# TRANSPORT AND THE ENVIRONMENT COMMITTEE

Wednesday 17 April 2002
(*Morning*)

Session 1

£5.00

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now trading as The Stationery Office Ltd, which is responsible for printing and publishing Scottish Parliamentary Corporate Body publications.

# CONTENTS

## Wednesday 17 April 2002



## TRANSPORT AND THE ENVIRONMENT COMMITTEE
**12th Meeting 2002, Session 1**

**CONVENER**

*Bristow Muldoon (Livingston) (Lab)

**DEPUTY CONVENER**

*Nora Radcliffe (Gordon) (LD)

**COMMITTEE MEMBERS**

*Robin Harper (Lothians) (Green)
*Mr Adam Ingram (South of Scotland) (SNP)
*Angus MacKay (Edinburgh South) (Lab)
*Fiona McLeod (West of Scotland) (SNP)
*Maureen Macmillan (Highlands and Islands) (Lab)
*Des McNulty (Clydebank and Milngavie) (Lab)
*John Scott (Ayr) (Con)

*attended

**WITNESSES**

Jim Cameron (Loganair)
Valerie Davidson (Strathclyde Passenger Transport)
Iain Docherty (University of Glasgow)
Alistair Gow (Argyll and Bute Council)
Tom Hart (Scottish Transport Studies Group)
Professor Alan McKinnon (Heriot-Watt University)
Malcolm Reed (Strathclyde Passenger Transport)
Scott Rogers (Glasgow City Council)
Austin Smyth (Napier University)

**CLERK TO THE COMMITTEE**

Callum Thomson

**SENIOR ASSISTANT CLERK**

Tracey Hawe

**ASSISTANT CLERK**

Alastair Macfie

**LOCATION**

Committee Room 2

# Scottish Parliament

## Transport and the Environment Committee

*Wednesday 17 April 2002*

(*Morning*)

[THE CONVENER *opened the meeting at 09:34*]

## Items in Private

**The Convener (Bristow Muldoon):** Welcome to this meeting of the Transport and the Environment Committee. I advise members that the order in which we are to take the agenda has been slightly revised, because our discussion about possible witnesses for the rail inquiry has been brought forward to accommodate some of the other commitments that Tom Hart has this morning. I hope that members will agree to that change. I also ask members to agree to take items 3 and 4 in private, to allow us to do two things: to consider whether to pay expenses to a witness who will be giving evidence on the budget process; and to consider the names of possible witnesses for the committee's inquiry into the rail industry in Scotland. Do members agree to take those two items in private?

**Members** *indicated agreement*.

**The Convener:** At next week's meeting, we will consider possible lines of questioning for further witnesses on the budget process. It is usual practice to hold such discussions in private. Is that agreed?

**Members** *indicated agreement*.

09:35

*Meeting continued in private.*

10:12

*Meeting continued in public.*

## Subordinate Legislation

### Financial Assistance for Environmental Purposes (Scotland) Order 2002 (SSI 2002/83)

**The Convener:** I welcome members of the press and public to this meeting of the Transport and the Environment Committee.

Item 5 is consideration of two negative instruments. The first is the Financial Assistance for Environmental Purposes (Scotland) Order 2002. No members have raised points on the order and no motions for annulment have been lodged. The Subordinate Legislation Committee considered the order at its meeting on 12 March and raised no points. We are invited to agree a report on the order. Do members agree that there is no need to draw the order to the attention of Parliament?

**Nora Radcliffe (Gordon) (LD):** I agree, but I would like to make a comment. The order arose because people were almost ignoring something that they knew was being introduced—the obligation to collect and dispose of chlorofluorocarbons from refrigerators. Other obligations are coming down the line to deal with such things as end-of-life vehicles, so this is an object lesson in how not to deal with legislation that we know is approaching. We should flag up the fact that other things of which a committee dealing with environmental issues should be aware are coming down the track, and we should ask what preparation is being made for that legislation.

**The Convener:** I agree with those comments. Do members agree the report and agree that there is no need to draw the order to the attention of Parliament?

**Members** *indicated agreement*.

### Control of Noise (Codes of Practice for Construction and Open Sites) (Scotland) Order 2002 (SSI 2002/104)

**The Convener:** No members have raised points on the Control of Noise (Codes of Practice for Construction and Open Sites) (Scotland) Order 2002 and no motion for annulment has been lodged. We are invited to agree our report on the order.

**Mr Adam Ingram (South of Scotland) (SNP):** I note that infringement of the codes on noise regulations is not an offence. A complaint has to be raised before any sort of enforcement action

commences. That begs the question of what monitoring is done. In the course of our inquiries as reporters on the opencast sites, Nora Radcliffe and I have had the apparent lack of systematic monitoring and flagging up of problems raised with us. It is interesting that the Executive note on the order spells out that we do not have an offence as such. We could perhaps ask the Executive about the prospect of introducing an offence in this area.

10:15

**The Convener:** I would not want to do that on the back of this piece of subordinate legislation. Nora Radcliffe and you might want to incorporate that idea into the work that you are doing as reporters on the question of opencast. I suggest that you present to the committee your comments, which I am sure we would be willing to consider.

Are we agreed that there is no need for the committee to draw the attention of Parliament to the order?

**Members** *indicated agreement*.

# Petition

## Genetically Modified Crops (PE470)

**The Convener:** Item 6 is petition PE470, from Anthony Jackson, on behalf of the Munlochy vigil on genetically modified crops.

Members will recall that the committee first considered the petition at its last meeting before the recess. We agreed to write to the Minister for Environment and Rural Development to seek an urgent response to the issues raised by both the petitioners and by members during the meeting, and in particular the purported negative impacts of GM releases on public health and the environment.

As well as writing to the minister, we copied the letter to the convener of the Health and Community Care Committee and asked the minister to copy his response to her. That has been done. We also agreed to write to the European Commission environment directorate-general to seek information on the way in which policy towards GM releases is developing at a European level in response to new scientific information.

Both the letter that I sent to the Minister for Environment and Rural Development and the response that we received from him have been circulated to members. I will invite comments from members in a minute. Before doing so, I will comment that the minister has certainly given a full response to the questions that we raised. We should recognise that the minister has responded promptly, within the requested time scale, and has given a serious and considered response to each of the issues that we raised. I recognise that the response will not be the one that the petitioners were hoping for, but the minister has certainly given us a strong indication that the Executive and its various advisers are considering all current and emerging scientific evidence. I put on record my thanks to the minister for giving a full and comprehensive response in a short time scale.

I now invite members to comment on the minister's response or to make suggestions about further work that the committee should undertake on the issues that the petition raises.

**Maureen Macmillan (Highlands and Islands) (Lab):** I will raise one or two issues that arise from the minister's letter. We could seek clarification on them, if the committee agrees.

In the first of his answers, on page 2, the minister responds to our request to outline the nature of the crop trial at Munlochy.

I also want to ask the minister to clarify whether a site-specific risk assessment was carried out at Munlochy, bearing in mind the proximity of the

village to the trials. The petitioners have told me that a commercial field of non-GM oil-seed rape lies 50m away from the GM field. I notice that the minister says that non-GM rape forms part of the trial. Can we seek clarification that the non-GM rape that the minister mentions is the same field that the petitioners are talking about or whether another commercial field of rape lies very close to the GM crop? If so, what are the implications of cross-pollination and of GMOs entering the food chain? Furthermore, I wonder whether we need to leave the crop to flower and whether we could destroy it before that happens.

Answer 2B on page 4 concerns public health. At the previous meeting, I mentioned that Charles Saunders, the chair of the British Medical Association's public health committee, had voiced concerns that no health monitoring had been carried out. Has there been any testing on pollen inhalation, as the Royal Society has recommended? I believe that such testing has not been carried out. As I do not know whether it is within the committee's competence to ask the minister health-related questions, perhaps we should also consider the Health and Community Care Committee's role in this matter.

**The Convener:** I am comfortable about asking the minister questions in the way that you have suggested. As for whether we are required to hand the petition over to the Health and Community Care Committee, that is the very reason why we ensured that the convener of that committee was copied in on all the correspondence. I am pretty sure that she will share the correspondence with members of that committee. I have also discussed the issue with her informally; she was comfortable with the suggestion that, because the petition was referred to this committee, we could put questions to the minister. If the responses raise matters that the Health and Community Care Committee want to take further, it is open to that committee to do so. However, after my discussions with the convener of the Health and Community Care Committee, it seems that she is comfortable with our pursuing the issue with the minister at this stage as long as we ensure that that committee is copied in on all relevant correspondence.

**Maureen Macmillan:** Thank you, convener. That seems to be a clear way forward.

**Fiona McLeod (West of Scotland) (SNP):** Convener, you asked us to look at the letter and consider what the committee could do next. However, the letter almost raises more questions than it answers, and I would like to list some of my particular concerns.

First, the minister mentions that the Scottish Crop Research Institute monitors the Munlochy site. I want more details about how often it carries out such monitoring.

**Angus MacKay (Edinburgh South) (Lab):** Could you tell us which part of the response you are referring to so that we can follow you? The letter is quite long.

**Fiona McLeod:** In the second paragraph on page 3, the minister mentions that the SCRI undertakes monitoring "during the growing season". I want more detail about how often the SCRI carries out such monitoring and why it is doing so. Maureen Macmillan has highlighted concerns about potential problems with allergens, and I want to know whether the SCRI is monitoring that situation.

There are also some inconsistencies in the minister's answers in the letter. In the third paragraph on page 3, he says that the SCRI is

"satisfied that there has been no breach of the consent and no … evidence of risk at Munlochy or other Scottish release sites".

However, on page 6, he says that "no interim results" are available. How can he say that there is "no new evidence" when there are no interim results? I want to question that a bit further.

**The Convener:** I do not see that as being inconsistent.

**Fiona McLeod:** You may not, but I do.

The minister's letter relies heavily on the document from the Advisory Committee on Releases to the Environment. I would like to go through that document in more detail. I suggest that we do so following the headings 2A, 2B, 2C and so forth. Under 2A, which is English Nature's report, ACRE is dismissive of the fact that there is only a 50m gap at Munlochy between the GM crop and the non-GM crop although evidence has been found in Canada of cross-pollination across a 2km divide. It is not good enough for ACRE to state that measures were taken to minimise the production of volunteers, when the gap is only 50m as compared to 2km.

Under 2C, which is the environmental issue report from Europe, oil-seed rape was clearly rated as a high-risk crop in terms of gene flow. That is a definite statement and it is therefore inappropriate for ACRE to state that everything is fine and that no new evidence exists.

Under 2D, which is the report from New Zealand, major concerns with regard to transgenic oil-seed rape are identified, which is the issue that is being talked about at Munlochy. Again, ACRE states that there is nothing new about the report and that it was aware of the issues.

I return to 2B and the issue of public health. The report sets out clearly that it is

"recommended that allergenicity is considered as part of the regulatory process."

Dr Saunders, in his BMA role and in his role as a public health consultant in Fife, where oil-seed rape crops are about to be planted, has said that we should examine that recommendation. Is that being done at the moment? From the letter, it would seem not to be happening.

The convener asked us to recommend what the committee should do. A number of questions have arisen from the letter. We should call witnesses to answer more detailed questions, as that would allow us to get answers quickly. We are four weeks closer to the crop in Munlochy flowering, which Maureen Macmillan mentioned. It may be too late if we do things in writing. We could wait for another four weeks for a reply to the questions that the convener is happy to pursue, only to receive a reply that says that the crop should have been ploughed up.

I suggest that we call as witnesses the petitioners and ACRE so that we can question it on some of the reasoning in its research. I would also like to question Dr Saunders to get more information from the BMA. At one point in the letter, the minister says that no interim results are available, and yet we know from an article in *The Sunday Times* a few months ago that there is talk of interim results being available. I would like to question that journalist. In particular, I would like to have the minister in front of us, so that we can put those questions to him. If we get answers that are similarly unsatisfactory, we could question him further then. To write another letter would cause more delay.

Given what the royal commission in New Zealand and Dr Saunders have said, it is no longer within the competence of the Transport and the Environment Committee to question the need for allergenicity tests on the crops. I suggest that we formally ask the Health and Community Care Committee to take evidence on that matter.

**The Convener:** Do you want to move that suggestion formally?

**Fiona McLeod:** Yes.

**The Convener:** I will take comments from other members before we decide, as different courses of action have been suggested. I will seek clarification on one of Fiona McLeod's points, so that I understand fully what she is proposing. What do you wish to drop from the committee's forward work programme to accommodate the piece of work that you are indicating the committee should undertake?

**Fiona McLeod:** We were supposed to have a minister in front of the committee today, but that was not possible. I understand that, as a result, we are to receive another forward work programme. We have accommodated a minister who was unable to give evidence to us. We should accommodate the needs of the committee to examine a matter that some members of the committee, members of the public and the petitioners believe to be of prime public importance.

**The Convener:** If the committee were to adopt your position today, it would be useful for the clerks to understand which items you would want to drop from the work programme.

**Fiona McLeod:** If the committee accepts my position today, that is a matter that we will consider as a committee, in discussion with the clerks. I understand that we will discuss our work programme later in the meeting. It is not up to an individual member of the committee to decide on the work programme.

**The Convener:** You have no suggestions for the clerks.

**Fiona McLeod:** I think that it is inappropriate for the convener to make those comments.

**The Convener:** I think that it is appropriate, because the clerks need guidance before they produce a work programme. As you are proposing a course of action, it is perfectly appropriate to ask you how you would wish to accommodate that work.

10:30

**Mr Ingram:** Convener, I do not think that it is appropriate to broach that subject at this stage of the discussion. We should hear the full range of views of members before we consider a forward work programme, which will depend on the outcome of the discussion. I would rather that we moved round the table to find out members' views.

**The Convener:** I am happy to do that. I was just seeking clarification from Fiona McLeod as to what suggestions she had as the mover of a position. It appears that she has no suggestions.

**Mr Ingram:** It is inappropriate to introduce that matter at this stage. We should get back to the subject in hand.

**Angus MacKay:** I will make two interim points before commenting more substantively later. It would be useful to go round the table to take a general range of views from members on the reply from the minister and where we should go from here.

Before we come to a vote—I assume that we would have to come to a vote on Fiona McLeod's proposed position—we have to be clear about the implications of a successful vote on our future work timetable. After we have gone round the table, we need to be clear about what we would and would not be removing from our work timetable. The consequence of not doing so is

that, whenever we decide whether to take on board specific new pieces of work, we will do so before we have worked out whether it is possible. That is a bad way in which to conduct business.

I will make a second point, although it may not be appropriate at this point. To the extent that I followed all the points that Fiona McLeod made—it is a complex matter so it is not always possible to follow everything clearly—I agree with the first point that she made, about seeking more information on the soil analysis at Munlochy, on what results have been produced and on what areas that analysis is being used to test. I agree with Fiona McLeod that we should ask for more information about that. I did not follow her second point, about risk. I took a little note of which parts of the minister's letter she was referring to. I think that it was paragraph 3 on page 3, which states:

"They"—

I assume that that is the Scottish Agricultural Science Agency—

"are satisfied that there has been no breach of the consent and no new evidence of risk at Munlochy".

However, Fiona McLeod referred to something else later on in the minister's reply, which she thought contradicted that statement. I did not catch which part of the minister's letter she was referring to.

**Fiona McLeod:** Sorry. Have we moved on?

**The Convener:** You may answer Angus MacKay's point.

**Fiona McLeod:** Right. I had understood that Robin Harper was going to speak before me.

Paragraph 4 on page 6 states:

"In fact no interim results … yet exist"

**Angus MacKay:** I must be missing something convener, I just cannot see the read across. I am not trying to be obtuse. I genuinely cannot see the connection between the two statements.

**Robin Harper (Lothians) (Green):** I will make a general point first. After the committee's last short investigation into the implications of farm-scale field trials, there were people on the committee and outside who felt that, in some areas, there was a lack of evidence that we really needed and that, in other areas, there was enough evidence—particularly about cross-pollination—to suggest that we should not proceed to farm-scale evaluations at this point in the science. The repeated references to "no new evidence" in the minister's response do not wash with people who feel that we already have enough evidence.

I will refer to one or two specific elements of the minister's response that give cause for concern. I support Fiona McLeod's call for a new round of evidence, but would like to add Aventis to the list of those who should be called for the simple reason that we must recognise that much of the minister's reasoning is based on Aventis's assessment. The assessments based on which it will be decided whether to proceed with the trials are prepared by the industry itself. I would like to know whether, when Scottish Natural Heritage responded on the validity of the risk assessment, it was made aware of whether it would be possible for pollen from the site to reach much further than 1km from the site. SNH made its assessment based on its knowledge of the area to within 1km of the site, not within 10km of the site. SNH's response was therefore necessarily limited, as it was not given the proper information at the beginning.

SNH said:

"Given the complexity of the issues involved we are concerned that the time allowed for the consultation is insufficient."

The minister said that SNH was content, but it was not. It remarked that

"herbicide management of the crop may be potentially harmful to local features of Scotland's natural heritage."

It said:

"Because SNH does not have eco-toxicological expertise, we recommended that a more detailed assessment of the impacts of the herbicide should be undertaken by SEPA."

We do not have a copy of the Scottish Environment Protection Agency's assessment and I would like to see it before we make up our minds.

There are many other issues. I have given members a copy of a report. I remind members that the minister says that he does not think that he has the power to stop the trials. The issue has been gone over and I restate that he has the power, under part B of the European directive. Information relating to the deliberate release consent states:

"The plants will remain in the field for the normal growing season except as specified below

termination prior to flowering with plant destruction by cultivation and/or application of an appropriate herbicide

termination up to seed formation".

In other words, in the consent, there is provision for the minister to order the destruction of the crops before they flower.

In the light of the huge number of doubts that remain in our minds following the minister's supposedly detailed response, I would like to lodge another motion to request that the committee recommends to the minister that the Munlochy site be ploughed in before it flowers. It is clear that some members of the committee are worried about our work load, but I would be extremely worried if we reached a decision that

meant that we could not return to the subject for weeks or even months. It is important that the committee recommend that the site at Munlochy be ploughed in and that, if the minister is unwilling to stop the experiment now—an experiment on the Scottish environment—the crop at the new site at Tayport should also be ploughed in before it flowers.

I could say much more, but I must let other members speak.

**The Convener:** Thank you. There is just one issue on which I feel that you are not reporting correctly what the minister said. In section 3 on page 5 of his response, the minister explains the powers that he has under the devolution settlement within the confines of overarching European law, and indicates that powers would exist to stop the trials if further evidence emerged and the bodies that advise him gave him advice that there was significant risk. The bodies that I am referring to are ACRE, the Health and Safety Executive, the Food Standards Agency and Scottish Natural Heritage. He says quite clearly that if the conclusions of those advisers were

"that a particular GM release could harm human health or the environment then I would have no hesitation in withdrawing consent for the release."

The minister is clearly saying that powers exist, but he is also saying that he is not being advised by the bodies to use them. He is not saying that no powers exist, but that he has to proceed on the basis of advice.

**Robin Harper:** The minister is quite free to make up his own mind in the light of any other petitioning that he receives. He does not have to act purely on the advice of ACRE. ACRE could say, "We cannot advise you to plough in this crop," but the minister would still have the power to order the ploughing in of the crops tomorrow if he so wished, on the strength of petitioning and applying the precautionary principle. The risk assessment for the area does not say that there is no risk of cross-pollination, but that there is a low risk. In other words, there is a risk of cross-pollination with a host of other wild relatives.

**The Convener:** Ministers are well advised to take careful cognisance of the information that they receive from expert advisory bodies.

**Mr Ingram:** At the end of the day, the decision by the minister to allow the field trial to go ahead in the first place is a political one. There is no absolute requirement on the minister to allow a field trial to go ahead, and that must be made absolutely plain from the outset. All the evidence, new or old, seems to indicate that there is potential damage to the environment from such trials.

The minister's response points out that the research programme is

"designed to assess the impact on the environment of the agricultural practices used to grow certain GM crops".

To my mind, that is akin to suggesting that the object is to measure the damage that is done by the GM experiment. We have certainly been down that route before in a wide variety of areas and people could be put in harm's way by experimentation of such a nature. The minister's suggestion that there is no new evidence does not convince me that he should not take a decision at this stage to plough the field in. I second Robin Harper's views.

10:45

**Nora Radcliffe:** I am uneasy about a lot of things that have been said today. For example, it has been said that the experiment is to measure the damage from the trial crop, but it could be to demonstrate its safety. It has been said that there is risk, but one can never say that there is no risk. A panel of competent, relevant and, in some cases, very eminent scientists are assessing the risk on our behalf. Are we going to second-guess what those extremely expert people are telling us because of something in *The Sunday Times*?

It worries me that we are departing from expert and well-founded advice, or are taking such advice too lightly. We should not forget that the advice has a sound basis and that the people who provide it know what they are talking about. We could ask some of the questions that have been raised. For example, we could ask about the implications of ploughing in the crop at Munlochy before it flowers and how that would impact on the value of the evidence from the trials. It would also be interesting to read SEPA's assessment of the situation.

I am not so sure about calling witnesses, particularly people from organisations such as ACRE, who are probably very busy. We will probably receive a quicker response in writing than we will if we try to set up panels. There are things that we can do, but we must be careful about overreacting and not giving enough weight to scientific advice from people who know what they are talking about.

**John Scott (Ayr) (Con):** Like other members, I think that we need to take more evidence. If we are going to do so, one of the bodies that we need to contact is the National Farmers Union of Scotland. The farmers themselves are not responsible; they would not wish to contaminate crops and make them unsellable.

Fiona McLeod said that we have a month, but I do not believe that we have even that long. The crop is starting to flower now and, with this good weather, it will be coming on very quickly. If the minister is going to decide to stop cross-

pollination, he will have to do so pretty soon—not within a month, but within the next week.

The matters boils down to whom you believe, which is where lay people like us are yet again caught between the devil and the deep blue sea. It reminds me of the situation with BSE in the 1990s, with expert Government witnesses telling us that there is no problem. How do we know what call to make? All through the 1990s, the Swann committee and others were telling us that there was no problem with BSE. Then, a fortnight before 20 March 1996, they said, "Hang on a minute. Sorry, but we've got a problem." Up to that point, all the expert advice suggested that there was no such problem. We are in exactly the same position here. Lay people like us cannot judge the situation. Even the minister is probably in no position to make a judgment. For that reason, we have to be incredibly cautious, and I incline towards the view that we should postpone the trial until further evidence is taken and we see how the situation might evolve.

**The Convener:** As far as digging up the current trial is concerned, the minister has made it quite clear that he is allowing the trial to continue on the basis of advice from various bodies. John Scott made the very valid point that the crop is at the point of flowering. It would be misleading to suggest that, even if we called for the crop to be dug up, the minister would change his view. He is working on the basis of the advice of the expert bodies that advise him on such issues. There is little likelihood that the crop will be dug up, and I do not think that the minister will listen to our advice above the advice of those bodies.

**John Scott:** Sadly, I am only too well aware of that. Nonetheless, if the minister is minded to do as you say he is—as he seems to be, judging from the tone of his letter—that is his call, but he must accept the liability. His response to our fifth question is very weak. If it turns out that he has caused land crops and people to be damaged because of his decision—and because he and the committee were not prepared to take the matter further and consider other evidence—he and the Executive will be liable and will have to carry the can. That must be clearly understood.

**The Convener:** I should point out that the minister is complying with EU directives, so the position is not that the Scottish Executive is acting independently. The minister is acting within a framework that is guided at European level.

**John Scott:** Yes, but there is an element of choice in what he does, so he assumes a distinct burden of liability if he exercises that choice in the way that he is apparently doing.

**Des McNulty (Clydebank and Milngavie) (Lab):** We need to separate out the general issue of GMOs from the specific issues that the Munlochy trials raise. We conducted a fairly substantial inquiry into GMOs, which reached a set of conclusions that it might be worth rehearsing. For example, we argued that there was a scientific gap, particularly in relation to the broader climatological and biodiversity issues associated with GMOs rather than the more specific genetic issues on which there was apparently much scientific information. The purpose of suggesting a precautionary approach to the minister was to ensure that we could identify the benefit to Scotland of allowing particular farm trials. The minister is under no requirement to allow such trials; he has a licensing responsibility to do so. The issue is the basis on which the minister might refuse to allow farm trials, and I would have thought that he might be able to apply a test of benefit. In other words, when the minister comes to interpret or analyse the EU legislation, he might be able to ask about the purpose of a specific farm-scale evaluation in relation to the application that is being introduced.

If we apply the general conclusion of our GMO inquiry to the Munlochy situation, we should focus on the purpose of the test that is apparently under way. On page 3 of the minister's letter, he states that the concern centres on

"whether growing GM crops could be more detrimental to farmland wildlife than conventional agriculture".

The test is not about the safety of GM crops as such, but about its impact on farmland wildlife. In that context, the minister needs to decide whether the benefits of undertaking the farm trial are justified when considered against the scientific issues raised in the petition.

This is the question that we should ask the minister: is the test of the GM crop's impact on farmland wildlife a justified trial given the concerns about the transgenic implications of growing the oil-seed rape? It is a question of balancing scientific advantage against scientific disadvantage. I am not clear from the minister's response how he has applied the precautionary approach in this context. It is not clear what the trial is intended to achieve, given the potential risks that are associated with it. In my view, we should go back to the minister and pursue him on that. Why did he allow the trial to go ahead given the risks? We have to pin him down on that point.

**The Convener:** I think that everybody has now had the chance to contribute at least once.

**Robin Harper:** I want to follow up what Des McNulty has said. The matter has intrigued me, too. If no one is going up to a distance of 10km from the site, looking for wild relatives of the crop to find out whether they have been cross-pollinated, there is no point in letting the crop

flower—not that I want it to flower in any case—or in proceeding further. If, in fact, all that is being tested is the effect of glufosinate on local wildlife, the field might as well just have been sprayed with glufosinate at regular intervals—the same result would have been obtained. I add my voice to Des's—what exactly is being tested?

**Nora Radcliffe:** It is important that we place all this in context. The particular varieties that are being trialled are licensed by the EU for commercial growth. If there had not been a voluntary moratorium to allow the field-scale trials to proceed, any farmer in the UK could be growing the oil-seed rape varieties concerned, and without telling anyone.

Furthermore, much of the work carried out in small plots and in more controlled experimental conditions has now been done. The point has been reached at which the crops must be tested in the real world, as it were. That is part of what the trials are about. The aim is to examine whether growing the crop in the way that is advocated because of its particular genetic modification has more or less impact on biodiversity, soil, seed banks and so on than does growing a conventional crop. That has to be done in what we might call real circumstances. That is why we are having farm-scale trials. We need to bear that in mind when we consider the issue.

**Maureen Macmillan:** As I said, part of the reason for the trial is the fact that there are non-GM crops next door to the GM field, to find out what happens when the GM crop pollinates. As Robin Harper said, the fact that the pollen may travel a great deal further than the adjoining field has not really been taken into account. On that basis, we should ask the minister whether he will consider stopping the flowering.

I was up at the site on Monday, and the crop is in fact beginning to flower. We do not have time to call for evidence now—doing so would not help the situation at Munlochy. A letter, asking the minister to respond quickly, would be more effective. That is not to say that we will not consider revisiting our work on GM organisms at some point in the future.

**The Convener:** I repeat that it is unlikely that the minister would act in that way unless the advice he receives from ACRE, the Health and Safety Executive, the Food Standards Agency and SNH changes.

**Mr Ingram:** It is our job to reflect on the issue, to come up with a view based on what we have discussed and to give that view to the minister. It is up to him to make the decision. We should not base our decision on whether he is likely to accept our advice. It is our job to give him the advice and I suggest that we just go ahead and do that.

11:00

**Des McNulty:** Committees place themselves in a difficult position when they try to pretend that they are founts of scientific knowledge, especially on such complex matters. The committee did a review of GM crops. Some of us were members of the committee at that time. We heard a lot of scientific evidence and we reached conclusions based on the evidence that we took. We did a reasonably thorough report, although it was not comprehensive and we identified areas where there was not sufficient scientific information.

I would be reluctant to get into a situation in which I recommend that ministers take action based on my limited understanding of a science with which I am not familiar. That is not our place. We are justified in questioning the minister about the procedures that he adopts in the licensing process. In that context, we could return to the issues that we raised when we considered the general issues.

There is a test of benefit associated with GMOs. What is the benefit of holding particular trials in terms of increasing the scientific evidence? The minister should base his decisions on that. The people applying for the licence have to be able to demonstrate the scientific benefit, which must be balanced with any risks that might be associated with an experiment or trial of this type.

The minister must take evidence from the scientific community—or communities, because more than one discipline is involved—and base his judgment on the advice. That is the position that the minister should be in. Neither I nor any member of the committee is in a position to second-guess what that scientific advice might be. However, we have the right to test whether the minister has gone through the proper process in considering and taking the scientific advice that he has been given.

I do not accept the minister's argument that because there is a European Union regulation, he has to license any test that a commercial company wants to do. The minister is not in that position; he should be able to apply a test of benefit in such circumstances. That is my recollection of what we recommended when we first considered the issue.

We can return to the minister and ask about procedures. I am more interested in dealing with that issue than I am in making specific recommendations about the Munlochy situation. I do not know the ins and outs of the evidence and I cannot say what the minister should do about Munlochy. I would like to see the general principles sorted out, based on the evidence that we have.

I do not want to say that the field should be ploughed up. The minister should decide that. If a

decision to plough up the field is made, the minister should make it on the basis of the best scientific advice and not on our recommendation as a committee of lay people. Based on our recommendation, the minister should consider how to deal with applications in future.

**The Convener:** I want to bring the discussion to a conclusion. Maureen Macmillan and Robin Harper have indicated that they want to say more. After that, we should try to decide how we will proceed.

**Maureen Macmillan:** As Des McNulty says, the minister has the power to stop the trial if he thinks that the evidence is sufficient, but it is obvious that he does not think that it is sufficient. We should write to him to ask him to reconsider the matter. He probably will not reconsider, but in view of the extreme concern in the neighbourhood about the trials, the minister should be asked to reconsider. He should bear in mind that the pollen might not travel only within the trial crop—a distance of 50m—but could travel much further. Sufficient tests have not been carried out on the human health aspect. The allergic properties of the GM pollen have not been assessed.

**Robin Harper:** We should be clear about the nature of the crop. The European peer-reviewed scientific research showed that, of all the crops that are used for genetic engineering experimentation—there is a list of eight crops—oil-seed rape is the most likely to cross-pollinate with wild relatives and with non-GM varieties.

If we recommend to the minister that he order the ploughing in of the crop at Munlochy—which he is entitled to do and which he has the power to do tomorrow if he so wishes—and he is not disposed to order that, he must at least come back to the committee with a clear scientific justification for allowing the crop to flower. We must know why the crop should be allowed to continue to full growth.

**The Convener:** I will allow John Scott a brief comment. I want to make progress.

**John Scott:** None of us wants to stand in the way of progress. A trial should go ahead, but the question is whether this year's crop should go ahead, given the issues that have been raised. It would be reasonable to adopt a precautionary principle. Instead of allowing the year 2 trial to go ahead—and having years 1, 2 and 3 followed by an evaluation—it might be safer to allow the trial to run in years 1, 3 and 4. That would mean that the trial would take a year longer to complete, but the approach would not be irresponsible because it would give a breathing space in which to arrive at safer scientific conclusions.

**The Convener:** We should draw things together. Several approaches have been suggested. I want to comment on whether we should make a recommendation in any correspondence that we have with the minister. It would damage the committee process of the Parliament if we made recommendations to ministers that are not based soundly on evidence. There is a danger that the recommendation would be almost a knee-jerk reaction to the issue, rather than a considered one based on evidence. The committee system has a good record of making recommendations that are based soundly on evidence. It would be unwise for us to make a firm recommendation when we do not have the evidence that is necessary to justify it. Members must form their own views on that.

Three types of approach have been suggested. The first suggestion is that we write to the minister with a series of further questions. I have noted the questions that were put by Maureen Macmillan, Fiona McLeod, Des McNulty, Robin Harper and one or two other members. Those questions could form the basis of a further letter to the minister. I suggest that we write to the minister, irrespective of what other action we agree to take. Is it agreed that we should write to the minister with that series of questions?

**Members** *indicated agreement*.

**The Convener:** The second suggestion, which Fiona McLeod proposed, is that we should agree to undertake some form of inquiry and take evidence from the various people that have been suggested. The third suggestion, which was initially suggested by Robin Harper but which has also been commented on by other members, is that we should recommend that the minister intervene to stop this year's trial.

Those are the two questions on which we must decide. I propose that the simplest way to do that is to vote on both propositions. Let us first decide whether we agree to Fiona McLeod's proposition, which is that we should take evidence from the range of people that she suggested.

**Angus MacKay:** As an inquiry might provide a welcome diversion from the permanent discussion of fish farming and aquaculture in which the committee seems to be lodged, I am not necessarily against Fiona McLeod's suggestion. It would be interesting to take evidence from people from the company with the strange name that is proposing the tests. Is it Aventis? It would be interesting to hear what those people and others have to say, but we should be clear about what the consequences of the committee undertaking an inquiry would be.

**The Convener:** Yes, that is important and that is why I asked the question. I am happy to give Fiona McLeod the opportunity to suggest what impact such a course of action would have on our work programme.

**Fiona McLeod:** From the e-mail I received yesterday, I understood that we would discuss our work programme later this morning. That is when we should discuss the matter.

**The Convener:** So you have no firm suggestion at this stage.

**Fiona McLeod:** The appropriate time to discuss the matter is during our discussion of the work programme.

**The Convener:** Members can draw their own conclusions. The clerk informs me that the discussion of the updated work programme will be next week.

The proposition that has been made by Fiona McLeod is that we agree to take further evidence from witnesses on the subject of the petition. Is that agreed?

**Members:** No.

**The Convener:** There will be a division.

**FOR**

Harper, Robin (Lothians) (Green)
Ingram, Mr Adam (South of Scotland) (SNP)
McLeod, Fiona (West of Scotland) (SNP)

**AGAINST**

MacKay, Angus (Edinburgh South) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
McNulty, Des (Clydebank and Milngavie) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Radcliffe, Nora (Gordon) (LD)

**ABSTENTIONS**

Scott, John (Ayr) (Con)

**The Convener:** The result of the division is: For 3, Against 5, Abstentions 1.

The proposition is not agreed to.

Finally, let us decide on the suggestion initially proposed by Robin Harper, which is that the committee should include in its correspondence with the Executive a recommendation on the current year's trial. We need to make a simple decision on whether we should make such a recommendation.

**Nora Radcliffe:** Before we vote, I want to clarify that, among the questions that we will put to the minister, there will be a question on the implications of ploughing up the crop before it flowers. We could perhaps ask the minister to respond to that point quickly so that we could receive the response within a week.

**The Convener:** We could certainly ask that question if we decided not to make a recommendation.

**Angus MacKay:** Why would we ask that question when at least two members of the committee have told us that the crop is already beginning to flower?

**Maureen Macmillan:** The crop is starting to flower now.

**The Convener:** I do not want us to reopen the debate. Members have had time to express their views. The decision is on whether we should make such a recommendation to the minister. Is that agreed?

**Members:** No.

**The Convener:** There will be a division.

**FOR**

Harper, Robin (Lothians) (Green)
Ingram, Mr Adam (South of Scotland) (SNP)
McLeod, Fiona (West of Scotland) (SNP)
Macmillan, Maureen (Highlands and Islands) (Lab)
Scott, John (Ayr) (Con)

**AGAINST**

MacKay, Angus (Edinburgh South) (Lab)
McNulty, Des (Clydebank and Milngavie) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Radcliffe, Nora (Gordon) (LD)

**The Convener:** The result of the division is: For 5, Against 4, Abstentions 0.

The recommendation is agreed to.

It would be appropriate to state in the letter to the minister that there was a division in the committee on the issue.

That brings us to the end of consideration of the petition at this stage. We will return to it once we receive a response from the minister.

# Local Government Covenant

11:15

**The Convener:** We come to agenda item 7, which concerns the covenant between local authorities and the Scottish Parliament. A draft of the covenant and a covering letter from the convener of the Local Government Committee have been circulated to members. The covering letter explains that the draft covenant was drawn up on the recommendation of "The Report of the Commission on Local Government and The Scottish Parliament"—the McIntosh report. The convener of the Local Government Committee invites this committee and other subject committees to consider the draft covenant. Do members have views or comments to reflect to the Local Government Committee?

**Mr Ingram:** I have a couple of points. The covenant is to be welcomed. I assume that the Transport and the Environment Committee would welcome the covenant. Perhaps local government has not had the mechanisms to feed in uninvited views to parliamentary committees. We have invited evidence from councils, but it would be good if local government proactively took up issues with Parliament as a matter of course and not just when a crisis blows up.

Page 5, paragraph 19 of the draft covenant, referring to the local government and parliamentary representatives on the standing joint conference, states that there shall be

"not more than 16 from each side."

Paragraph 20 states that the geographical spread of local government and the balance of political representation will be maintained. Will 16 representatives be enough to do that? It appears that local government representatives to the standing joint conference will stand down annually. If all councils are to be represented at the conference over a three-year period, will there be rotating membership? What are the practicalities of that? For example, will a large council such as Glasgow not be represented at the conference for a year? I would like answers to those questions.

**The Convener:** If the conference had more than 32 members, it would be an unwieldy structure that would find it difficult to do genuine business. I think that 32 members is possibly too many. It is important to maintain geographical diversity in the local government representation. The covenant will ensure that that is the case. The ultimate decision about who the local government representatives should be each year is for local government to make. However, it would be appropriate for this committee to ask how the geographical diversity will be maintained. We could also ask whether it would be appropriate for such a structure to exclude the biggest council in individual years and whether that is envisaged. We can ask those questions and reflect on them in the comments that we send to the Local Government Committee.

**Robin Harper:** We are in the process of passing the Freedom of Information (Scotland) Bill, but bullet point 3 on page 4 of the draft covenant document introduces a secrecy clause into the covenant. If we are going to introduce a secrecy clause, it should be more tightly defined than that vague bullet point. In other words, there should be some recognition that confidentiality and secrecy should be observed only in extraordinary circumstances.

**The Convener:** What is your proposed form of words?

**Robin Harper:** I would like bullet point 3 to be more tightly defined. It is rather vague in that it just says that the Parliament and local government will

"respect confidentiality where that is required or requested".

**The Convener:** We can add that comment.

**Des McNulty:** I am not convinced by the covenant mechanism. Good relations between local government and the Parliament should arise through good practice in the committees. I am not sure that the covenant adds much to that. It is written in old-fashioned, portentous language that jars a wee bit with the modern approach that we would like to advance. While I applaud the intention of building good relations between local government and the Parliament, in its format and style the covenant is actually a lurch into the past. The first recommendation to the Local Government Committee might be for it to rethink its approach.

We may wish to think about whether the commitments in the covenant are common sense. The first bullet point of paragraph 16 states:

"The Parliament via its committee arrangements undertakes to facilitate consultation with local government on all proposals which affect or might affect the structure, role, functions and financing of local government. The financial effects of policy and legislative proposals on local government will be given specific attention; as will the impact of cross-cutting developments which span a number of service or policy areas."

That means that we would have to consult the Convention of Scottish Local Authorities on everything that happens in the Parliament. In practice, we might not want that to be the outcome. I am thinking about the evidence that we are taking for our rail inquiry and the care with which we constructed an appropriate panel of consultees and the balance that we struck between different groups.

I was in local government for a long time and I am a great supporter of it, but I wonder whether

the verbiage of the covenant will deliver something that makes our job more difficult rather than easier. We have to proceed on the basis of common sense, rather than on the basis of quasi-legal charters of this kind.

Paragraph 16 also states:

"COSLA will undertake to provide a co-ordinated response which takes account of the views of individual councils."

My experience of COSLA is that it does not do that well. What COSLA provides is a common denominator view, which sometimes overrides the differences between councils. The party system can represent partisan or territorial interests, as opposed to the range of interests that exists throughout Scotland. On local government finance, Scottish councils have a range of well-established positions on the way in which the cake should be allocated and how the system should operate. In my experience, that diversity is rarely reflected in the COSLA viewpoint. We might want to highlight such issues.

Paragraph 18 refers to the need for

"regular meetings between the Committee and Council Leaders".

That shows the confusion that exists in the covenant between the role of the Local Government Committee, other committees of the Parliament and councils. Not all our relationships with councils are channelled through the Local Government Committee. One example is community care in which local government has a strong role, yet the Health and Community Care Committee acts as the lead committee in relation to community care issues.

I would not want a system to be constructed in which all the dialogue that should exist between COSLA and local government is channelled through the Local Government Committee. The remit of that committee is quite specific. The Transport and the Environment Committee wants to talk to COSLA and to local government organisations on transport issues. We do not want to do that via the Local Government Committee.

The benefits of the meetings that are proposed in paragraph 22 of the covenant are not clear. If the people want to make sense of those meetings, the meeting that is proposed for April needs to take place at a time when councils have had time to discuss the expenditure review. In my experience, that is the most important issue. People might also want to discuss the local government finance settlement. Those issues might dictate the date of the other meeting that is proposed. The mechanics of the proposal need to be thought through before we agree to it.

I sound fairly negative, but—

**The Convener:** We noticed.

**Angus MacKay:** It is still an improvement on the previous debate.

**Des McNulty:** There are levels of negativism. One issue is the principle of the covenant and others relate to the practicalities and implications of its implementation. We should not rubber-stamp the document and say that it is fine; we should raise some of the issues with the Local Government Committee and suggest that the covenant is thought through better. The committee needs to be a bit more modern in its approach to the covenant.

**The Convener:** At the outset, we should note that the Local Government Committee is likely to proceed with the covenant, as the document has come about as the result of a recommendation of the McIntosh report. The current stage has been reached as the result of quite a bit of work by the Local Government Committee and COSLA. They are unlikely to decide that the covenant is a bad idea and that they will not proceed with it.

It is appropriate for us to make some of Des McNulty's comments. I am sure that the intention of the Local Government Committee is for the Parliament's subject committees to continue to have a direct relationship with local government on issues that are of importance to them. I am happy for us to reflect that issue in our response.

Des McNulty's other comments about the proposals have been subject to considerable debate between the Local Government Committee and COSLA. As a result, I cannot see substantial changes being made at this stage. Are there other specific points that Des McNulty wants us to reflect in our response?

**Des McNulty:** We need to be realistic about the way in which COSLA works. COSLA represents local government on areas where there is agreement within local government. There are clear areas where agreement does not exist and, at the present time, not all councils are members of COSLA. There are important issues that need to be taken in consideration. You are right, convener. It is really an issue for the Local Government Committee to consider. I thought that that was why the Local Government Committee had circulated it.

**The Convener:** Absolutely. I do not think that the committee was expecting members to say, "Let's not have a covenant at all."

**Des McNulty:** My argument was not that we should not have a covenant, but that it should not be written in such quasi-legal language. We need something less formal that says that the Parliament will work with local government in a constructive way, perhaps giving examples of how

that can be achieved. At the moment it is written like a legal document, which is not the best way to take it forward.

**The Convener:** We can reflect those comments in the response that we send to the Local Government Committee.

11:30

**Nora Radcliffe:** It is good that the Local Government Committee has circulated the covenant to the subject committees for comment. It is clear that people have done a lot of work on the covenant, but so far it is all on paper and has not happened in practice. I would like to know how it would be monitored and evaluated to ensure that the covenant is the best way for us to work well with local government. Will there be a report after a suitable period about how well the approach has worked and whether there are snags that need to be ironed out?

**The Convener:** Do we agree to co-ordinate a response to the Local Government Committee on the basis of the comments that members have made?

**Members** *indicated agreement*.

11:31

*Meeting suspended.*

11:41

*On resuming—*

## Budget Process 2003-04

**The Convener:** We move to agenda item 8, which is consideration of the 2003-04 budget process. I welcome Iain Docherty from the University of Glasgow and Professor Alan McKinnon from Heriot-Watt University. I apologise for the slight delay, but as usual we have overrun in our discussions of various contentious issues.

**Iain Docherty (University of Glasgow):** I would like to thank the committee for the invitation to give evidence. My comments reflect my opinion, but arise from a sustained programme of work on the potential of Scottish cities in which my colleagues and I have been involved over several years. My comments also come from an unashamedly pro-city approach. It is fair to say that current evidence reflects the increasing importance of large cities in the global economy. The current and projected performance of the two largest cities in Scotland reflects the fact that the global evidence probably also holds for the future of the Scottish economy.

Emerging research suggests that the Scottish economy has been undercapitalised; we could probably make that argument about the UK as a whole. Historically, we have underinvested in infrastructure and there is a gap that should be filled.

I welcome the increased attention that has been paid to the importance of transport to the economy and infrastructure in the overall range of the Executive's transport policies. I also welcome the delivery plan for transport. It is an important first step in collating our thinking and creating a set of priorities for investment over the coming period. However, the plan is short on detail. We need to know more about when we can expect some of the projects to be delivered. It is also a little short on context. There seems to be an omission in terms of integrating the transport delivery plan with other Executive research and thought, on which I have two things in mind: the enterprise strategy, "A Smart, Successful Scotland"; and the cities reviews. There is not much evidence in the transport delivery plan that thinking on those matters has been integrated. An outcome of that is that the plan suggests that transport policy is still about tactical firefighting, rather than about stepping back and trying to create a strategy that fits transport investment with the wider range of policies that the Executive seeks to pursue.

I also think that, until we have some form of spatial strategy for the Scottish economy, many of the debates that we have about prioritisation of transport schemes are probably being held in a vacuum.

**Professor Alan McKinnon (Heriot-Watt University):** I should point out that, because I am a freight specialist, most of my comments will relate to freight transport and logistics. Over the years, I have regretted the fact that freight gets barely a token mention in most Scottish Executive and, previously, Scottish Office documents. It is disappointing that the most recent policy statement fits that pattern and makes little specific reference to freight. Two years ago, the Department of the Environment, Transport and the Regions produced a welcome and useful policy document on freight that might serve as a model for the Scottish Executive.

11:45

In order to understand the workings of the freight transport system, one must consider the broader logistical framework and supply chains to see how freight interfaces with production operations, warehousing, inventory management and so forth. In my response to members' questions, I would like to try to give that logistical perspective.

Over the years, there has been among Scottish policy makers an obsession with getting freight off the roads and onto rail as if achieving that modal shift would solve Scotland's environmental and congestion problems. It will not. Rail handles only 3 per cent of all tonne kilometres in Scotland. Even if that figure trebled, it would not dramatically change the amount of freight that is carried by road in Scotland.

**The Convener:** We have arranged our questions into various subjects. The first block of questions will be addressed mainly to Iain Docherty, but either witness may answer any question.

**John Scott:** What do you think are the major priorities for public expenditure on transport in Scotland?

**Iain Docherty:** Our major priority is to make our key commercial centres and areas that have the most potential for contributing to the Scottish economy more attractive to business. From my opening remarks, the committee will be aware that I perceive those areas as being the main city centres. They will become increasingly important in terms of their overall share of our economic activity. A lot of research shows that the quality of the transport links that are available to businesses and people in the cities is an important element of the package that we must sell if Scotland is to be a competitive destination.

Inward investment is changing. It will still be important to the economy but it will be more to do with attracting talented individuals to work in our growth sectors than with encouraging companies to locate on greenfield sites. For example, unless we improve greatly the internal transport infrastructure of Edinburgh, the city's growth and its ability to contribute to the growth of the Scottish economy will be constrained.

**The Convener:** I am sure that Angus MacKay will welcome your words more than most.

What is your view of the proposals that the City of Edinburgh Council is developing, such as congestion charging, the development of light rail and so on? Are those proposals likely to deliver the improvements to the city's transport infrastructure that you seek?

**Iain Docherty:** I do not know whether they will deliver sufficient change, but they will deliver significant change. They are likely to make the city much more competitive. Edinburgh is in competition with other cities that have baskets of quality assets that make them attractive to investment. Cities must deliver the same sort of assets as their competitors do. If other cities are putting in place quality internal transport, Edinburgh must also do so or it will be left behind. The city has not yet grasped that fact.

The same is true for Glasgow. I will make another unashamedly west-coast point: the Glasgow economy is growing almost as fast as the Edinburgh economy—some forecasters believe that the Glasgow economy will overtake the growth in Edinburgh's gross domestic product over the next few years. Glasgow's potential is as great as Edinburgh's is. I extend that comment to cover the next level down; that is, places such as Aberdeen and Dundee, which have similar potential.

**John Scott:** What potential do you see for Ayrshire in the unashamedly west-coast approach that you and I might want to pursue?

**Iain Docherty:** When I talk about cities, I am actually talking about city regions. I extend my definition of the west to include the Ayrshire towns, which are an essential part of the west of Scotland economy. They will remain important, not just for their employment potential, but as part of a wider urban system in which people travel around to take up employment opportunities in the centre of the conurbation. In order to make the economic unit as a whole function competitively, it is just as important to tie in towns in city regions' peripheries as it is to get things right in the city centre.

**The Convener:** Other members want to come in, but I hope that they will not make a range of parochial bids for Iain Docherty's approval of transport and investment in their area.

**Maureen Macmillan:** Of course I will. What is your perception of the importance of the ferry links across the Clyde into Argyll?

**Iain Docherty:** I do not claim to be an expert on

the overall economic contribution that ferries make to the functioning of the city region. If we are serious about having an integrated transport system, we must connect all the communities that operate as part of those economic units to the functioning of those units. However, I cannot quantify the importance of ferries to the extent that Maureen Macmillan might wish me to. I will defer my answer on that question, because I do not have the information to deal with it.

**Mr Ingram:** I am interested in your points about city regions. One of the main problems that they face is social exclusion in that many people are geographically disadvantaged by the problems of the transport system. How will the social justice agenda be addressed within the context of the city regions that you describe?

**Iain Docherty:** Among the most important issues are appraisal systems and how we decide where to spend money. There seems to be a dichotomy in the system. The way in which our appraisal system of available capital expenditure works tends to suggest that we want to maximise the immediate revenue that can be gained back from, for example, a new light rail scheme. That leads to the provision of such services in areas in which congestion problems already exist or in which people are more economically active and where more travel already takes place.

I said that I feared that the existing strategy had not moved beyond the idea of firefighting against, or developing tactics for dealing with, congestion, which is a related issue. We must view investment in transport infrastructure as being key to generating and directing development. Consideration of social inclusion issues, rather than simply mopping up existing problems, is a key part of that work. When we consider how we finance and appraise schemes, we must be careful to ensure that the social inclusion benefits are fully enumerated. The deregulation of the bus market must be number 1 on the list of strategic or institutional arrangements that do not contribute towards social inclusion objectives.

**Nora Radcliffe:** I zeroed in on your idea of making key commercial centres more attractive. I argue that the north-east makes a huge contribution to the economy, although that has not been acknowledged as far as infrastructure is concerned. The corollary is localised overheating of economies, or putting our eggs into too few baskets. What are the merits—or otherwise—of the number of key commercial centres that you would encourage?

**Iain Docherty:** I will approach that subject from a different point of view. I worry about the current strategies because, despite our rhetoric about rejecting the model of a north American car-dependent sprawl, I am not sure that we have lived up to what that means in policy terms. Local authorities—particularly those in the central belt, where so many exist—are clearly in competition with one another for development. If we define too many key commercial centres, we risk magnifying the degree of sprawl and car dependency. That is a major problem.

The forecasts for employment and population decline in the north-east must be tackled. I agree that infrastructure investment will be important for ensuring that the north-east can successfully undergo a transition from its oil-based economy to the next stage in its development, in which the oil industry will have a different if not less important role.

**Nora Radcliffe:** Prior to the discovery of oil, the north-east made a major contribution to the Scottish economy in food, whisky and timber. That is not always recognised in strategic thinking.

**Iain Docherty:** Without wanting to be too parochial, I say that we need to have a more transparent and open debate about spatial strategies and priorities. It is obvious that local interests will want to argue why their infrastructure schemes are more valuable than others are to their region or to the Scottish economy as a whole. However, I do not think that we are having that debate yet. As I said in my opening remarks, I was disappointed that the enterprise reviews did not tackle more explicitly the notion of spatial strategies.

**John Scott:** In your comments about firefighting, you answered in part my next question. To what extent does the recent transport delivery report meet your concerns?

**Iain Docherty:** I am not sure that it does. Unless we have a more integrated approach across Executive functions to determining what kind of economy we would like and what it will look like on the map, the discussion of particular schemes will take place in a vacuum and will be less strategic and well developed than it could be. The development plan does not answer fully our questions about priorities, about when schemes will be delivered and come on stream, or about the contribution that those schemes will make to the next stage of development of transport flows in the economy. I worry that schemes are being developed in isolation and that they are not properly integrated with other Executive work.

**John Scott:** How effective do you believe the current administrative arrangements are for the delivery of transport policy in Scotland?

**Iain Docherty:** As I hinted, my biggest criticism of the current arrangements relates to the fragmentation of local government, particularly in the central belt, where the problem is most acute. We should not lose sight of the fact that the

current structure was designed to induce competition among areas for tax revenues, jobs and population. I believe in the value of strategic transport planning. The ethos of competition at lower levels conflicts with higher objectives.

I point to the failure to achieve anything concrete of the voluntary system of co-operation between local authorities. We have had six years for the development of voluntary transport partnerships throughout Scotland and it is not clear what has been achieved. It is not clear whether there are the resources or the commitment between partners to achieve anything. Either the Executive needs to repatriate some transport powers—I am thinking about delegation to local authorities of responsibility for charging—or we must create a stronger city-regional structure to implement the partnerships. As long as we have local competition and pork-barrel politics not only for raising revenues, but for spending them, we will sell ourselves short strategically.

**Angus MacKay:** By talking about the fragmentation of local government and city-regional structures—however such co-operation may be achieved—you have anticipated my first question, so I will not ask it. Beyond that, can you suggest a reform of structures that might make a positive contribution toward delivery of our long-term transport objectives?

**Iain Docherty:** I am on record as saying that the organisation of the railways in Scotland and the extent of devolution of powers in that area from Westminster to the Scottish Parliament are issues that need to be addressed. Unless there is genuine parity in the control that is exercised by the Scottish Parliament and the Executive over roads and railways, there will never be a level playing field in the assessment of road and rail schemes. The current institutional structure will lead us to choose road solutions. Unless the position is clarified and responsibility for the financing and implementation of rail schemes is devolved fully to Scotland, we are unlikely to create a level playing field. We might end up heading in a strategic direction that we would otherwise reject.

**The Convener:** Perhaps we could probe that issue further. Specifically, the question that faces us is the future shape of Railtrack and how it reports. Is there a need for a completely separate Scottish infrastructure company or would it be possible to devolve power to the Scottish Executive to prioritise in a unified UK structure? Perhaps there could be regional management of areas of the network.

**Iain Docherty:** Full devolution or the creation of a separate Scottish company is necessary primarily for financial clarity. If decisions are to be taken that are based on the true costs of road transport as opposed to rail transport, and the true potential benefits of each mode, they should be based on a completely level playing field. That requires a separate Scottish company.

Worries have been expressed about what that would mean in respect of finance for the railways, but I believe that clarity through internalising costs and benefits will lead us to make better decisions about where to invest. That is why I arrived at my view. Full control for the Parliament and the Executive over the Scottish rail network is necessary.

My colleague Dr Jon Shaw of the University of Aberdeen, with whom I have collaborated on such issues, suggested a number of possibilities. Through such a system, we might seek to make different choices about organising the rail industry. For example, it would give us the potential to re-engineer a degree of vertical integration between the ownership of the track and infrastructure and the operation of the services. ScotRail journeys represent 95 per cent of all rail journeys in Scotland and there is a strong argument that such integration would be sensible. I think that such a system is necessary. To create a genuinely level playing field, there must be institutions that are wholly devolved to the Executive and the Parliament.

12:00

**Angus MacKay:** You have answered the next question that I was going to ask, so I will not ask it. I have a third question, which I will ask, but first I want to ask about something that you said in reply to the convener. I understand your proposition about control over the infrastructure as well as the services that are run on that infrastructure, but I want to tease out the issue further. What are the downsides of that proposition, in particular in respect of ensuring continuity of planning and delivery in the wider UK rail infrastructure? Think of the main east and west-coast rail lines and the cost implications of maintaining, developing and improving them. Where will the jarring and friction occur? Nothing is ever cost free or pain free.

**Iain Docherty:** That is an issue. One has only to consider the problems in co-ordinating the completion of the missing link of the M6 on the west-coast road network to realise that there will inevitably be friction between two separate Administrations.

One problem with the current system is that it is not clear who has control of the railways in Scotland, particularly since Railtrack went into administration. The Strategic Rail Authority is a centralised resource holder and can take directions and guidance from Scottish ministers, but it is not entirely clear where the balance of power and responsibility lies. That brings extra

complexity to decision making, no matter what those decisions involve. We must realise that that is the base case.

If we had a completely separate system, as Northern Ireland's system is separate from the Republic of Ireland's system, could not we engineer collaboration that delivers projects, as they do? The Belfast to Dublin line, which is run by two completely separate railway jurisdictions, was delivered and has proved successful. There is a lesson for us in that. If that can be achieved under such circumstances, there is no reason why we cannot do the same.

I take the point that financial clarity might bring interesting questions about which routes in Scotland perform better than other routes. Such questions might lead us to take decisions about where to prioritise investment that are different from those that we would take under the current system. In general, transparency is good and we would make better-informed decisions if the system were more transparent.

**Austin Smyth (Napier University):** I would like to clarify a point. Iain Docherty referred to the line in Ireland that runs from the north to the south. I was a co-author of the report. It is remarkable that two state-owned railway companies in two separate states produced and delivered the plan within five years. That happened because a coalition of interests came together.

It was down to the people who were involved. The structures were not irrelevant, but they were not the issue. The issue was commitment from the staff who were involved from both companies. We had a partnership with a steering group, for which I was the principal technical person from the north, and I worked with my opposite number from the Republic of Ireland.

We worked daily on the project. It took nine months to conceive and five years to deliver, mainly because we were arguing the toss with the parts of Government that were responsible for finance.

Fragmentation because Scotland had a separate company from the rest of Great Britain would not be a material problem. The costs for Scotland might fall, while the benefits might rise. The current way in which railway costs for GB are estimated means that the costs might work out to Scotland's benefit.

**Angus MacKay:** I did not want to go down this path, but it is enjoyable, so we will go down it a bit further. Are not the economic circumstances of Northern Ireland and the Irish Republic slightly different, particularly in the dynamics of the Belfast and Dublin economies, which are the leaders in both those economic areas? The relationship between Scotland and the rest of the UK is somewhat more complex, because it is not simply a relationship between Edinburgh and London—we have Edinburgh, Glasgow, Birmingham, Liverpool, Manchester and many other areas. More than one clear and distinct railway line needs to be constructed, operated and developed.

**Austin Smyth:** There are only two lines—the situation is not as complex as Angus MacKay suggests. The key issues that must be dealt with at GB level are matters such as safety. No other logical condition would prevent Scotland from running its own system. Otherwise, the argument in favour of devolving control of roads to Scotland would be an issue.

**Angus MacKay:** You said that you saw no reason why Scottish costs should not be lower.

**Austin Smyth:** I said that Scottish costs might become lower.

**Angus MacKay:** Under which system would that happen?

**Austin Smyth:** That would happen under a devolved system, with a separate company. The argument for that relates to the way in which track access costs are calculated. That is a complex picture on which we could spend the rest of the day.

**Iain Docherty:** A system that is fully devolved to Scotland would be similar to the system that existed immediately before privatisation, but a new system would be controlled by the Scottish Parliament, rather than by Westminster. In the latter days of British Rail, ScotRail owned the infrastructure and the track and operated all the internal services that became the ScotRail franchise. The inter-city operators are analogous to Great North Eastern Railway or Virgin Trains today. They paid the Scottish region or ScotRail for the right to access the track.

We have, more or less, been in the proposed situation previously and it worked well. All that we would do is revert to the status quo ante, but with the added bonus of direct accountability to the Scottish Parliament. There is a precedent for the proposed model.

**Angus MacKay:** My next question is a slight departure from the previous topic. Some commentators—notably and repeatedly, David Begg, but others too—have suggested that transport expenditure per head in Scotland should match the figure in England and Wales and that any future increases in public funds that are made available through the comprehensive spending review should be read across to Scotland. I do not agree with the automatic read over, but what are your views on that suggestion? What might be the implications of adopting such a proposal?

**Iain Docherty:** When I said that the Scottish

economy is undercapitalised and that Scotland has inadequate transport infrastructure assets, I had it in mind that future transport infrastructure spending in Scotland should approach the European Union average, rather than the figure in England and Wales, because our competitors go beyond other cities and regions in the UK. We compete at a European level. UK expenditure has been well below that in comparable competitive countries in Europe. Infrastructure spending has declined as a proportion of the transport budget over the past 10 years. We should invest more in infrastructure to compete at the level of our European competitor regions and economies. That inevitably suggests a significant boost to expenditure, although the whole point about the block grant is that the Parliament is free to decide to distribute it between services or functions as it wishes. I would make a case for increased expenditure on transport, but the Parliament would probably not want a direct read-across.

**The Convener:** This question relates to your comments about reforms that might be needed to improve the management of the transport infrastructure. An issue that is apparent to me is that, although Executive expenditure on transport has increased in recent years, that has not always been reflected by increased local authority expenditure on transport. I am sure that local authorities would argue that that is because they have had to prioritise other services, such as education. Is a widespread change necessary in the management of, for example, the A-road network, for which local authorities are largely responsible? Should the Executive take responsibility for more of those roads or could a stronger form of regional transport executives deal with investment in them?

**Iain Docherty:** The reason for the lower priority that local authorities attach to transport seems to be the change in the budget headings that arose from the move to housing and non-housing capital allocation in 1996 as part of local government reform. Overnight, the priority that was attached to transport spending dropped—in an environment of a squeeze on local budgets, transport fell down the priority list. There is not much evidence that it will rise back up again without intervention to change the structures.

My view is that we need much stronger city regional structures to manage and implement transport developments. The documentation that the Executive produced in response to the consultation on the future of regional transport partnerships showed that the general view in the transport community is that stronger institutions are required at city regional level. The Executive rejected that point of view. I am not entirely convinced that the arguments that the Executive used were particularly valid. It went back to the idea of competition between a fragmented set of councils as being the best way of delivering schemes. I am not convinced that that has happened.

We could profitably move to a much stronger system of city regional transport authorities with responsibility for modes of transport—not just road and not just rail. That would give a regional voice, which is important. The point was made earlier that different regions might want to pursue different strategies. That would guard against an over-concentration of investment in one area of the country, which might be a danger.

**Nora Radcliffe:** How many regions would it be sensible to create in Scotland?

**Iain Docherty:** The danger is to put on rose-tinted glasses and say that the nine regional councils were probably about as close to a sensible number and sensible structure of top-tier local government as we could get. I do not think that the number would be hugely different from that, although—as history is striking twice—you could go back to the evidence that the Wheatley committee took on the appropriate boundaries of strategic transport authorities, of which there were fewer than nine. You could go back to the idea of having a larger region that takes in the two estuaries in the east, for example. Somewhere between five and nine regions would be sensible.

**John Scott:** Although you do not want continuing competition between local authorities for the development of the integrated plan, which apparently has not worked, do you want competition to continue between larger strategic groupings—whether there are five of them or nine—or do you want the integrated policy to be decided by the Government?

**Iain Docherty:** There are probably advantages in both approaches. Part of the reason why I support city regional authorities is that they guard against the over-concentration of investment in a particular area. I worry that our current enterprise and transport strategies for the area around Edinburgh are in danger of creating an overheating south-east economy, as there is in the UK as a whole.

I worry that we are over-prioritising investment, both in enterprise policy directed at creating new jobs and in the transport investment that goes with that. The question comes back to whether we regard investment in transport infrastructure as a means of generating and sustaining development or as a means of mopping up the problems that development brings. Because I adhere to the former view, I tend also to adhere to the view that strategic direction from Government is valuable. However, the mere existence of strong, coherent city regions gives regions a voice. In the regional

council era, there was much more success in arguing the case for regions outside Edinburgh and the south-east than there is under the current system. We could go back to something approaching that.

12:15

**Des McNulty:** That argument applies particularly in Strathclyde, in those areas to the west of Glasgow.

What impact have the decline in European structural funds and the new criteria for the use of the funds had on transport investment over the past five years? Can you identify what impact that will have over the next five years?

My other question is about performance monitoring and the criteria that are used for decisions about allocation between different projects. Do you have any views, arising particularly out of the Scottish transport appraisal guidance mechanism, about the kinds of performance measurement that are used to determine compliance? Are they suitable for decisions on allocation between competing priorities?

**Iain Docherty:** On the first point, I do not know how important the decline in European funding is in relative terms. It is difficult to separate it, as a factor in change, from all the other reforms in the structure of local government that went on post-1996. It is generally recognised that the days of substantial European money for infrastructure investment are probably over; that should be recognised in future planning. However, I would not be confident enough even to attempt to quantify how important the withdrawal of structural funds has been. Other witnesses today are probably better qualified to do that.

On performance monitoring and appraisal, the question comes back to what I said about balancing economic competitiveness with social inclusion objectives and, when we consider transport infrastructure investment, whether we expect an immediate payback in terms of fare-box revenue or longer-term developmental gains. I am not convinced that we have moved far enough down the track to the latter approach.

The rail network in Scotland is not profitable; it does not provide a direct return on our investment. However, it is profitable if it is viewed from the perspective that it sustains the Scottish economy, particularly in areas such as Strathclyde, where it is very important. We know that the Glasgow city region is more dependent on rail than any other region in the UK outside London. It is invaluable, but trying to quantify that in terms of a direct return on capital investment is difficult. Nonetheless, we expect most, if not all, new capital schemes to make a direct contribution or to pay their way. Unless we move away from that position and go even further towards taking account of a wider suite of benefits—with all the problems of trying to quantify them accurately and distribute them between regions—we will not fully understand or appreciate the benefits that infrastructure investment brings.

On my original, pro-city standpoint about the importance of cities as a product to attract high-quality knowledge and high-value-added industries with the people that work in them, it is probably impossible to quantify how much the construction of a light rail system or metro in Edinburgh would sustain and enhance the city's economic competitiveness. We all know that it would do so, but that is difficult to measure. If we get too hung up on ensuring that we get direct, immediate revenue return from that kind of project, we might miss the wider picture.

**The Convener:** We will move on to questions that are more specifically directed at freight.

**Mr Ingram:** Professor McKinnon, in your opening remarks you indicated that the importance of freight transport in the context of the Scottish economy was not sufficiently highlighted. Will you give us an overview of the importance of freight transport to our economic performance?

**Professor McKinnon:** The easy answer is that all economies are dependent on freight. The difficulty is using indicators to quantify that dependence. Freight transport accounts for about 2 to 3 per cent of sales revenue. In that context, one might ask whether it is that important. However, if freight transport did not exist and was not efficient, and if there was not a high quality of service to market, companies could not function. Many of the hard monetary estimates of the importance of freight underestimate its contribution to the economy as a whole.

**Mr Ingram:** Will you inform us about the shape or the pattern of freight traffic in Scotland? What are the trends in freight traffic and how would you explain them?

**Professor McKinnon:** There are several important points to make about the Scottish freight transport system. Many of our freight movements are internal. About 85 per cent of the road freight that gets picked up by trucks is transported elsewhere in Scotland—it never leaves Scotland.

A relatively small proportion of our freight travels long distances, to the south of England or further afield. That is one of the problems that freight operators in Scotland face. Because there are such thin flows of traffic out of Scotland to other places in Europe, it is hard to justify investment in new ferry or rail services, for example.

The directional imbalance compounds the problem. In terms of international movements, we export a lot more than we import, so operators bring back a lot of empty wagons and containers. That tends to undermine the efficiency of the operation. There is also a directional imbalance in relation to freight movements within the United Kingdom, but that is in the opposite direction. We bring in a lot more from across the border than we send back. That factor has constrained the development of freight services to and from Scotland over the years.

The average unit of freight in Scotland moves a relatively short distance. About 60 per cent of all the freight that is moved in Scotland travels less than 50km, which is 32 miles. People often think of freight as the movement of goods on a global scale, but the freight problems in Scotland are a local issue and we must try to solve them locally.

**Mr Ingram:** In your opening remarks, you spoke about the aim of increasing rail freight. Are you suggesting that the scope for that is limited and that road freight transport will always be of major importance, because of the short-distance, internal pattern of freight in Scotland?

**Professor McKinnon:** Yes. Rail has a comparative advantage for long-distance movement. Rail will always struggle to compete with road on movements that are confined to Scotland, which comprise the vast majority of freight movements. There are relatively small amounts of traffic for journeys—to the European mainland, for example—on which rail could exploit its long-haul advantage. Much of that traffic is low density—it comprises high-value manufactured goods, which is not the type of traffic in which rail has traditionally specialised. Rail has majored in the movement of lower-value, bulk commodities.

Scotland tends to export high-value, low-density products, which have a high value relative to weight. We do not generate much physical freight per billion pounds of exports. If our main industry were cement rather than whisky or electronics, there would be a huge flow of product out of the country. The sort of goods that we produce for export over long distances tend not to be terribly voluminous and therefore do not require a high level of freight capacity.

**Mr Ingram:** That suggests that air freight and the logistics industry will grow in significance. I assume that the electronics sector in Scotland regards access to air freight facilities and the like as very important.

**Professor McKinnon:** Very much so. The most recent figures, which are for 1998, suggest that more than half the value of inbound components to the electronics industry in Scotland come from around the world by air. As a result, air freight links are vital. Although the finished product tends to go out of Scotland by road or rail, we certainly need good air freight links for industries that—electronics is the best example—are essentially global businesses with global supply chains that link into the Scottish manufacturing base.

**Maureen Macmillan:** On the subject of long-distance freight, how do you see the future of freight in the far north of the country and in the Highlands and Islands in particular? What role should roads play as opposed to the railways, which I think are underused in the area?

**Professor McKinnon:** There have been some interesting developments involving rail into the Highlands. For example, Safeway has moved containers by rail to serve its shops in the Inverness area and in Wick. However, although such developments should be encouraged, the volume of traffic that we are talking about is small, with only a few wagonloads a day. Any such developments are only tinkering at the edges of the bigger picture of the Scottish freight market and I think that the roads will dominate freight movements for the foreseeable future.

**Maureen Macmillan:** What about the role of shipping? I am sorry, Robin—I think that I am about to stray into your next question.

**Robin Harper:** That is okay.

**Maureen Macmillan:** Will the development of coastal traffic present possibilities? Do you think that the puffer will make a comeback?

**Professor McKinnon:** Napier University and Heriot-Watt University are working on a research project on what are called marine motorways, which might provide opportunities for getting freight off the road network and on to the high seas. We have identified a number of mainly long-distance routes—for example, from the Forth to the Thames estuary—for a roll-on, roll-off ferry service that would be modelled on the Viamare ferry service connecting Genoa, Naples and Palermo. It might be possible to introduce a similar service in Scotland and we are examining the viability of doing so. Although certain customers might be interested in such a service, the question is whether it would be economically viable at the rates that they would be prepared to pay for it. Even so, I think that such a development is still only tinkering at the edges. It might divert a small proportion of traffic, but road will remain the dominant mode of freight transport at all spatial scales.

**John Scott:** Does the need for just-in-time delivery drive the dominance of road freight and, in turn, prevent the development of the rail freight network, which cannot reach enough of a critical mass—it cannot put enough goods through—to make it competitive?

**Professor McKinnon:** That is certainly one factor. The dominant trend in logistics over the past 25 years has been what some call just in time or time compression, which means reducing lead times and rushing products to ensure that they arrive at the moment that they are required. Such a system has worked against the interests of rail. Because trains have to be timetabled and given particular pathways on the rail network, they do not have the flexibility that the road network can offer.

If one's just-in-time system works like clockwork, rail can provide such a service. There is a classic example in the United States, where a JIT rail service from Detroit feeds a car plant more than 3,000 miles away in Oklahoma City. It works like clockwork and it would be nice if something similar could be developed in Europe. UK railways struggle to provide the necessary reliability and speed of service to support JIT.

You also touched on the fact that JIT has driven down consignment size. Instead of one truck delivering a week's worth of product, there might be a daily delivery of a fifth of a truckload. Rail is better at dealing with large flows and quantities; breaking down the consignment size tends to work against its interests.

**Mr Ingram:** Have any other trends in supply chain management impacted on the freight transport system and on how goods, intermediate products and raw materials are delivered?

12:30

**Professor McKinnon:** Yes—another dominant trend is centralisation. Many companies that would previously have had warehouses in Scotland to supply the local market have now centralised their distribution down south. That partly explains the imbalance between the flows north and south, because many Scottish shops are now served from distribution centres in the midlands. We have also seen an increasing trend towards the bigger manufacturers centralising their inventory at a European level. For example, Sun Microsystems is developing a large warehouse in the Netherlands, so a product that used to be distributed directly from its plant in Scotland will now go through a distribution centre in the Netherlands, adding an extra link to the chain. The process of centralisation—particularly of warehouses and inventories—tends to accentuate Scotland's peripherality. That has to be taken account of in considerations of how Scotland's freight transport system ought to evolve.

**Mr Ingram:** Would you like to expand on how it ought to evolve?

**Professor McKinnon:** The relatively small, but high-value, movements from Scotland into the European market are time sensitive. We must ensure that we provide sufficient express freight services to get those products into key European locations within a certain time.

Every two years from about 1986 until 1998, surveys were done of the logistics of electronics businesses here in Scotland. Distribution managers were always asked about their delivery time requirements for getting goods into Europe. With every survey, those margins tightened. The last survey, in 1998, suggested that between 10 per cent and 12 per cent of products had to be delivered within 24 hours; another 30 per cent had to be delivered within 48 hours. As our road transport network becomes increasingly congested, it becomes more difficult for companies to meet those exacting transit time requirements. We have to take care to allow those requirements to be met.

**Mr Ingram:** That is a good point and I think that Robin Harper's questions will follow it up.

**Robin Harper:** My two questions have been substantially answered, so I will try to condense them into one. In your introduction, you mentioned modal switches—from road to rail, for example. Can you identify more precisely the opportunities for switches from road and air to rail freight? Does the transport delivery report address the needs of freight transport in Scotland? Are the priorities appropriate and is anything missing?

**Professor McKinnon:** The main policy tool that is used to effect a modal shift to rail—and to water—is the freight facilities grant. The only specific references to freight in the document relate to that grant, which has been a reasonably effective measure. It is obviously a capital-related measure, whereby the development of rail sidings and terminals is subsidised. After a lean patch in the 1990s, when I do not think that Scotland awarded any freight facilities grants at all, we have swung towards quite generous provision of grants. My worry now is that we may swing too far and fund some schemes that will not yield a healthy rate of return.

If you speak to distribution managers of large companies, they will tell you that it is not so much the capital requirements and the infrastructure that constrain them from using rail; they complain about the poor service and they worry about continuity of service. If you decide to use rail—or waterways—you are making a long-term strategic decision. You have to be sure that the service will still be there and will still be of good quality in five or 10 years' time. The recent history of rail suggests that people cannot really have that degree of confidence in the system.

All sorts of worries exist about the longer flows out of Scotland down the west coast main line

because of disruptions on the line as it is upgraded. Even once it is upgraded, worries will exist about freight being displaced by high-speed passenger services.

I will digress for a moment. We spoke earlier about the possibility of having a vertically integrated franchise in Scotland. Freight was not mentioned in that discussion. I suspect that English Welsh & Scottish Railway, which is the main rail freight operator, would not be too happy about vertical integration, because, I presume, ScotRail would run the franchise and would give priority to passenger services over freight. We must think about how freight would fit into a vertically integrated Scottish rail franchise.

To get more freight on to rail, the quality of the service must be improved. That relates to how the service is managed. There must be confidence that the service will be competitive in five or 10 years' time. Many distribution managers will take a lot of convincing that it will be, regardless of the amount of money that is thrown at the freight facilities grants.

**Maureen Macmillan:** When lorries were given derogation on road fund licences, the cost of delivering freight by road dropped. That had an impact on rail freight because the freight companies wanted charges to be lowered. There was a bidding war between road and rail. Is there any way out of that situation?

**Professor McKinnon:** I will complete the picture that you described. The Government increased the maximum weight of lorries to 44 tonnes, which gave road freight an advantage. I think that the rail regulator increased the amount of track access money that was available in the UK. I think that £500 million was awarded, partly to compensate rail freight for the decline in vehicle excise duty and the increase in maximum lorry weight. That award helped to level the playing field again for the two modes.

Much of what I have said might be construed as anti-rail, but that is not my intention. I am merely trying to be realistic. I would love lots of traffic to go by rail. My concern is that the policy makers have been obsessed with rail. They imagine that if freight is shifted on to rail, the problems will be solved. That is not the case. Many other measures can be taken to try to improve the efficiency of the road freight sector, which would relieve traffic congestion and reduce the environmental impact. Many of those measures are overlooked because of the obsession with trying to get freight off the road and on to rail.

**The Convener:** In the inquiry, we are trying to reach a position whereby we can say to the Scottish Executive that it should change its expenditure priorities in an X, Y or Z way. What specific changes in the priorities for transport spend do you advocate to benefit rail and to deal with the peripherality of the Scottish economy?

**Professor McKinnon:** I advise caution on expenditure that is earmarked for rail freight, which includes the freight facilities grants. We must ensure that there is a reasonable return for investments in rail terminals and sidings. Remarkably little research has been done in the past 30 years—which is how long the grants scheme has been running—into the environmental and economic benefits of the scheme. There must be a tighter appraisal of the scheme.

Around £11 million has already been put into the ferry service at Rosyth. I would like that service to be successful, but I am not entirely sure that it will be, because the volume of freight traffic is not huge. The service will have to be supported largely by passenger and tourist traffic.

Obviously, road expenditure is a major element, but there is no dedicated freight expenditure. Trucks—heavy goods vehicles of more than 3.5 tonnes—make up only 7 per cent of the traffic on the Scottish road network. Small vans form a further 11 per cent, which means that freight-related traffic is less than 20 per cent of traffic. The benefits that tend to flow from the infrastructure investments that Iain Docherty described are mainly on the passenger side. I would like greater discrimination in favour of freight on the road network. For example, consideration might be given to freight-only or non-car lanes on some roads, particularly for freight vehicles that are environmentally friendly, meet the highest European emission standards and have air suspension, which does less damage to road surfaces.

One thing that worries me is the proposed heavy investment in a large new motorway. The M74 extension is a good case in point. It is justified partly on the industrial and economic ground that it will make travel easier for freight traffic. However, that road could easily fill up with car traffic. I am not sure that that will offer sustainable long-term benefits for freight.

My preferred option would have been a smaller-scale road that is dedicated to business, preferably tolled at a level that freight operators would be prepared to pay. All the exporters in the west of Scotland who are desperately keen to have efficient and reliable road freight movements out of Scotland could then use that road and pay for it. That would be better than running the risk of building a motorway with three lanes on each side that becomes clogged up with car traffic after several years. The freight operators would not gain sustainable long-term benefit from such a situation.

The transport delivery document contains a long list of small road schemes. I have never seen any detailed breakdown of what the freight-related benefits from much of that investment would be. They are small-scale, incremental additions to the network. They add a bit of road space here and there. In most cases, that is desirable, but it would be useful to have a more explicit statement of what freight benefits would accrue from those investments.

**The Convener:** I imagine that Robin Harper will be quaking at the suggestion of green lanes for lorries.

We have talked largely about the links for freight to England and the continent. Are any improvements needed in the links for freight between Scotland and Northern Ireland?

**Professor McKinnon:** I do not know much about that link, so I cannot give you any hard answer to that question.

**The Convener:** Do any other members wish to ask questions? Is Robin Harper going to come out in favour of green lanes for lorries?

**Robin Harper:** I have no problem with the idea of making freight transport more efficient by such measures.

**John Scott:** Correct me if I am wrong, but a distillation of what you say is that trying to move freight traffic on to the railways is like trying to push water uphill. It is not what the market has sought or is likely to seek in the future.

**Professor McKinnon:** The surveys that have been done suggest that many distribution managers would like to send more freight by rail but that they will not do it if it costs them money or disadvantages the business in some way. When the railways were privatised in 1995-96, there was a renaissance and a steep increase in the amount of freight that was carried by rail. That honeymoon period has now ended. Some of the business that the railways won at that stage was at uncompetitive or unprofitable rates and some of it has now been shed.

There is great uncertainty about what will happen to rail freight in future. To compound the problems for EWS, its owners in the States have indicated that they would like to sell it if they could get a reasonable price for it. That does not inspire confidence in industrial customers of rail freight services in the United Kingdom.

To get more freight on to rail will be a struggle. The UK Government's 10-year transport plan wants an 80 per cent increase in rail freight tonne-kilometres. That will raise the railways' share of the market from 7 per cent to 10 per cent. However, if the forecast growth of road freight materialises, much more freight will be on the road network in 2010 than today even if the targeted increase in the rail freight market is achieved. It is always important to put rail freight into perspective. That is what I am trying to do.

**John Scott:** The only thing that will drive an increase in rail freight is increasing road congestion.

**Professor McKinnon:** Ironically, that is true. However, rail congestion is also a problem. It is difficult to find pathways for freight traffic through the congested rail network, particularly when it has to go across conurbations at rush hour.

To return to the earlier point about just-in-time clients, to serve those clients we have to be able to move freight freely at any time of the day. Railtrack—or the administrator—would like to confine all the freight to night-time working, but we run into the problem that much of the work on the rail network is done at night as well. It is a real conundrum.

My final point, which has not been discussed previously, relates to freight lanes and the opportunities for moving more freight on the road network in the evening and through the night. I do not have a figure for Scotland, but in the UK as a whole only 18 per cent of lorry kilometres are covered between 8 in the evening and 6 in the morning. There is a great deal of unused infrastructure capacity that could be used. That is being constrained by curfews—local authority controls on lorries delivering in particular areas during the night. Even companies such as Safeway, which have invested heavily in quiet vehicles, find it very hard to get local authorities to relax curfews so that their vehicles can gain access to shops. Perhaps some night curfews should be relaxed so that more freight can be transferred to the road network out of hours, to relieve congestion problems.

12:45

**The Convener:** Both Fiona McLeod and Nora Radcliffe have questions. I ask them to be very brief.

**Fiona McLeod:** I have a specific question that relates to what we were just talking about. In the budget for this year, one of the key priorities is to

"award Freight Facilities Grants (FFG) to go towards removing 23 million lorry miles each year of freight from roads to rail or coastal/inland waterways".

Is that an achievable key objective?

**Professor McKinnon:** I think so. There are two types of freight facilities grants. First, there are those that go to big generators of freight, such as the BP chemicals plant. On the basis of a big company's sales projections, it is possible to predict with confidence how much freight will be

generated. Many of the recent big investments in freight facilities grants in Scotland have been of that type, involving an identifiable traffic flow whose expansion can be predicted with confidence. Secondly, there are grants to hauliers who are undertaking a speculative development. They say that they would like a freight terminal and that they would like to think that, say, 50 clients will use it over the next five or 10 years. That is a much riskier investment. I worry that, if the Scottish Executive expands the FFG programme, there will be fewer projects in the first category and more in the second. Such projects are riskier and more speculative—there is a danger that the freight predicted will not materialise.

Fiona McLeod quoted the figure given in the annual expenditure report, which I checked last night. Twenty-three million lorry miles amount to a little less than 1 per cent of lorry traffic in Scotland. Getting that traffic off the roads would affect particular corridors, but it would not have a huge impact on freight movements in Scotland as a whole.

**Nora Radcliffe:** My question is about the barriers to moving freight on to rail. Would that move be facilitated by introducing a requirement for dedicated freight time or for freight passages on the rail network? To enable things to be done quickly, we need to give attention to practicalities such as the physical transfer of loads from lorries on to rail and off again. Should we consider a roll-on, roll-off system?

**Professor McKinnon:** Those are good points. It is difficult to find pathways on the rail network. Freight must compete with passenger services. Often the revenue that the infrastructure operator gets from a passenger train is greater than the revenue that it would get from a freight train. A market exists. Express freight—the higher-value, just-in-time products—may be able to bid for a more convenient path through the network. However, to date, rail freight has not done very well in gaining access to paths on the network.

Nora Radcliffe's second point related to the way in which units are transferred physically. In Scotland and in the UK as a whole the main method of transfer is the container—the metal box. Elsewhere in Europe many intermodal movements between road and rail involve things called swap bodies, which are like vehicle chassis that can be transferred easily. There are also piggy-back services—what Nora Radcliffe described as a roll-on, roll-off system. Those involve trucks driving on to trains. For such a service to operate, very high clearances over the track are needed. However, the UK rail network has very low clearing. The technical term is the loading gauge. On a number of occasions, the possibility of raising bridges or lowering track has been considered, but the capital costs of that are quite high. Until that can be done, the constraint on the use of rail will remain.

It would not be for the Scottish Executive to fund the required alterations on its own, as much of the infrastructural improvement for such piggy-back traffic would be made south of the border, but the issue is a relevant one.

**Nora Radcliffe:** Would it be more sensible to apply the proposal for a high-speed spinal track to freight traffic, and to take the freight off the existing passenger network, which goes through all the towns, cities and other settlements?

**Professor McKinnon:** I would not have thought so. If the Strategic Rail Authority gets its long-term wish and there is a new spinal route, that would be better dedicated to passenger traffic, which would allow freight to get more pathways on the existing lines. That would be a more sensible solution.

**The Convener:** That brings us to the end of our questioning. I thank both witnesses, Iain Docherty and Alan McKinnon. The evidence that they have given the committee has been very useful.

We now move on to our final set of witnesses in this evidence-taking session on the budget process. I welcome Malcolm Reed and Valerie Davidson of Strathclyde Passenger Transport, Scott Rogers of Glasgow City Council, and Alistair Gow of Argyll and Bute Council.

I apologise for the delay in getting round to hearing from you, but we have had quite a hefty agenda today. I am sure that we will still be able to go through the whole range of questioning. We will give you the opportunity to make any introductory remarks that you wish to make and then we will move into structured areas of questioning that we have prepared. I invite either Malcolm Reed or Valerie Davidson to make any introductory remarks on behalf of SPT.

**Malcolm Reed (Strathclyde Passenger Transport):** Thank you, convener. We appreciate the opportunity to give evidence to the committee on this subject. Whether we like it or not, finance is crucial to what SPT does in discharging its public transport responsibilities in the west of Scotland conurbation.

We were invited to give evidence at relatively short notice, so we did not have the chance to prepare a full written submission, but I have produced a short written introduction, which the clerk has suggested I circulate rather than read out verbatim. I have taken the opportunity to provide four attachments, which will give some financial detail to what we want to say.

I wish to summarise one or two key points from that paper. Let me start by explaining that Strathclyde Passenger Transport Authority and

Strathclyde Passenger Transport Executive are statutory bodies established under the Transport Act 1968. Although the members of the authority are drawn from the 12 councils that lie, wholly or partly, within our area, it is not a joint board or joint committee in the normal local authority sense. We have a separate statutory basis. That reflects the fact that, in conurbation areas such as west central Scotland, public transport planning and provision cannot be undertaken effectively within individual local authority boundaries.

The transport delivery report made some kind remarks about public transport in the west of Scotland and described the establishment of SPT as a visionary move. Back at the office, we were much encouraged by the recognition in that document of our particular circumstances in Strathclyde.

SPT strongly welcomes and supports the objectives of the transport delivery report. In particular, we share the Scottish Executive's aspirations to reduce urban congestion and to improve integration and access.

The SPT area accounts for about half of all public transport journeys in Scotland. We therefore feel that successful delivery of the transport vision for Scotland will depend on effective delivery in the west of Scotland.

I now turn in more detail to the financial papers before us. The most significant item under the Scottish Executive's transport budget that directly affects SPT's finances is the provision for underwriting our part of the ScotRail franchise. That budget line has a declining profile, and we would like to feel that SPT's stewardship of that element of the franchise has provided value for money for the Scottish block, as well as for rail travellers in Strathclyde.

Apart from other items of direct Scottish Executive provision, such as the rural transport fund, the remainder of SPT's funding is provided through local government budget lines. Since local government re-organisation in 1996, SPT has contended that its capital and revenue funding have been inadequate to enable it to discharge its statutory duties. As a consequence—and this echoes something that was said earlier—public transport provision in the greater Glasgow area has lagged behind that in the major English conurbations. If examined on a per capita basis, the sums that have been available to SPT for investment in public transport infrastructure over recent years have been about half those that have been available in conurbations such as the west midlands, greater Manchester and Merseyside.

I recognise that recent awards from the public transport fund and the integrated transport fund have gone some way to redressing that imbalance in capital funding, although of course we still have an investment backlog to overcome. However, despite those awards, we still have an extremely pressing revenue funding problem. Not only does that limit our ability to respond to trends such as the increasing real cost of supporting bus services—I put a graph in the papers that we provided to illustrate that point—it curtails our capacity to plan major new proposals for capital funding. For example, it has definitely affected the rate at which we have been able to progress schemes such as the cross-Glasgow rail link and rail access to Glasgow airport. We simply have not had the headquarters resource to move on with those schemes as we would have liked.

We are discussing with Scottish Executive officials a possible review of SPT's revenue funding. We hope that such a review will take place and that it will address a number of anomalies that are evident from our accounts. For example, we still have inherited pension obligations from the privatisation of our bus undertaking that took place more than a decade ago. That costs us £0.5 million a year, and is totally unproductive so far as the current provision of public transport is concerned. We also bear a heavy non-domestic rate burden on operational activities, such as on Glasgow underground and bus stations. Those are burdens on public transport provision in the west of Scotland.

Clearly, the implementation of the transport delivery report will take place over a considerable period. It is fair to say that we are all at only the initial stages of assessing the policy and financial implications, but so far as the transport budget to the end of March 2004 is concerned, there is only limited opportunity to redirect resources in that period. The only major new area of flexibility is the integrated transport front. Of course, we welcome the growth in that budget line but, in absolute terms, it is exceeded by the increased provision in the budget for motorways and trunk roads.

Our hope is that as the Executive's budget is rolled forward, there will be a substantial increase in targeted capital and revenue funding for public transport. That is the inescapable implication of what the transport delivery report is trying to achieve and in particular, if we take it at face value, the Minister for Enterprise, Transport and Lifelong Learning's stated aim of stabilising road traffic in 2021 at 2001 levels.

Cross-border financial comparison is notoriously difficult, but the DETR annual report for 2001 suggests that across the piece, transport spending in Scotland is roughly proportional to what the Barnett formula would suggest. However, capital investment in public transport has been only a fraction of the notional Barnett equivalent in recent years. That picks up a point that was made by a

previous witness. Investment in public transport in Scotland has been underfunded in recent years. In addition, if the revenue budget for public transport in Scotland is examined, we have to accept that the special requirements of lifeline ferry and air services make a first call on that budget. However, that reduces the available money for mainstream public transport, which we compare with the equivalent in England.

Those are my main introductory points, on which I am happy to expand during questions.

**Scott Rogers (Glasgow City Council):** I have written a paper for the committee on the effect of grant-aided expenditure on local authorities' road networks. The paper considers whether the current formula is logical and reflects local authorities' needs. I am happy to field questions on the paper.

We welcome the transport delivery document's comments on investment in an integrated transport network. However, the local road network, which is an integral part of an integrated transport network, is not mentioned. Additional support for local authorities, which has happened in England, is not mentioned either. Considerable additional finance has been made available to local authorities in England for their local road networks.

Over the last two years we have done a major best-value review on roads maintenance in Glasgow. The second half of my paper details the outcome of that review, which objectively demonstrates the backlog in Glasgow's road infrastructure. I am sure that that situation is reflected throughout Scotland.

13:00

**Alistair Gow (Argyll and Bute Council):** On behalf of the society of chief officers for transportation in Scotland, I express appreciation for the opportunity for Scott Rogers and me to present evidence to the committee. I will refer particularly to the COSLA submission on the comprehensive spending review.

COSLA highlighted the need for Parliament to look at the core services that are provided by Government, rather than emphasising the additional services or initiatives that Parliament is promoting. That is particularly true in the case of road maintenance and the backlog to which Scott Rogers alluded. I refer to that in my paper, using the analogy of house owners who forgo investment in maintaining their property and the consequences of doing so.

I tried, in my paper, to represent the views of all Scottish authorities, but I particularly highlighted rural areas because I anticipated that Scott Rogers would pick up on urban issues. Those different approaches will perhaps be reflected during questions.

It is important to recognise that, although we are requesting additional investment for transportation and the transportation infrastructure, that investment will benefit more than just transportation. We regard such investment as germane to supporting Scotland's economy and the many initiatives that the Government is keen to promote. If there is no investment in transportation, some of those initiatives will suffer. We must look holistically at the matter, rather than trying to pigeonhole investment in one area, which then competes with another. Where areas are essential, they must not be regarded as being in direct competition, but must be taken forward together as part of the wider picture.

**The Convener:** The first block of our questions concentrates mainly on SPT. We will then move on to broader questions on transport. If a panel member wants to contribute to answering a question that was initially addressed to another person, by all means do so. We will start with Fiona McLeod.

**Fiona McLeod:** I have general questions on the transport delivery report and in particular about SPT. Witnesses other than Malcolm Reed might want to comment. The transport delivery report praised SPT, but it is clear from your opening remarks that you are worried about the funding for delivery. Will the report deliver for Scotland's transport needs? If you think that things have been missed from the report, you can bring them to our attention.

**Malcolm Reed:** The vision is there and is of a piece with what went before. It is probably fair to say that the present Administration has had a consistent vision since 1997 and, in Scotland, since 1999.

We have been concerned about delivery in the past so it is encouraging to see a document that commits to delivering specific objectives. We have particular concerns about the lack of a significant mechanism to tackle the requirements of the bus sector, which worries us. I accept that, in the order of things, buses are not large consumers of public investment. However, the fairly substantial amount of money that is provided for fuel duty rebate could be used in a more targeted way as the delivery plan is rolled out.

Part of the difficulty with rail is that we seem to be dependent on the SRA's plan for some improvement and there is a read-across between the two documents. Our view is that the SRA's plan is not ambitious enough for Scotland. Given the degree of dependence that the west of Scotland has on rail for commuting to and from

central Glasgow, we will look for earlier improvements on specific routes than those that either the delivery plan or the SRA's plan seem to suggest. Obvious examples are the improvement of the Glasgow to Kilmarnock line, which is still badly in need of investment for additional double track. We would certainly like to see that sort of investment in improvement to train services in corridors such as that down to Ayr.

I do not think that there will be dramatic changes in the structure of the railway network over the planned period. However, I see scope for incremental extensions, for example to new housing areas such as Bridge of Weir and Ravenscraig, depending on the nature of the development that takes place there. There are obvious cases where small-scale increases or improvements to the rail network could help to deliver a more sustainable mix of public and private transport.

**Scott Rogers:** The vision certainly mentioned major improvements in the rail network and trunk and motorway roads. It indicates graphically a significant trend of increasing expenditure on transport. Again, that is not reflected in a similar increase for the local road network. Bus deregulation had a major effect on congestion in Glasgow. For example, 3,000 buses a day go down Union Street and at times they are nearly bumper-to-bumper. That is a problem for transport management in the city.

I will have to pass on the question of whether the vision is deliverable, if I may.

**Fiona McLeod:** I turn specifically to SPT on financial allocations, which Malcolm Reed talked about in his opening remarks. Only one budget line specifically mentions SPT and its contribution for rail.

I refer to the level 3 budget headings. What help are those to you, especially the projected ones for the coming year? Will they help SPT to achieve its goals and would you make specific changes to some of the grants to SPT?

**Malcolm Reed:** The grants that are available have been helpful. The rural transport fund has been of real benefit in allowing us to push out new public transport services into areas that are difficult to serve with conventionally funded public transport. There is always the problem of how much security of service we can provide if we are dependent on a potentially temporary annual grant. Our real problem stems from the fact that most of our funding reaches us indirectly, through our constituent councils, rather than as a separate budget line that is identified in the local government settlement.

**Valerie Davidson (Strathclyde Passenger Transport):** One of the problems that SPT has in its funding base is that, of the £200 million that it spends annually, £70 million comes directly from local government lines. Almost annually, it enters into a funding negotiation process. SPT has powers and duties to deliver transport, but does not receive its funding directly. Obviously, there is a particular issue in respect of deliverability. SPT is grateful for the money that it receives from the rural transport fund and other funds, but to grow further or to develop transport, it needs to control that financial base slightly more so that it can put plans in place with its own control mechanisms. At the moment, because we rely on another party, we are restricted by our own growth through that mechanism.

The rural transport fund provides SPT with about an extra £600,000 every year, which does not sound like much. The subsidised bus budget alone—the money that we use to secure socially needed bus contracts—is just over £3 million, which is not much. Our problem is that funding is confirmed only to 2003-04, so there will be a real issue then. There will be real pressure on the SPT budget to deliver socially needed buses. Currently, a bit of pressure is off that budget, but to increase that budget line would mean going back to the authorities for more funding. There will be pressure.

**Alistair Gow:** Argyll and Bute Council is a rural constituent authority of SPT. In my paper, I touched on the Executive's current support for buses, which is based purely on population. One of our concerns is that we are spending significantly more than our grant-aided expenditure on bus support. I hear what SPT says, but if SPT wished to provide improved bus services and asked us for an increased level of support, we would have to try to find that support within our existing resource. Already, we are spending four times our level of GAE in providing support for bus services within Argyll and Bute, so there is obviously a mismatch somewhere within funding from the Executive for public transport and buses.

Like SPT, we welcome the rural transport fund, but it does not resolve the problem. In Argyll, the rural transport fund represents around a quarter of what we spend on buses. Although we spend around £1.6 million on bus support in Argyll and Bute, excluding the rural transport fund, our GAE is less than £400,000. That is a real issue. SPT has a problem in respect of funding bus services, but the problem is particularly acute in some rural areas.

**John Scott:** Is that—

**The Convener:** I will bring you in in a moment, John. I have a question for Malcolm Reed or Valerie Davidson. SPT's submission highlights the relatively lower funding of SPT compared with that

in similar metropolitan areas in England and Wales. How do levels of subsidy for public transport in the greater Glasgow area compare with levels in other metropolitan areas? What is the level of subsidy per passenger for rail and buses in the west of Scotland, compared to that in the greater Manchester area, or in other areas? What impact do those levels have on the use of public transport in those areas? What percentage of the overall commuter market uses public transport in the greater Glasgow area, compared with other metropolitan areas? If you cannot give me detailed answers off the top of your head, information in due course would be useful.

**Malcolm Reed:** We can certainly provide a more detailed note. Some information will be available, but I would be the first to say that such cross-comparisons are inevitably broad and that there are always issues within figures. For example, we are unique in operating our own underground system. Tyne and Wear runs the metro, which is a much bigger light rail system, but it has a different financial impact as it is funded through the special rail grant rather than through local authority accounts.

The shortage of bus funding has forced us to be creative in trying to obtain the best value from the public pound that we spend on bus services. We generally provide a lower level of support for bus services than is provided in equivalent English authorities. That does not necessarily mean that the services are that much worse in our area, because we have been able to negotiate with operators to ensure that the commercial bus services have been tweaked as much as possible to deliver the services that we think are desirable.

13:15

We are concerned that the economics of the bus industry are changing rapidly. As unemployment goes down, bus operators are finding it more difficult to recruit. They are paying more for fuel and the standards that are required of new buses are going up. Operating a bus company is a much more financially demanding job than it was 10 years ago. That is having a considerable impact on the ability of the commercial market to provide the sort of network services that we have been used to. For example, we have experienced a wholesale withdrawal of services by the major bus operators in two parts of our area. We simply do not have the resources at the margin to step in when a wholesale withdrawal of services takes place. The authority is having to address political issues of priority and is having to withdraw some supported services to make the existing budget go further.

I get the sense that our English colleagues are not experiencing quite the same difficulty—they appear to have a slightly bigger cushion in their bus budget. Over the piece, levels of bus usage are probably not greatly dissimilar in different parts of the United Kingdom. Work has been done on that recently and we will draw the figures together and provide the committee with a note, if that would help.

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

**Malcolm Reed:** We have by far the highest volume of rail usage of any of the passenger transport executives. That demonstrates that the consistent and reliable funding that we enjoy, in the form of direct funding from the Scottish Executive, allows us to develop services and provide passenger benefits in a cost-effective way.

**The Convener:** Do you have a question, Fiona?

**Fiona McLeod:** The matter has been covered.

**John Scott:** We have probably touched on the answer to my question, but I will ask it anyway. What changes to address local and regional transport needs throughout Scotland would you recommend? You have already spoken about increasing services to Ayr, Kilmarnock and Bridge of Weir. Are there any other places that should have increased services?

**The Convener:** I will supplement John Scott's question by asking whether we should consider creating structures that are similar to the SPTE in other areas of Scotland, to replace the looser forms of transport partnerships that have been developed between local authorities in those areas.

**Malcolm Reed:** I will answer the second question first. We have always been careful not to be prescriptive about how other people should do things. We feel that in the west of Scotland we have a model that works well in those particular circumstances, and which has given us a base to carry out relatively successful work in the more rural parts of our area.

An earlier witness commented on the structure of local government in the west of Scotland, which is particularly fragmented. We have more authorities to contend with than most other regions of Scotland. Some sort of overarching mechanism for transport delivery seems to be inescapable in an area such as west central Scotland. The case is perhaps less strong in other parts of the country, although I would not deny that moving to a similar model, certainly in the main city regions, could well offer advantages.

We would like the delivery plan to include improved capacity, particularly in relation to the rail network. The lack of capacity on the rail network has caused us significant problems. That shortage applies not just to physical capacity—the amount of track space that is available—but also to the quantity of rolling stock.

We have reached the point at which, without dramatically changing the shape of the railway network in the west of Scotland—although there are one or two things that we would like to add to it—we must find ways of addressing the bottlenecks in capacity to which previous witnesses referred. To get trains in and out of central Glasgow in the rush hour is difficult because the lines and platforms are full. As long as that situation remains, it will be difficult to deliver some of the transport delivery plan's aspirations for a modal shift. If commuting traffic into the centre of Glasgow is to be handled by sustainable public transport, more investment in railway infrastructure and rolling stock is required. That investment will not change the railway map dramatically, but it will allow people to travel in more acceptable conditions.

If a good quality service is provided, passengers will follow. The moment that quality starts to degrade—there have been examples of that as a consequence of ScotRail's industrial relations difficulties in recent months—passenger rates begin to fall. Our aspiration is to get back to a reliable, high-quality railway service. That is the only way in which to make the transport for a fairly compact conurbation, such as that in the west of Scotland, work successfully and sustainably.

**Robin Harper:** I was impressed by the double-decker trains that have been introduced in Nice, which travel at more than 100mph. Is there the possibility of, or potential for, that kind of technical development in Scotland? Obviously, the limiting factors are the length of platforms and the speed of getting people on and off trains.

**Malcolm Reed:** I think that Professor McKinnon referred to the limitations on the loading gauge, which affects the ability to take freight. Unfortunately, the same applies to passenger traffic. Glasgow Queen Street high-level station is a classic example of a station in which all the platforms are short; in fact, not all the platforms will take even a six-coach train. To get into that station the trains must go through a tunnel that is built to Victorian dimensions. In whatever way the problem is solved, a lot of money will have to be spent on engineering. Both of the key lines that run east-west across Glasgow run through tunnels. The scope for double-decker trains is limited.

On the underground, we cram people into a rather smaller space than ScotRail normally allows, but that would not be acceptable for longer-distance journeys. We are keen to exploit any technical method of stretching capacity that can be found.

**John Scott:** You touched on the difficulties between local government and parliamentarians. To broaden the question, how far do the present structural administrative arrangements between local government, the Scottish Parliament, the Executive and the UK Government promote the effective delivery of transport policy in Scotland?

**Malcolm Reed:** I am bound to say that there are significant inhibitions in the present structure and relationships. Valerie Davidson referred to the specific difficulties that we have in negotiating our budget. I have every sympathy with local councils, which are under equally strong financial pressure from other priorities. We do not have a robust and buoyant means of financing public transport. That is partly because of institutional arrangements. France and Germany have dedicated taxes and systems of raising revenue that are used to support public transport, which makes the life of my equivalents in those countries much easier. That is reflected in the quality of service in those countries.

We would like a rationalisation of our interface with the 12 councils in our area. A lot of time is spent on what Valerie Davidson described as negotiation. That does not provide a basis for sound long-term planning. Transport is, by definition, a long-term planning job.

We have good relations with the Scottish Executive and we are broadly happy with the basis on which our direct funding is negotiated and allocated. The funding has, in general, kept pace with requirements.

Earlier witnesses referred to a lack of clarity on responsibility for railway policy. I have something like 25 years of experience of the railways in Scotland and the system is now more centralised than ever. We now depend far more on decisions that are made remotely from where they will have an impact. Getting responses is time-consuming and difficult, which is jeopardising the attainment of our objectives and which, in the long term, may lead to problems in delivering on the Executive's aspirations.

**The Convener:** I would like to probe those points a little further, although they probably stray into the remit of our rail inquiry rather than into that of our current budget inquiry. I do not know whether you were here earlier when Iain Docherty proposed the establishment of a Scottish infrastructure company and the direct devolvement of infrastructure issues to the Scottish Executive. Would such measures help with the problem of the centralisation of decision making on the railways?

**Malcolm Reed:** I think that they would help, but there would also be other ways of solving that problem. Iain Docherty and Professor Smyth referred to the lack of transparency in the way in which money moves around the rail industry—that is a particular concern of mine. Up until the last regulatory review, ScotRail was probably Railtrack's biggest single customer. Things have

obviously changed since, but large sums of money are raised through track access charges and it is very difficult to trace where they go. Railtrack operates a single till—all the money is taken in centrally before being allocated. The achievement of transparency and accountability for those flows of funds must be urgently addressed. Although I understand the pressures and difficulties now that Railtrack is in administration, that increases the inertia and adds to the delay in getting decisions on schemes that are important to local and Scottish priorities.

**The Convener:** I want to move on to ask about the position of local government. I imagine that Scott Rogers will be the most likely person to answer. I will not ask, "Is there sufficient funding for transport?" because you are clearly saying that there is not. However, I would like to know what funding you believe will be necessary to fund local government's transport commitments. If additional funding were allocated to local government by the Scottish Executive, would it go on transport or on other areas of expenditure?

**Scott Rogers:** Alistair Gow and I are from very different authorities, but I think that we agree that the existing method for allocating money to local authorities for road functions is historical and bears no relation to existing needs. The Society of Chief Officers of Transportation in Scotland has suggested that the allocation should be based on what each authority actually maintains: the carriageway area, the footway area, the traffic signals and so on.

Other matters to consider are the traffic usage of the asset by vehicles and pedestrians, the urban and rural characteristics and the importance of the road—a minor road in a rural authority may be quite important if it is the only road leading to a particular hamlet. The incidence of public utilities opening up carriageways is also important. Finally, we need to consider the existing condition of the asset. It is fair to say that most authorities have not carried out objective surveys on the condition of their asset to any great extent, and we need a period of time to allow authorities to do so and to build those findings into the formula.

13:30

The paper shows that my authority will be required to reach frightening levels of expenditure. Again, the figures have been calculated using accepted deterioration graphs for carriageways and footways. In order to maintain the existing backlog of maintenance in Glasgow, we are looking at a spend of £16.5 million a year, whereas current surface treatment levels stand at £8 million a year. The simple answer to your question is that, just to stand still, I need to have my budget doubled. I cannot comment on the situation that Alistair Gow and others face.

**The Convener:** Obviously local authority budgets are increasing. However, if additional funding intended purely for transport were provided in some future spending review, what is the likelihood that that money would be spent on transport? One of the continuing debates between the Parliament and local authorities is the degree to which expenditure is directed. By and large, local authorities want the maximum freedom to make decisions at a local level in accordance with their priorities. However, by the same token, if the Scottish Executive agrees with transportation officers' claims that they need more money and increases resources, will that money be spent on transport or on other services?

**Scott Rogers:** I cannot answer for all authorities. As I explain in the paper, Glasgow City Council spends significantly more on its roads function than it receives in GAE, simply because it recognises the importance of the local road infrastructure. To be perfectly honest, given the condition that the road network across Scotland is getting into, I would be surprised if any additional money directed at transport were not spent on that.

**Alistair Gow:** The SCOTS survey indicated that a 30 per cent increase overall—or about £86 million to £90 million—would be required to address the backlog. Although some of the figures may have an error of magnitude of plus or minus 10 per cent—I would not like to argue either way—that still represents a significant difference from the current position.

As for whether local authorities would spend any additional money on transport, the majority of authorities are now spending more than their GAE for roads. From what I hear from elected members within my own authority and others as they visit and speak to communities, the condition of the local road and trunk road networks is one of the major issues that is being raised across Scotland. If additional money were made available, local authorities would, for that reason, find it very difficult not to allocate it to roads.

**The Convener:** I want to pursue this question a little further. We asked earlier whether there needs to be a change in structural relations. I have found that problems arise in areas where major roads cross local authority boundaries. For example, a particular road can be more important to one authority than to another. As a result, the road might be maintained to a very high level up to a local authority boundary, but its condition becomes markedly different when it crosses into a local authority whose residents do not consider the road to be as important. What structural changes do we need to try to address that? Is there a need to put the responsibility for those roads on a city-regional

basis, as we have been talking about? Is there a consensual view among local authorities about the way in which we should try to address such issues?

**Alistair Gow:** There is certainly a need for a wider regional dimension to transportation, and each of the four existing regional transport partnerships is developing a transport strategy, which will address issues such as those that you have highlighted. For example, a certain road may be very important to one community but less important to another. When I was in South Ayrshire, the A70 was important to the communities around Ayr as a link to the motorway; however, people in South Lanarkshire did not attach the same importance to that section of road. I hope that, in the wider context of the regional strategies, such issues will be highlighted and agreed as regional priorities.

There is a requirement to consider road planning and maintenance and public transport in a wider framework than some of the limiting geographical boundaries that exist. I hope that there is scope for the regional transport strategies to develop. Someone commented earlier that development has perhaps been slower than we would have wished. However, there is evidence to suggest that the momentum is picking up and that work is being done by authorities—including the west of Scotland transport partnership, WESTRANS, and the SPT—to develop regional transport strategies to address such issues.

**Maureen Macmillan:** I was going to ask the question that the convener asked, about ring-fencing money for transport. I know that, in certain authorities, for 20 or 30 years the transport budgets have been squeezed and often spent below the GAE. As you say, the chickens are now coming home to roost. It is like putting shoes on one's children's feet or food on the table, but not mending the roof of the house—and we now find that the roof is leaking. However, I do not want to pursue that line of questioning, as the convener has already done so.

**John Scott:** I want to pursue it a little bit on the theme that Scott Rogers touched on. We are obviously reaching a point at which the roads are heading towards the state of those in third-world countries. How long have we got? The worse the roads get, the more investment will be needed to sort them out. What time scale are we talking about before they no longer function and we have to change our vehicle styles to drive on them?

**Scott Rogers:** I do not think that we will ever get to the stage of having classic third-world roads.

**John Scott:** I have seen some third-world roads and they are better than ours.

**Scott Rogers:** Well, all right. I meant the classic idea that someone might have in their mind of extremely badly pitted and rocky roads. Rather than trying to maintain roads to an optimum standard, we are putting sticking plaster over them. We are paying for cheaper, short-term treatments rather than full reconstruction that would allow us to get 15 to 20 years' use from a road with minimal maintenance. The question of how long we have got is dependent on the condition of each individual road. According to our examination, in 10 years' time the maintenance backlog for carriageways in Glasgow will have increased from just short of £48 million to £131 million. That is a frightening figure.

**The Convener:** I am conscious that we are running over time and I want us to address some specifically rural issues. There are two lines of questioning that we want to pursue. I ask Maureen Macmillan and Nora Radcliffe to be as concise as possible, although I recognise their legitimate interests in the subject.

**Maureen Macmillan:** Alistair Gow has already spoken a little about the rural dimension, so I will try to ask three questions in one. I have here the document "Scotland's Transport: Delivering Improvements". I have it open at the page for the Highlands and Islands, where there is a map of all the initiatives and projects. I want your opinion on whether such projects—which are a mixture of social and infrastructure projects—address the needs of rural areas. Would you like to see the money reallocated to other projects?

**Alistair Gow:** There are a variety of issues involved. I do not want to be prescriptive and try to identify specific projects in this forum, but there is a requirement to consider how funding is currently allocated—whether it is through the public transport fund, which is coming to its last year, or otherwise. When we are considering future means of prioritising or financing projects, I hope that there will be a wider set of criteria that acknowledges the divergence in transportation needs throughout Scotland.

In urban areas, there is an obvious need to tackle congestion and air pollution. Those problems have a particular public transport dimension. However, when we come to consider the rural areas of Scotland, there might be different priorities, which might reflect a requirement to fill certain gaps in the strategic road network. That could address issues such as providing infrastructure to support forestry, aquaculture and so on. Therefore, I suspect that the solutions will need to be more tailored, to achieve the objectives.

Within the Highlands and Islands transport partnership, I anticipate that we will consider the whole area of the Highlands and discuss issues

such as remoteness, peripherality and the needs of people living in island communities, and try to identify priorities to deal with those issues. When the Scottish Executive allocates funding, rather than having one large pot of money for which everyone make bids, it might be better to have targeted pots that acknowledge that some money will have to be given to rural areas, while addressing public transport priorities and congestion in the cities.

There is no single answer that addresses all those issues. I suspect that we will need a more tailored approach to deal with specific areas and that we should deal with those differently, acknowledging that there is no homogenous answer for the whole of Scotland.

**Maureen Macmillan:** I was interested in what you said about having to build new roads to access forestry or aquaculture. The aquaculture industry has raised that issue, and said that if the industry is to expand, it will have to go to places where there are roads—the industry needs to have access to sites and the roads are not always there. What budget would be needed for that?

**Alistair Gow:** It is difficult to come up with a figure. I might need more time to quantify that because it is difficult to grasp. Perhaps the aquaculture industry has already considered the road network and tried to set up some of its infrastructure where it can get good access to serve the fish farms.

One of the problems in the Highlands and Islands is that when the forestry plantations were established, no thought was given to how the timber was to be extracted. Whether we are talking about Dumfries and Galloway, Argyll or the Highlands, we are trying to take timber out using a wholly inadequate road infrastructure. Even with freight facilities grants, which have been helpful, to take timber out by rail or sea, the timber is still travelling on the secondary road network to get to the railhead or port. Those roads are incapable of coping with that traffic.

I do not want to be parochial but I have an example from my area in Argyll. There, the trunk roads are not wide enough. The width varies between 18ft and 20ft and the heavy timber lorries are running right on the edge. A comment was made about some of our roads looking like roads in third world countries. I can think of sections of the trunk road that were almost impassable after the ravages of the winter weather. It got to the stage where the trunk road authority had to put up signs saying that the road was deformed and that the road surface was temporary. Our roads infrastructure is simply not able to support some of our indigenous industries.

There was a question about how long we have. Many of the roads on strategic routes in Scotland will have been surfaced in the past 20 to 30 years. The anticipated lifetime of those roads is something of the order of 30 to 40 years, depending on the volume of traffic.

Some roads in the cities might need to be surfaced more frequently. If the average lifetime is 30 years and some roads have not been surfaced in the past 20 years, they could become so potholed and deformed in the next 10 years that their condition will impact significantly on the ability to deliver a transportation service to industry. That issue could be critical across significant parts of the transport infrastructure and could impact on the sustainability of industries such as tourism. People will vote with their feet and say, “I am not going to go there, because the roads are horrendous.” They will then go somewhere else. That is a real issue, which needs to be addressed quickly.

13:45

**John Scott:** Within the next 10 years, might the job become one of rebuilding rather than resurfacing?

**Alistair Gow:** You have made that comment already. Certain sections of the road network are showing increasing signs of disrepair. Scott Rogers touched on the fact—I do not want to highlight this as simply a rural issue—that we are doing patching and temporary repairs and adopting cheap, temporary solutions. People often do the temporary pothole repair before they do the permanent patch. The cost of temporarily repairing 1 sq m of road is probably between eight and 10 times the cost of resurfacing. In unit cost terms, temporary repairs are very expensive.

If Scott Rogers could repair his urban road network reasonably and if the same could happen in rural areas, we would not be spending a lot of money on inadequate repairs, which do not address the problem and are very costly; we would be spending our money much more effectively and efficiently. By not doing the repair, we are costing the taxpayer more money and are providing a less adequate service.

**Maureen Macmillan:** Another issue in some rural areas, particularly Argyll, is that the roads are detrunked and the local authority has to look after them. The road between Oban and Lochgilphead is in that situation, for example. Since it was detrunked, it has started to become like a third-world road. Do you see any possibility of persuading the Executive to take such roads back on board as trunk roads?

**Alistair Gow:** We have had discussions with the Executive. We talked about the A816 and the A83 south of Kennacraig, which the Executive has

shown no desire to take back on board. The alternative is to ensure that local authorities throughout the country are funded adequately to address infrastructure problems.

Some city roads that are not trunk roads, but which are main arterial routes, carry large volumes of traffic including buses, which cause severe axle damage to the road surface. Local authorities would say that they need equal investment in those areas of the network. Rather than highlighting specific roads and asking to have them trunked, we should consider the wider perspective. Urban and rural roads need investment; they should be tackled on the basis of need.

Scott Rogers referred to getting survey information. Scottish local authorities are embarking on a survey of the whole network. This is its first year and we hope to commence work on the principal roads. In future years, we hope to carry out regular surveys of the whole network. That will form a performance indicator, which the Audit Commission will publish. It will indicate the trends in the condition of the road network and provide more objective criteria. We will then be able to come back to people such as members of the committee and explain what is happening.

One of the weaknesses at the moment is that the discussion is somewhat apocryphal. People are saying that if they do not get the money, the sky will fall in, but we recognise that the committee would have more confidence if we could point to a trend analysis that goes back 10 years or so. I do not want to diminish what Scott Rogers and I are saying about the condition of the network and the requirement to invest now rather than face a catastrophic situation within the next 10 years.

**Maureen Macmillan:** We have to prioritise work on roads scientifically, rather than give the new stretch of road to the councillor who shouts loudest.

**Nora Radcliffe:** A lot of what I was going to ask has been covered. The only thing that has not been covered is the disparity in spending levels and revenue between Scotland and England. You cited £85 million over three years in relative terms. What impact does the £20 million of revenue funding that was announced in February have on that?

**Alistair Gow:** Obviously, that is beneficial. The money was welcomed because it shows that the Executive recognises that a problem exists. It is unfortunate that the funding is for one year only. I would have liked the Executive's document to say, perhaps as an 11th priority—without applying a time scale, as was done in England—that we need to invest in the existing local infrastructure network to ensure that it is fit for purpose.

The SCOTS survey showed a shortfall of £86 million a year in the current level of spending, notwithstanding catching up with the backlog. That is the amount that would be required to provide and maintain a reasonable network in appropriate condition. Approximately 20 per cent of that figure is £20 million, so the money that was announced in February is helpful, but the problem is that it is for one year only. We need longer horizons. The money was welcome, as was the £70 million that was announced previously, but that was for capital investment. To some extent, the money was subsumed in the block grant.

If I could make one plea on behalf of SCOTS, it would be to make some of the information about how the capital formula is calculated. Many authorities receive a block grant, but members of authorities are not told how the block grant figure was reached. It might help if they were told that X per cent of the block grant has been identified for transport and infrastructure improvements, but that it was recognised that they had the right to use that money for other purposes. That would at least inform discussion.

The debate is not taking place because the information is not being made available. It is being treated as a black box. People are not being given sufficient information to decide their priorities. Some decisions have been taken for the short term by people who lack knowledge or understanding of the consequences.

**Nora Radcliffe:** Would it make more sense to make all local authority allocations on the basis of GAE, but raise the level of individual aspects of GAE, so that funding was not provided under two headings? Would that be better?

**Alistair Gow:** It is useful to have transparency so that people understand the allocation and how it has been derived. They can then decide whether they want to move funding from A to B. I will describe another problem with transportation by extending the house analogy. People can put off painting a window year after year, but if they do so, the window frame will eventually degenerate and a new window will have to be fitted.

It is easy to forgo investment in infrastructure in the short term. The danger is that people do not take a longer-term perspective and look for capital schemes that have a short payback period, without recognising the downside to that and the long-term consequences of not investing for the future.

**Valerie Davidson:** I will clarify two points and pick up an issue to which Alistair Gow referred. A question was posed about whether structure and GAE should be examined. An important issue exists in relation to how GAE is distributed to authorities and subsequently, in the west of

Scotland, to SPT. Alistair and his colleagues talk about roads, but the GAE mechanism does not refer to public transport policy and planning. That is a fundamental flaw in the process.

The mechanism highlights roads and issues such as subsidies for buses and ferries, but transport policy and planning, which are regional, are not explicitly built in. In the west, which has a strategic body, that means that there is no mechanism for working out how much GAE should be allocated to service delivery and how much should go to policy planning. That is a fundamental structural reform issue.

Another issue is tied up with the revenue and capital issue that Alistair Gow discussed. The way in which we fund local government means that additional moneys are provided for capital schemes, but they still need a huge amount of revenue to get off the ground. While much money comes from the public transport fund, for example, the revenue support does not exist, or is not clear. That builds in delay.

We may need to examine two structural reform issues more closely to ensure that the transport delivery plan is implemented. The capital funds are much appreciated and are necessary for long-term planning, but that will not happen unless there is a flow for policy planning and building development work, which is often of a revenue nature. We need a closer handle on those two structural issues. We must see the whole picture, instead of just one pot of capital moneys.

**The Convener:** That brings us to the end of our questions. I thank all four witnesses for their informative evidence and for the written submissions. All the evidence that we have received today has reinforced to us the importance of long-term investment in our transport infrastructure. To some extent, you are preaching to the converted. If we need any further detail, I am sure that we will correspond with you.

*Meeting closed at 13:56.*

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

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

**Friday 26 April 2002**

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

PRICES AND SUBSCRIPTION RATES

DAILY EDITIONS

*Single copies: £5*
*Meetings of the Parliament annual subscriptions: £350.00*

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

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

*Single copies: £3.75*
*Special issue price: £5*
*Annual subscriptions: £150.00*

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

*Single copies: £3.75*
*Annual subscriptions: £150.00*

Standing orders will be accepted at the Document Supply Centre.

Published in Edinburgh by The Stationery Office Limited and available from:

**The Stationery Office Bookshop**
**71 Lothian Road**
**Edinburgh EH3 9AZ**
**0131 228 4181 Fax 0131 622 7017**

**The Stationery Office Bookshops at:**
123 Kingsway, London WC2B 6PQ
Tel 020 7242 6393 Fax 020 7242 6394
68-69 Bull Street, Birmingham B4 6AD
Tel 0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
Tel 01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
Tel 0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
Tel 028 9023 8451 Fax 028 9023 5401
The Stationery Office Oriel Bookshop,
18-19 High Street, Cardiff CF12BZ
Tel 029 2039 5548 Fax 029 2038 4347

**The Stationery Office Scottish Parliament Documentation Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:**

**Telephone orders and inquiries**
**0870 606 5566**

**Fax orders**
**0870 606 5588**

**The Scottish Parliament Shop**
**George IV Bridge**
**EH99 1SP**
**Telephone orders 0131 348 5412**

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

**Accredited Agents**
(see Yellow Pages)

and through good booksellers

Printed in Scotland by The Stationery Office Limited

ISBN 0 338 000003 ISSN 1467-0178