticketing is the overall concept—but yes, the technology has moved on a great deal. In many parts of the world, you can have off-vehicle ticketing and pre-payment with swipe cards. If you have a card in your pocket that, through smart technology, can buy you a bus ticket as well as a parking space for your car, that

would encourage the use of any kind of travel and would encourage a move away from the commitment to the car and private transport.

Neil Johnstone: I would go along with that.

The Convener: Robin Harper has a question on road user charging and the workplace parking levy.

Robin Harper: You expressed certain reservations about both those strategies, but you appeared to support them in principle. Do you agree that those strategies ask the motorist in a city to cover the environmental costs of motoring in a city, and that they could be justified on that basis alone? Irrespective of whether the charges produce a modal shift, as long as the proceeds are seen to be applied to public transport, they will be acceptable.

Neil Johnstone: Yes, we support that philosophy. The charges are an attempt to make the motorist more aware of the external costs of motoring that are imposed on society. Because of the diversity of Scotland, we will have to ensure that we target only congested urban areas. Different issues will arise in different local contexts; for example, the level of toll that will induce a modal shift will be different in each area.

We have always believed that those strategies should not be seen simply as fund-raising measures—they have to be a demand-management tool. In that regard, hypothecation is crucial: we must get across to the public that any funds that are raised will be used directly on alternative ways of travelling such as public transport and other sustainable modes.

The bill correctly lays down that air quality or congestion difficulties are prerequisites for seeking a road-charging order.

The Convener: I have asked a lot of groups about concessionary travel. I would like to hear your views on extending concessions beyond the traditional groups—that is, pensioners and disabled people. What about concessions on modes other than buses? I know that your paper welcomes concessionary travel, but I would like you to expand on that.

Neil Johnstone: In the integrated transport policy agenda, social inclusion is one of the most difficult elements to put into effect. Concessionary travel is one area in which that can be done. The range of categories of eligible users could be extended to include the young unemployed, single parents, and so on. We are conscious, as I think you are, that such measures carry costs. Extending the range of categories would demonstrate clearly that social inclusion was an objective, but there would be a cost.

Alan Silver: This point may not be directly

related to concessionary travel, but, in transport strategies, part of the money raised through congestion charging or workplace parking levies could be fed back into rebates or discounts on travel that would be available to the whole community. That model is used a lot in Europe. Much of the fare box is paid for by subsidies rather than by a direct charge on the user. That again is a help and encouragement to use public transport, and to move away from the continuous commitment to private transport.

12:30

Robin Harper: Do you support the imposition of parking charges on fringe-of-town and out-of-town commercial developments to strike a better balance between the competitive status of inner-city shopping centres and out-of-town shopping centres? You may have answered that question in your submission, but I would like you to be more specific.

Alan Silver: Each transport authority will have its individual strategy. As I said in my submission, we would like charges to be an available measure; I did not intend that every non-residential parking place should have the same levy or should have a levy at all. However, in building the model of how your strategy will work, you need to have the ability to control all private non-residential parking, either by means of a charge, a percentage charge, or no charge at all. We need to consider the exact location of developments before deciding whether they should be levied or zero-rated.

The Convener: Alan and Neil, thank you for your presentation and your written evidence.

Alan Silver: Thank you for giving us the opportunity to make our points. We will be happy to keep up this link with the Transport and the Environment Committee.

The Convener: That concludes our evidence-taking on the Transport (Scotland) Bill, so Alan Silver and Neil Johnstone got the last word. We have taken evidence from 22 different organisations and we have a lot of work ahead of us as we prepare our report.

Subordinate Legislation

The Convener: Agenda item 3 is subordinate legislation. We will consider the negative Scottish statutory instrument, the Environmental Protection (Waste Recycling Payments) (Scotland) Regulations 2000 (SSI 2000/185). I refer members to the covering note that goes with the instrument.

The instrument was laid on 15 June and the Local Government Committee was designated as the lead committee. We have been identified as a secondary committee for the consideration of the instrument. Under rule 10(2) of the standing orders, the committee may make any recommendations that it wishes to the lead committee. The order comes into force on 7 July 2000, and the time limit for parliamentary action expires on 18 September 2000. Any MSP may lodge a motion to propose to the lead committee that the order be annulled. The lead committee is required to report on the instrument by 11 September 2000. Should a motion for annulment be lodged under rule 10(4), the Local Government Committee must debate the issue and then report to Parliament with its decision.

The Subordinate Legislation Committee considered this instrument on 20 June. Its view was that the instrument need not be drawn to the attention of the Parliament. We have been asked to consider the instrument and make any recommendations that we consider necessary to the Local Government Committee.

Robin Harper: Have there been any representations from interested bodies to the Executive in respect of this instrument?

Shelagh McKinlay (Clerk Team Leader): Not that I am aware of. We can ask the lead committee to put that question to the Executive.

Robin Harper: If there have been no such representations, I am disposed to make no further comment on the instrument.

The Convener: Fine.

Nora Radcliffe: I wondered about the effectiveness of the instrument when only five local authorities have chosen to operate the scheme. That does not affect the decision on whether we should take any action, but it seems as if the instrument is not hitting the intended target.

The Convener: We can make that point to the Local Government Committee.

Do members agree that we wish to note the instrument but take no further action?

Members indicated agreement.

The Convener: I suggest that we adjourn this meeting until 3.30 pm in committee room 4—

Helen Eadie: Part of the reason for adjourning the meeting was that I had to go a meeting of the Public Petitions Committee. That meeting was held this morning at 11 o'clock. Does that allow us to bring forward our meeting?

Shelagh McKinlay: Unfortunately not, because of the availability of rooms. The Subordinate Legislation Committee is now meeting in the early part of the afternoon, before our meeting.

The Convener: I got your e-mail, Helen, but meetings had already been arranged. We will meet in private to agree on the contents of our report on the Transport (Scotland) Bill, and to discuss our approach to taking evidence on the water inquiry. I thank committee members for their co-operation in a long but useful session this morning.

12:35

Meeting adjourned until 15:32 and continued in private until 17:26.

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