

EDINBURGH TRAM (LINE TWO) BILL COMMITTEE

Wednesday 1 December 2004

Session 2

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EDINBURGH TRAM (LINE TWO) BILL COMMITTEE 10th Meeting 2004, Session 2

CONVENER

*Bill Aitken (Glasgow) (Con)

DEPUTY CONVENER

*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

COMMITTEE MEMBERS

*Marilyn Livingstone (Kirkcaldy) (Lab)

*Kate Maclean (Dundee West) (Lab)

*Alasdair Morgan (South of Scotland) (SNP)

*attended

THE FOLLOWING GAVE EVIDENCE:

Iain Bell (FaberMaunsell)

Bill Campbell (Lothian Buses plc)

Barry Cross (City of Edinburgh Council)

Anne Follin (BAA Edinburgh)

Michael Howell (Transport Initiatives Edinburgh Ltd)

David Humphrey (Transdev Edinburgh Tram Ltd)

Christine O'Neill (Brodies LLP)

Neil Renilson (Lothian Buses plc)

Alastair Richards (Lothian Buses plc)

James Ritcher (FaberMaunsell)

CLERK TO THE COMMITTEE

Graeme Elliott

LOCATION

Committee Room 1

Scottish Parliament

Edinburgh Tram (Line Two) Bill Committee

Wednesday 1 December 2004

[THE CONVENER opened the meeting at 09:48]

Edinburgh Tram (Line Two) Bill: Preliminary Stage

The Convener (Bill Aitken): Good morning, ladies and gentlemen. The only item on our agenda this morning is the continuation of oral evidence taking on the general principles of the Edinburgh Tram (Line Two) Bill. Members will already have had an opportunity to consider the folder of written evidence from objectors and the promoter. They will also recall that we invited Friends of the Earth Scotland and TRANSform Scotland to provide oral evidence, but because of other commitments they have been unable to provide witnesses for this meeting.

I welcome our first panel of witnesses, who are Neil Renilson, Bill Campbell and Alastair Richards of Lothian Buses plc. I understand that Mr Renilson will make an opening statement. I ask that he limit it to five minutes.

Neil Renilson (Lothian Buses plc): First of all, I thank the committee for inviting us to give evidence. I do not propose to speak to our submission and have absolutely no intention of speaking for anything like five minutes. However, we are happy to answer questions on our submission.

If I may, I will take a minute to explain who we are. Lothian Buses plc runs the red buses in Edinburgh. As the primary provider of bus services in Edinburgh and the near Lothians, we operate slightly more than 600 buses, employ about 2,000 staff and have a turnover of about £70 million. Each year, we carry slightly in excess of 100 million passengers. Since 1998, we have increased the number of passengers that we carry every year from 82 million to more than 100 million last year. As a result, we have consistently grown the market by about 4 per cent every year for the past six years.

Our shareholders are the City of Edinburgh Council and the three other Lothian councils. We are the only publicly owned bus company in Scotland and are, by far, the largest publicly owned bus company in Britain. Because Lothian Buses was the only Scottish bus company not to be privatised in the privatisation programme from

1986 to 1991, some people view us as the last of the dinosaurs.

I am accompanied this morning by Bill Campbell, my operations director, and Alastair Richards, our planning consultant. All three of us have spent our entire working lives in the public transport industry. I have some modest experience of working with light rail with the Tyne and Wear metro and I spent 10 years with Stagecoach, which runs the Sheffield supertram. Alastair worked for the docklands light railway for 17 years from inception through to the operational phase and was also involved in the Copenhagen metro from start to finish.

That concludes my opening statement. We will do our best to answer your questions.

The Convener: Thank you very much. Mr Renilson, our questions will probably go through you, but please feel free to pass them over to either of your colleagues.

Kate Maclean (Dundee West) (Lab): In support of the proposals, Transport Initiatives Edinburgh Ltd has submitted written and oral evidence that says that the capacity of buses cannot match that of trams; that they tend to have a poorer image than modern trams; and that they are not as environmentally friendly. What is your opinion of those views?

Neil Renilson: I will deal with the three fundamental issues of capacity, image and the environment.

The full capacity of modern double-deck buses, which form the backbone of our fleet, is 90 seated passengers with perhaps 10 standing passengers, so at peak times a double-deck bus can move 100 people. A modern tram, similar to those in use in Nottingham—which, as I understand it, are similar to those that are envisaged for use in Edinburgh—can carry about 250 passengers. They carry broadly the same number of seated passengers as a bus, but have considerably greater standing capacity. However, because it is single-decked, a tram carrying two and a half times as many passengers as a double-deck bus at peak capacity is much longer, which means that there is no difference in the road space that is taken up.

As far as image is concerned, there is no doubt that trams are a much more exotic and attractive concept. Because we all have a bus service somewhere near where we live, we are familiar with it. However, we are far less familiar with trams. Indeed, people have probably had their experience of trams overseas; for example, they might have seen a modern tramway during their Easyjet bargain weekend to Brussels. As a result, trams are seen as being foreign and a little bit exotic—I suppose “sexy” is an appropriate word to use—whereas the bus has aye been. A particular

bus might be quite nice, but it is not as flash as a tram, and you and the promoter are right to say that the tram gives off a more exotic aura than a double-deck bus.

On environmental matters, the key point is that buses produce pollution out of their exhaust pipes on to the city streets. Although trams effectively produce the same pollution, the point of pollution is moved. Buses burn fossil fuels and trams run on electricity that is generated by and large by burning fossil fuels. In the case of Edinburgh, pollution would be moved from its streets 10 miles down the coast to Cockenzie power station, over the water to Longannet or wherever. There would not be much difference in global terms—in greenhouse gas terms, we might say—although there is clearly a localised air quality issue, as emissions would be moved to power stations, which are usually in more remote locations. Does that answer your question?

Kate Maclean: Yes, thanks.

In evidence last week, the promoter suggested that there is no potential to expand bus services in Edinburgh, particularly the airport link. Do you agree? Could the promoter's stated objectives for the tram service be achieved by a different means, with more investment in buses or heavy rail?

Neil Renilson: On the potential for expansion of bus services, I mentioned in my opening statement that the bus network in Edinburgh is moving 24 per cent more passengers than it did in 1998. This year, it will move 102 million passengers. In effect, an increase of a quarter has therefore been achieved within the existing road space. There have been no new roads or any major changes in that respect. The question is, could that continue into the future? Everything has a limit, but as a bus company, we certainly do not see any immediate problem that would prevent further growth in our passenger carryings or in the operations that we use to carry passengers.

You mentioned the airport service. That service runs 24 hours a day for 364 days a year—there are no planes on Christmas day. The frequency is every 7.5 minutes from 7.30 in the morning until 7.30 at night. From 4 o'clock in the morning until 7 o'clock in the morning and from 7 o'clock in the evening through until midnight, the frequency is never below every 15 minutes. The service then drops to being hourly through the small hours from 1 o'clock in the morning until 4 o'clock in the morning, when it goes back to being every 15 minutes. To link that back to the previous question, it would clearly be possible to increase the frequency of that bus service from every 7.5 minutes to every 6 minutes or every 5 minutes if that was required.

Mass urban transport comes in three basic forms—bus, tram and train. Each form has its strengths. Heavy rail cannot stop as frequently as trams and trams cannot stop as frequently as buses. It is difficult to envisage any local bus route being replaced by heavy rail. Specific end-to-end needs might be met, but heavy rail can never cover the same market.

I do not know whether I have answered your questions.

Kate Maclean: I was thinking more about the airport link and improvements in journey times, not so much about frequency; there can obviously be greater frequency, bearing in mind costs. The perception is that the main benefit of trams as opposed to buses would be journey times. Could any further investment significantly improve journey times?

10:00

Neil Renilson: Some 17 per cent of travellers arriving at and departing from Edinburgh airport do so by bus, which is the highest percentage of any airport in the United Kingdom. I know that Anne Follin from BAA Edinburgh is following me as a witness this morning; no doubt she can confirm or refine what I am saying. My understanding is that the figure for Heathrow airport is 13 per cent and the figure for Gatwick airport is 12 per cent—every other airport in the UK has single figures. The bus link from the city centre to the airport in Edinburgh is the most heavily used of any such link in the UK. I think I am correct in saying that it is the most frequent service of its kind in Europe.

Bill Campbell (Lothian Buses plc): It is the most frequent bus-based airport shuttle in Europe.

Neil Renilson: It has a journey time of 25 minutes between the airport and the city centre. That is achieved outwith peak periods; at peak periods it stretches marginally, by about four or five minutes at most. That is due in part to the heavy investment that the City of Edinburgh Council has made over the years in greenways. Coming in from the airport there are long continuous stretches of greenways—some of you might be familiar with them—through the Corstorphine corridor and Murrayfield, whereby not just the airport bus but all local buses can get into the city centre significantly faster than can cars at peak times.

Colin Buchanan and Partners undertook a survey about three years ago—the greenways have been in place for six years—which showed that bus times between Corstorphine and Haymarket, which is the key section of the route, were, on average, eight minutes faster than car times.

I believe that the Edinburgh airport rail link journey time would be 11 minutes from the airport to the city centre. Clearly that is a huge improvement on the bus time. For people making the link straight from the airport to Waverley or Haymarket stations, it is attractive. What the rail link will not do is provide for intermediate traffic for people who are staying for example at the Forte Posthouse at the zoo, or the people who work at the airport and live along the bus route. The train is in effect an irrelevance for those people because people do not live in Waverley station and few live in walking distance of it. Therefore even with the introduction of the heavy rail link, there will be a demand for the bus.

That brings us on to the tram. My understanding is that the proposal for its running time between St Andrew Square and the airport will be 28 minutes, which is in effect exactly the same as the running time for the bus when you take into account the fact that the bus leaves from Waverley and the tram will leave from St Andrew Square. Under the proposals as they stand there is no time advantage. I am sure that the TIE representatives, who will be giving evidence after us, will correct me if I have anything wrong there. In overall journey times, the tram is the same as the bus. The tram is not comparable with the bus, because it will follow a completely different route from the airport, going through Stenhouse, Broomhouse and down through Carrick Knowe. Again, for anybody making intermediate journeys to the guest houses and hotels in Murrayfield and Roseburn, the tram will not be relevant. The journey time end to end is much the same. The real benefit in journey time from the city centre to the airport will come from the introduction of EARL.

Alasdair Morgan (South of Scotland) (SNP): I want to explore the potential for a simple transfer of some of your passengers to the tram. What proportion of your passengers on the 100 service go from Waverley or Haymarket to the airport and what proportion are intermediate passengers who get on or off in between?

Neil Renilson: Some 65 per cent of our passengers are end-to-end passengers, which means that they board at the airport and alight at points that will be served by the tram—Haymarket, Shandwick Place and Waverley. That leaves 35 per cent as intermediate travellers—people boarding on sections of the route that will not be served by the tram. Does that answer your question?

Alasdair Morgan: Yes, but bearing it in mind that there will be an expansion of air traffic and therefore an expansion of the number of passengers, how much of that 65 per cent would you expect to lose if there was a tram alternative?

Neil Renilson: I would have thought the vast majority. Sorry—did you say a tram alternative?

Alasdair Morgan: Yes.

Neil Renilson: Sorry. If there was a tram alternative, I would expect to lose a significant proportion. It is difficult to give a definite answer. At the most simple level, I do not think that we will lose any passengers during the night because the tram service is not intended to run 24 hours per day. The answer depends on pricing structures, which have not yet been firmly established. If there is a differential between fares for trams and buses, those people at the price-sensitive end of the market who are looking to save a few bob might still wish to travel on the bus.

There will always be a need for a bus service between the city centre and the airport, for the intermediate travellers if nothing else, but it will undoubtedly be at a reduced level compared with what runs at the moment. The scale of that reduction will become clear only as time goes on.

Alasdair Morgan: So in order to keep your service commercial you would have to reduce its frequency.

Neil Renilson: Correct.

Kate Maclean: I have a question on pricing, which picks up on something that you said. The promoter suggests that tram lines one and two—if they go ahead—will enable residents in north Edinburgh to access employment opportunities in west Edinburgh. Do you think that the pricing structure that is likely to be imposed on tram line two might jeopardise that social benefit? You said that if there is a huge price difference people might continue to choose the bus. Do you think that the price structure will price people in that area out of using the tram?

Neil Renilson: Transport to the airport is a diverse market. At one end are flyers on expense accounts, for whom money is not an issue. They come straight out of the terminal building and hop into a taxi. There are those who have made the journey before, realise that the taxi is no faster than the bus and therefore pay three quid instead of 13 quid. At almost the other end of the social spectrum, a large number of people who use the airport service are not flyers but baggage handlers, people who work at Costa Coffee, cleaners and check-in staff—all the ancillary staff who work at the airport. They are not price-insensitive. Many of those people are at the bottom or towards the lower end of the earnings scale and they are price sensitive. For them, the price of the ticket is a determining factor in the means that they use to get to the airport.

On the opening of employment opportunities, the tram will clearly offer travel opportunities that

are different to those that are offered by the bus. In certain areas, the tram will offer improvements and opportunities that are not there at the moment. Someone who lives in Pilton or Muirhouse and works at the airport would get a bus to the foot of Drum Brae and transfer to the airport bus to get to work. With the tram, they would have the option to travel to Haymarket on line one and transfer to line two to get to the airport. The tram will open up options, but pricing will be critical at the more price-sensitive end of the market.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): On the section beyond the airport, your submission says:

“The Ingliston/Newbridge line does not serve any significant areas of dense housing, and we would seriously question whether it represents value for money, given likely realistic patronage levels. Rather, we see it as a weak leg, the performance of which will drag down the performance of the better parts of the system.”

Will you expand on that, given that we heard in other evidence that considerable development is proposed for that area?

Neil Renilson: In all the comments that we make today on behalf of Lothian Buses, we speak as a transport operator. That is the only perspective that we are taking on the current situation. The request that you made to us covered a number of topics: social inclusion, environmental issues, development issues and so on. We are starting to touch on those issues now, but we are not qualified to give evidence in detail on development or social inclusion. We can offer a broad-brush view of the situation as a transport operator.

The overall objectives of the Edinburgh tram scheme—I speak of lines 1, 2 and 3—are not limited to transport. Improving transport is one of the objectives, but there are many others. One objective is to encourage the development of former industrial sites—in the case of line 1, Granton gas-works and Leith docks. In the case of line 3, one objective is to encourage the development of greenfield sites such as the biomedical park at Edinburgh royal infirmary. There are social inclusion objectives in enhancing transport provision to the more deprived areas of the city. There are also what one might describe as municipal stature issues—the prestige of having a tram link to the airport and promoting Edinburgh as a go-ahead, world-class city. The aim is also to make Edinburgh a more attractive city and to encourage economic development generally.

All the objectives that I have mentioned are valid and laudable, but they are not transport objectives. We are not qualified to comment on them. However, you are absolutely right to say that

certain parts of the tram system are being or must be justified on grounds of future development that may or may not take place. Such grounds are speculative. Effectively, it means taking a punt on whether the development will happen. Alastair Richards may want to comment on that, given his experience in docklands and Copenhagen.

Alastair Richards (Lothian Buses plc): The Newbridge service is described as a shuttle, so we assume that people would have to change. That would discourage people from using the link, as they could drive to the park and ride at Ingliston and get a direct service to the city centre. That is one of the main reasons that we see the Newbridge shuttle, in particular, as not representing a good solution for the travelling public. Perhaps expansion of the Ingliston park and ride would offer a better solution.

I know that Transdev Edinburgh Tram Ltd has been examining the service patterns that will operate on the combined network. It is possible that the difficulty that I have described may be overcome by clever service patterns. However, if the Newbridge link is to be operated as a shuttle, we would consider it to be potentially expensive fixed infrastructure. If people did not see the benefits of using it, we could not pick it up and move it to a more useful place—it would be a sunk cost. We have concerns about the link, unless there is a solution that makes it attractive to the travelling public.

Jeremy Purvis: You are fair in your written evidence, in which you say that parts of the proposed lines

“may be justifiable on other, e.g. economic development, grounds.”

I imagine that bus operators can be much more reactive and can put on and change routes faster than is possible with fixed-line modes of transport, which are arguably more speculative. I refer, for example, to the current extension of the docklands light railway in London to the airport and other parts of docklands, which is predicated on speculation about future development.

In your submission you refer to the situation in Nottingham. You may know that the committee visited Nottingham as part of its background work. You say that in Edinburgh

“some 80% of tram passengers will be transfers from bus, with approximately 20% generated journeys, or transfers from car.”

On what evidence do you base that statement?

10:15

Neil Renilson: As I understand it—David Humphrey from Transdev Edinburgh Tram will speak later and will be able to confirm whether this

is correct—the situation in Nottingham is that 60 per cent of the people who use the tram system, which is still in its infancy as it is only six months into its operation, are effectively transferred from the bus. In Edinburgh's case, I put the figure at 80 per cent for two reasons. First, that is what the scheme's promoter says. The sources of patronage projection that it has produced for line 2 for 2011, the first year of the tram's operation, suggest that there will be a shift from public transport of 80 per cent. That is the promoter's figure. In the context of line 2, public transport means bus—FirstGroup bus, Lothian Buses bus and, possibly, Waverley Travel bus. Those are the bus operators along that corridor: there is no other public transport on that corridor at the moment.

The promoter projects that 2 per cent of the patronage will come from a shift from private car use and that 17 per cent will come from generated trips—that is, additional trips being made by people who already use public transport but who would use it more. The promoter's figure of 80 per cent is totally consistent—I agree with it and back it up. If Nottingham, which has a different structure of line from that which is proposed for Edinburgh, has a bus passenger transfer figure of 60 per cent, it is reasonable to assume that the figure for Edinburgh will be 80 per cent. Our assumption is based on TIE's figures, which we endorse.

Jeremy Purvis: That is helpful. In your view, would that change be sufficient for the promoter to achieve its objectives for the tram line?

Neil Renilson: That question brings us back to objectives—development objectives, social inclusion objectives, and so on. Which specific objectives do you mean?

Jeremy Purvis: I am thinking of patronage numbers.

Neil Renilson: We are not talking about total patronage numbers; we are talking about percentages of the total number. The promoter says that 80 per cent of the passengers will be people who, at the moment, use buses but will transfer to trams, that 2 per cent of the passengers will be people who, at the moment, use cars and that 17 per cent of trips will be generated trips.

Jeremy Purvis: But, as you know, the National Audit Office report showed that a number of light rail schemes were over-optimistic about patronage numbers. The committee is seeking to ensure that the patronage forecasts for this scheme are robust. One element of that will be modal shift. If you support the promoter's view, that is helpful to know.

Neil Renilson: We have not been privy to the compilation of the documents that have been used to project overall levels of patronage, and there are certain areas in which the numbers do not

stack up. Alastair Richards has done some detailed analysis of that. One example is the park-and-ride figures.

Alastair Richards: We tried to test some of the figures to which we had access in the Scottish transport appraisal guidance report and associated documents. A simple analysis of the number of parking spaces in the park-and-ride site and the likely occupancy of each car led us to believe that the park-and-ride car park would have to be substantially larger than the current site of 1,000 spaces to facilitate the promoter's patronage estimates. That is not to say that those figures would not be achievable; it is just that the numbers do not quite stack up. More spaces are needed to bring in enough people to meet the patronage numbers for the park-and-ride site. Somewhere in the region of 1,850 spaces would be required, as opposed to 1,000 spaces. That calculation is based on an occupancy of 1.2 people for each car and on the assumption that, once a car park gets to about 85 per cent full, people assume that it is full and do not take the time to find the remaining 15 per cent of spaces. That is the main issue that we have identified in regard to patronage. We do not see any particular problem with the patronage estimates that we have seen of the number of people who will use public transport to and from the airport.

Jeremy Purvis: I will widen out the subject. You will have heard the promoter's view that there will be an increase in the number of bus feeder services. As you will have seen in evidence, the promoter's view is that

"The overall strategy for Edinburgh envisages a range of new bus services, to serve Park and Ride sites, for example. The ultimate effect, and indeed the objective of the strategy, will be to increase substantially the total public transport market, which will benefit both bus and tram."

As part of your consideration of the patronage issue, do you agree with the promoter's analysis in that respect? Do you also agree with the STAG report, which I think shows an average increase of 1.6 per cent in public transport use in the tramline area?

Neil Renilson: The issue about line 2 for us is that only one park-and-ride site is being proposed for Ingliston. A subsidiary suggestion of a feeder park-and-ride site at Newbridge has been made, but I will leave that to one side for the moment.

I hesitate to use the words "missed opportunity", but it would be possible to develop another substantial park-and-ride site in the vicinity of the Edinburgh Park tram station, right at the end of the M8 in the Hermiston Gate area. If the siting of a park-and-ride facility in that area is found to be achievable, it would strengthen substantially the economics of line 2.

Overall, there is no doubt that Edinburgh has a growing market for public transport. From the figures that I mentioned earlier, the committee will see that even at the moment we are in a period of consistent growth. Whether that continues to be the case will be a function of the general state of the economy and various other issues. That said, we have no reason to believe that continuing growth will not occur.

Bill Campbell: The other issue of specific relevance to the case for line 2 is growth at the airport. That growth is over and above, or separate from—whichever way one wants to look at it—growth across the network as a whole.

Jeremy Purvis: Do you share the promoter's analysis of the potential for bus feeder services to support the tram, either by way of new services or increased patronage across all public transport services?

Neil Renilson: Yes. Bus feeder services are less easy for us to comment on directly, however, because the logical point for bus feeder services to feed into tramline 2 is at Ingliston, which is where buses come in from West Lothian, including places such as Bathgate, Broxburn and Livingston. Those are services that we do not provide. Although I can address the question, I do so without any detailed knowledge. I can, however, pass the question to Mr Campbell who, prior to his current appointment, had the misfortune to work for the bus company that provides the services than come into Edinburgh from West Lothian. Mr Campbell has detailed knowledge, built up over many years, of the pattern of services. The greatest potential for bus feeder services to boost numbers on the tramline is on the bus routes that come in from West Lothian.

Within the city of Edinburgh, once line 2 gets into the city from Broomhouse inwards, one is talking about end-to-end journeys from the city centre to where people live of 2 or 2.5 miles. People will not take kindly to getting on a bus, sitting down, getting out their paper and then having to get up and get off after only a mile, after which they will have to wait 5 minutes for a tram. The closer one is to the city centre, the lower is the potential for bus feeder services.

The significant potential for bus feeder services into the tram system exists at the outer extremities of the city. In that respect, tramline 2 is in a much stronger position than tramline 1. I know that tramline 1 is not the subject of this committee's consideration but, as tramline 1 is never more than 2 miles from the city centre, it offers very limited potential for bus feeder services. However, there is potential for bus feeder services in relation to tramline 2, on which Bill Campbell can comment.

Bill Campbell: This point has already been pretty well made, but the real scope for feeders into tramline 2 is at a hub at Ingliston, which could easily be served from the West Lothian communities. Indeed, the same goes for Edinburgh Park. The A71 Calders corridor could quite practically feed into Edinburgh Park and provide a credible and attractive product for passengers from West Lothian.

Jeremy Purvis: Last week, we received strong oral evidence—which you may have had the chance to read—in which the promoters acknowledged the average impact on public transport mode share to and from west Edinburgh, but said that the biggest increases would be to Leith docks and east Edinburgh. A substantial increase in the use of public transport is anticipated for people coming in from west Edinburgh who see the two tramlines as means of getting across the city—especially to areas such as Leith—where journey times from one side of the city to the other or from West Lothian to tramline 1 would otherwise be substantially increased. Do you agree?

Neil Renilson: It is clear that the attraction for a person coming in from West Lothian would be that they would go on the relatively fast section on the bus until they hit congestion. They would then get on the tram, which would bypass the congestion. In west Edinburgh, as a person moves closer to the city centre, service 22—which we operate and which runs every 5 minutes—currently provides a link for the Broomhouse and Stenhouse areas that pretty much mirrors line 2 and the section of line 1 down Leith Walk to Ocean Terminal. That service provides the facility for people in Broomhouse, Stenhouse and the residential areas of west Edinburgh that the tramline will serve to make cross-city trips.

The bus network in Edinburgh is all cross-city. Only three out of 51 routes terminate in the city centre, one of which is the airport express. The rest run from the north to the south, from the east to the west, or from the city boundary at one side through the centre and out to the other side. Therefore, a comprehensive network of east-to-west bus services is already in place. The tram will be another east-to-west facility, assuming that line 2 does not terminate at St Andrew Square but continues down Leith Walk, which I understand is what is expected.

I have not read the evidence that Jeremy Purvis mentioned, but tramline 2 will not offer anything that is not already available. It may offer more of what is available and may offer it better, but a five-minute interval link already exists that is about to be upgraded with tomorrow's opening of the west Edinburgh guided busway and the associated works, which will enhance service 22 further.

Jeremy Purvis: What is the journey time on bus service 22 across the city?

Bill Campbell: It varies according to the time of day. However, in round numbers, it takes 45 minutes from the South Gyle centre all the way to Ocean Terminal.

Jeremy Purvis: I wonder whether you have seen table 8.16 in the STAG 2 report, which I think is a public document. If you can examine that, we would welcome your comments in writing on the proposed mode-share change. The promoters have suggested quite substantial percentage increases.

I want to move on to the structures for operating transport in Edinburgh, your views on feeder services and other operators perhaps being the direct feeder service. What is your view of a quality contract in Edinburgh? Would it assist you in planning bus routes in the longer term? Might that offset some of the fears that you have about trams, or is it not a relevant consideration for you?

10:30

Neil Renilson: We cannot see any advantage in a quality contract. The creation of Transport Edinburgh Ltd, as the overarching body that will ensure delivery of a co-ordinated and integrated network that will involve primarily Lothian Buses plc and the tram, but which will also bring in peripheral operators such as Stagecoach, FirstGroup and other minor players, is regarded as being the best way forward in delivering the full benefits that are envisaged from the tram scheme. The establishment of Transport Edinburgh Ltd is well under way and it is hoped that work will commence within the next couple of weeks on development of the integration project.

A quality contract is more a tool of last resort if one ends up in a situation where there is unhelpful competition. That point was raised with us yesterday in relation to tramline one. There seems to be a background concern that there might, because tramlines are to be built, be a sudden increase in competitive activity, with bus operators competing against the tram. In Edinburgh we have a bus company—Lothian Buses—that is owned by the City of Edinburgh Council, which is also the body that is promoting the tramway, so there will not be such competition. We can take that as a given.

The argument comes down to third parties coming in. There has been no history of small, low quality third-party operators competing in the Edinburgh market. Were that to happen, it would happen today, tomorrow or at any time in the next six years before the tram starts because they would not be competing with the tram, they would be competing for passengers. The passengers

exist today. They existed in the past and will exist in the future. The tram will not make low-quality competition any more likely; if anything, it will make it less likely because competitors would be up against a formidable operator in that the tram is demonstrably a more attractive product to the passenger than is a cheap old second-hand bus that a new entrant to the market might use. This is a case of people seeing dragons where there is none. That is not to say that such competition could not happen. If it did, a quality contract would be useful as a tool of last resort.

Jeremy Purvis: You have said that there will be no competition with the tram because Lothian Buses is owned and run by the City of Edinburgh Council, which is also the promoter of the bill. However, you say in your written evidence that the “tram and bus must not be incentivised to compete against each other.”

You are telling us in your written evidence that there is a fear of competition.

Neil Renilson: I fully understand that point. The arrangements that have been entered into thus far require modification. The contract that has been entered into with the tram operator will incentivise the tram operator to maximise tram revenue. That is a fundamental flaw, but it can be sorted.

My written evidence was prepared some six or eight weeks ago, since when things have moved on. The inconsistency that Jeremy Purvis points out has been accepted. There is also acceptance that the tram contract arrangements need minor revision so that trams and buses pull in the same direction and there is no incentive to compete, either for Lothian Buses or the Edinburgh tram. A problem was identified and a commitment has been made to remove it. It is, in effect, a minor contractual matter that will be sorted. You were right to highlight that inconsistency, but it is being addressed by Transport Edinburgh Ltd.

The Convener: Thank you, gentlemen. That was helpful.

The second panel of witnesses comprises Anne Follin and Christine O'Neill, who represent BAA Edinburgh. I understand that Ms Follin will give us a five-minute introduction.

Anne Follin (BAA Edinburgh): I promise that it will be much briefer than that.

The Convener: I am delighted to hear it.

Anne Follin: First, I introduce Christine O'Neill from Brodies LLP, who helped with BAA Edinburgh's response to the Edinburgh Tram (Line Two) Bill. I reiterate that we support the principle of the tramline because we are keen to improve the journey for everyone who travels to and from the airport. However, we have concerns about the

proposals. We think that they are premature, given the proposals for a heavy rail link to the airport and the proposed review of the west Edinburgh planning framework.

I support what Neil Renilson said about patronage. His figures were rather low; our latest survey shows that 19 per cent of airport passengers use the airlink bus service and 2 per cent use coaches that are chartered to pick them up for tours of Edinburgh and the like. We include that in public transport, so total usage of public transport is 21 per cent, which is the highest rate for any regional airport in the United Kingdom. In comparison, only 11 per cent of Manchester airport's passengers travel to and from the airport by public transport.

It is important to give the background to why that is the case. Edinburgh airport is unique in that 30 per cent of passengers come from or go to the city centre. At Glasgow airport the figure is only 8 per cent. In Edinburgh, the airlink bus has successfully tapped into the large percentage of passengers who travel to or from a single destination—the city centre—and has captured a large proportion of that market. Other people travel by private car, hire car or taxi. Some 70 per cent of passengers do not go near the city centre, so a bus or tram will be of no use to them. They go to the greater Edinburgh area, the Lothians, Fife and so on. I hope that that helps to explain the background.

The Convener: Thank you. The general trend of your testimony is that you are fairly supportive of the bill, but think that it is premature. Will you expand on that and say whether it would have been reasonable to expect the promoter to include plans for other schemes—the most obvious being the Edinburgh airport rail link—before the commitment to proceed?

Anne Follin: As you know, there is a scheme for a heavy rail link to the airport which, like the tram scheme, is a major engineering project. From the engineering point of view, it would have been better for the two schemes to be progressed together so that construction programmes were co-ordinated. We cannot have the heavy rail station and the tramline being constructed at the same time because we must keep the airport operational and keep traffic coming in and out. There are concerns about the construction and engineering of the two schemes. We want the optimum route for both the rail link and the tramline. There is also a new road proposal.

It is obviously desirable to integrate all surface transport as much as possible. That will best be achieved by considering all the schemes together, rather than in isolation. The Scottish Executive first produced the west Edinburgh planning framework in 2003 in order to provide an integrated planning solution for the area. That document recognised

that west Edinburgh is growing rapidly, that huge development pressures exist and that it was unsatisfactory for each development proposal to be considered in isolation. Since it was produced, we have had "The Future of Air Transport" white paper, and the framework will be revised to take all that white paper's findings into account.

Danger is always present when one development proposal is progressed in advance of others. We have an area in which we must all operate. Edinburgh airport passenger numbers are forecast to grow rapidly in the next 20 to 30 years—according to the white paper, the number of passengers may grow to 20 million plus, which would make Edinburgh airport not much smaller than Gatwick airport at the moment. That gives the committee an idea of the scale of growth. Having kicked off the west Edinburgh planning framework, the Scottish Executive has made the remit clear: planning must be integrated. We would like that to be carried through and to see an integrated planning solution for west Edinburgh.

The Convener: You suggest that a six to 12-month delay in the project might be helpful. Why?

Anne Follin: We understand that the heavy rail scheme bill will be introduced in May next year; by then, much of the work that has been undertaken on the tram scheme will have been done on the heavy rail scheme. We suggest a six to 12-month delay to bring the rail and tram schemes together so that they can be progressed together and their business cases considered together. That would be the ideal solution for future transport in Edinburgh.

The Convener: I appreciate where you are coming from, but you will appreciate that we are charged with considering the bill now. If that delay is not possible, should the tram project proceed?

Anne Follin: We have several concerns about the project and are trying to work through them with Transport Initiatives Edinburgh Ltd. We need to examine more of the detail; I believe that a meeting will be held on our detailed concerns. We want to discuss the detail with TIE and to present our detailed objections to the committee.

The Convener: You will appreciate that we are dealing with the general principles at the moment and that detailed matters will be addressed some way down the road.

What will be tramline 2's main benefits? Have you thought about how much the line would increase the number of passengers who access the airport by public transport?

Anne Follin: I understand that tramline 2's benefit is that it would ease road congestion. We have not conducted studies into the percentage of passengers who would use the bus as opposed to

the tram. We do not have the background information to do such studies.

We need to make it clear that the tram will not increase the number of people who fly from the airport. Air passenger growth is driven by factors such as the economy's strength and growth in tourism. I imagine that the percentage of airport passengers who want to use public transport and who would take a tram rather than a bus will depend on several factors, chief among which are the routes that the trams and buses serve and which stops passengers want on those routes. We have no view on how the tram is likely to split public transport patronage.

The Convener: Your evidence is a little inconsistent. I understand that you are basically in favour of the project, subject to resolution of several issues, but that you feel that the project would prejudice future airport expansion. Will you explain why?

10:45

Anne Follin: The west Edinburgh planning framework will be revised to take account of the white paper. We are preparing a master plan to submit to the Executive on the west Edinburgh planning framework review, which will set out how we think the airport could expand to meet the conditions that the white paper sets.

Until the west Edinburgh planning framework review is completed, we will not know whether the Executive will take on board our proposals. The tram is being progressed before we can be certain that the airport will be able to develop as we want it to develop. We feel that both tram and rail routes will take up a key strip of land in the heart of the terminal area—they will come right into the heart of the terminal and will therefore, in effect, sterilise a strip of development land in that area. The project is being progressed before the Executive has had the chance to review our master plan and to prepare a new west Edinburgh planning framework.

We have indicated an area of land that we would like to develop, but we do not know what the conclusions of the review of the west Edinburgh planning framework will be. The Executive and City of Edinburgh Council might say that expansion into that area is not suitable and we might need to revise our development proposals. It will be difficult to do that, given that a fixed tram link is coming in that will sterilise an entire corridor of land.

We are developing our master plan; the first draft will be issued to the Executive before Christmas. Our preference would have been for all the various transport proposals—which, after all, are just one aspect of land use—to have been

considered together as part of the west Edinburgh planning framework review.

The Convener: You will appreciate that our role today is not to make a decision on any possible changes in the route; that is a matter of detail that could be followed up.

Alasdair Morgan: The same objection applies to the bill progressing before the rail link. Can we get into a situation in which all projects wait for the slowest process in the queue before they all go ahead? On the projections in the white paper and, I suspect, in your master plan, all that we can be sure about is that in 10 years things will be different. We are in a rapidly changing environment. Can we predicate all our decisions on the approach that you suggest?

Christine O'Neill (Brodies LLP): That is a fair question. There is always a danger that there will be continual delay, but as regards the development that we are talking about, the heavy rail link is not an entirely speculative proposal. In effect, it is being proposed by the same organisation that is proposing the tramline. Detailed work has been done in which the airport has been heavily involved. The rail link proposal is not entirely speculative—there is a timescale for introducing it.

I want to make a point about co-ordinating the projects more closely. There is a major engineering operation to be co-ordinated; it is not simply a question of inconvenience or logistical difficulties. Co-ordinating the engineering of both projects is a significant issue, which has come up in the airport's discussions with TIE about the rail link. A lot of work has been done on the engineering process.

It is almost impossible to say whether BAA Edinburgh will want the bill to progress if a delay of six to 12 months is not possible. The airport cannot judge what potential impact or prejudicial effect the progress of the bill might have on the rail link, because a developed business case for the railway has not been made and the alignment of the railway has not been determined. If the tram is progressed now, that could prejudice the rail bill that will be introduced. We are not talking about five years; we are talking about 12 months.

Alasdair Morgan: The other part of my question is about the objection to the bill on the basis of your plans for expansion and the sterilisation of a strip of land. It strikes me that wherever the tramway is eventually built, a strip of land will be sterilised. At some stage in the future, you might wish that the tramway was elsewhere. Why should we wait based on a point of view that you may have next year, but that may change in another three or four years?

Anne Follin: I can only reiterate that we are not talking about a lot of airy-fairy proposals away in the future. I accept that what comes first is partly a chicken-and-egg question and that we do not want to have to wait for the slowest item. However, everything will come together in the next 12 months. A revised west Edinburgh planning framework will set the future boundaries for the airport and we will have a detailed rail scheme by May, which is when the rail bill is timetabled to go to Parliament. We are not saying that we should sit and wait for another two, three or five years. It is a matter of months rather than years for all the proposals to come together.

The Convener: Do you agree with what the promoter said last week, which is that it is for the EARL team to ensure that the proposals are wholly compatible with each other?

Anne Follin: That could be called the tail wagging the dog. By its very nature, heavy rail is the most inflexible mode in the alignment that it takes because trains can go around only certain curves and manage only certain gradients. A tram is more flexible in the gradients and curves on the track that it can cope with and a road is yet more flexible. A road can cope with greater gradients. Therefore, because of the inflexibility of heavy rail's vertical and horizontal alignment, it would be logical to fix the railway first. In deciding which should be fixed first, we should also consider the business cases and see which project would have the greatest patronage and be of the greatest benefit to the community. It seems to be a bit back to front for the railway to have to work round the tram.

The Convener: Edinburgh Chamber of Commerce said in its evidence that there is no realistic public transport alternative to the tram scheme. Do you agree with that?

Anne Follin: For the airport?

The Convener: Yes.

Anne Follin: We have an alternative already. There is a very successful bus system. As Neil Renilson said—I support his figures—we have the highest usage of a public bus of any UK regional airport.

The Convener: In that case, what is the point of having the tram?

Anne Follin: I assume that that is one of the matters that the committee is here to decide on. We are keen to see increased public transport usage from the airport. It is for the committee to decide whether that can be achieved with heavy rail, bus or tram.

The Convener: Perhaps you could answer this question on the technicalities as you are much more familiar with the layout of the site of

Edinburgh airport than we are, although we carried out a fairly extensive site visit. Your evidence states:

“until the proposals for the rail link are finalised it will not be certain that the rail link and the proposed tram link can be accommodated at the airport”.

That is a crucial point.

Anne Follin: It is. We have meetings with TIE all the time. Since we made that submission, we have had further meetings and the schemes are being developed further.

As you have been out to the airport, I will give you an idea of the layout. The rail link will run along the east side of the Gogar burn, which runs up right beside the terminal building, and the tram will be on the west side of the burn, so the two will run in parallel, with the burn in the middle. Some localised diversions of the burn are proposed to make way for the heavy rail and to accommodate the station. All those details are being worked through.

I think that we have to reserve judgment until further design work has been done. Until everything is finally planned through we cannot say categorically that both rail and tram can be fitted in. The internal road system within the airport must also be accommodated alongside the railway and the tramline. Many pieces of the jigsaw must be fitted together. We felt that planning the two projects together was the best way to achieve that.

The Convener: Let us play devil's advocate for a second and assume that the pieces of the jigsaw could not come together. If that were the case and you had to choose one option or the other, which would be your preferred option: the rail link or the tram link?

Anne Follin: We would need to see the business case for each project. A business case has been prepared for the tramline, but no business case has yet been prepared for the rail project, although the TIE rail team is working on that. Until we can examine a detailed breakdown of the patronage of both forms of transport, we cannot say which project is preferable and would best serve the airport.

The Convener: Perhaps this question is a little unfair, but at this stage are you not prepared to express a view about how the EARL project would affect the business case for tramline 2?

Anne Follin: No. We have seen no details of the business case for the EARL project. Obviously, the rail and tram schemes are not just about serving the airport. The EARL project is very much about strategic improvements to the rail network. The airport would be just one stop at the end of tramline 2, along which there would be many stops. Only TIE can undertake financial

appraisals of both schemes, because it considers the schemes in their entirety. The promoter said that heavy rail has the potential to impact on patronage of the tram, but until the two appraisals have been carried out to the same level of detail and we understand what the impact might be, it is not possible to make a judgment about which scheme would best serve airport passengers.

The Convener: There might be a situation in which the airport will be served by the bus service from Waverley station, which Mr Renilson mentioned, by EARL and by the tramline. I fully accept that pick-up points might differ and, indeed, that the rail link would have no intermediate pick-up points. However, is there a danger of over-provision of public transport access to and from the airport?

Anne Follin: That depends on what you mean by over-provision. From the passenger's point of view, the maximum choice of mode of transport is the ideal, so that people can choose between bus, tram or the heavy rail link when they come out of the airport building. I presume that the greater the choice available, the greater the competition in fares structures, which would also serve the passenger well.

We do not run such services, so over-provision is not an issue for us. We are committed to the development of a public transport interchange at the airport, because if the schemes go ahead, it would be ideal if there were a single point at the airport at which buses, trams and trains would stop to deliver and pick up passengers, so that a passenger who arrived in the terminal building would see one set of signage that directed them to an onward travel concourse, where they would be faced with all the choices.

The Convener: That is useful.

Jeremy Purvis: We have talked about over-provision, but the promoter might have underestimated the potential increase in the number of airport users. Following the UK Government white paper, "The Future of Air Transport", what is the estimated increase? I think that we have been told that there is a base forecast of a 27 per cent increase to 2026.

Anne Follin: Do you mean an increase in the number of people who use public transport?

Jeremy Purvis: I mean an increase in the number of people who use the airport—I was talking about air passenger numbers.

Anne Follin: Passenger numbers at Edinburgh airport are due to increase to more than 20 million per annum by 2030, according to the white paper. Our forecasts show that the split between passengers who travel to Edinburgh city centre and passengers who travel to the rest of the area

that we serve will remain roughly 30 per cent/70 per cent. Thirty per cent of passengers will continue to travel into Edinburgh city centre, but as passenger numbers grow, that 30 per cent will obviously represent a much bigger number of people who must be served and given onward travel choice. When we handle more than 20 million passengers, potentially 6 million or 7 million passengers will travel in and out of Edinburgh city centre. That is a very large number.

At the moment, a very high percentage of passengers travelling to Edinburgh do so by bus, because we have an extremely frequent service. Neil Renilson gave members the times. I support his claim that we get very regular services and that the buses are very busy, especially at peak times.

11:00

Given that 20 per cent of our passengers are using public transport, there is another 10 per cent that could be captured. Currently, those people may be taking taxis. A certain number of them will always do that. They may want just to give a taxi driver an address, because they do not know where they are going. They may be going to a place in Edinburgh that is not particularly near to Waverley or Haymarket, so they do not want to get a bus or tram to the city centre and then have to take a taxi. We must accept that a certain number of passengers who travel to the city centre will always go by taxi.

We hope that by 2007 our surface transport strategy will have increased the proportion of passengers who travel by public transport to 25 per cent, compared with 21 per cent today. We think that that is a realistic target.

Jeremy Purvis: Is it fair to say that the forecasts of tram patronage to and from the airport are underestimates, given the projected increase in the number of passengers per annum from 6 million now to 20 million by 2031?

Anne Follin: I cannot answer that question, as I do not know much of the background to the forecasting of the number of tram passengers to the airport.

The Convener: Thank you for your evidence.

Panel 3 consists of representatives of the promoter. Michael Howell is chief executive of Transport Initiatives Edinburgh; Barry Cross is from the City of Edinburgh Council; David Humphrey is from Transdev Edinburgh Tram Ltd; and Iain Bell and James Ritcher are from FaberMaunsell. Good morning, gentlemen. I assume that Michael Howell will be lead trumpeter.

Marilyn Livingstone has a series of questions for you, but I would like to ask a question first. I have heard the evidence of Mr Renilson regarding the

integration of the two tramlines, especially from around Edinburgh city centre down to Leith. His evidence did not quite reflect my understanding of the situation. Could you expand on that point? Did you hear what Mr Renilson said?

Michael Howell (Transport Initiatives Edinburgh Ltd): Yes. You have not offered me the opportunity to make an opening statement, but may I say a few words about myself and about TIE in the context of the projects that we are talking about today?

The Convener: By all means.

Michael Howell: Clearly, today we are talking about issues related to the promotion of both programmes. We are involved in both, which must be good as it aids communication.

I remind the committee that TIE was established in May 2002 with the express purpose of procuring and delivering transport projects. It is a private not-for-profit company. Our objective is to deliver value for the public sector funds that are expended on the projects for which we are responsible. We have dedicated project managers and financial expertise that is directed at improving procurement. We are owned 100 per cent by the City of Edinburgh Council. We have a board of non-executive directors, four of whom are from the private sector and three of whom are from the council. Our chairman is Ewan Brown CBE, who was formerly a director of Noble Grossart Ltd.

At the moment, we have 25 employees, most of whom have a technical background and come from the City of Edinburgh Council, Strathclyde Passenger Transport Executive, the rail industry, private consultancies and other local authorities. We also have a finance department and are involved in commercial and public relations activity.

On behalf of the City of Edinburgh Council, the active projects include the Edinburgh fastlink busway, which is opening tomorrow, the tramlines, the Ingliston park-and-ride facility and the Edinburgh congestion charge. On behalf of the Scottish Executive, we have assumed responsibility for the Edinburgh airport rail link and are working with Clackmannanshire Council on the Stirling-Alloa-Kinross railway. Finally, we also administer the one-ticket multimode system for the south-east Scotland transport partnership.

On the issue of integration and the Edinburgh tram, I will defer to David Humphrey, who is the director of Transdev Edinburgh Tram Ltd, which will be responsible for how the trams will be run. However, I will say that the objective is to create a network. Obviously, the advantage of a network is that it provides the opportunity for journeys that make sense in terms of where people travel to and from.

Before I come to the exact answer to your question, I will mention why Transdev is here. Early in the process—two years ago, when I first became involved—the board of TIE decided that we must have integration between buses and trams and must have a tram scheme that is constructed on the basis of partnership working with an experienced tram operator that can advise on the configuration and construction of the scheme. We also knew that we needed a commercial framework that would facilitate the integration of trams and other modes of transport, particularly buses, and a viable multimode ticketing scheme that would enable people to move from one mode to another in a seamless way, which would encourage them to use public transport.

Transdev SA, which is a Transdev subsidiary, has been appointed. It operates trams in eight cities and so is in a good position to assess how to make trams work well in Edinburgh. In addition, you have already heard about Transport Edinburgh Ltd, a new framework structure that is being established and will provide the opportunity for a practical and active integration of buses and trams in the city. The one-ticket scheme has grown to the point at which it is self-sufficient and is now available to be adopted by Edinburgh tram. The heads of terms have been drawn up with the operators of two main bus operators in relation to through-ticketing. Some of the key issues relating to integration have been put in place well before approval has been granted for the scheme or the final details of the technical scheme have been covered.

I will say some more words about EARL later, but now I will talk about myself. I am the chief executive of TIE and have held that position since the company's incorporation. I am an engineer by training and, after my engineering degree at Cambridge, I did a masters degree in business in France and the United States of America. I worked in the USA for 16 years, principally in transport equipment—diesel engines and, later, locomotives, working for General Electric—and, since leaving the USA in the early 1990s, I have lived in the Edinburgh area. I started a hands-on fund management business in London in the early 1990s and was the commercial director of the Railtrack group during the company's privatisation in 1996. I have had long-term experience in the commercial sector, linked with transport.

I thought that you might want to know what I have done by way of background and in relation to my slender qualifications for this job.

With that, I will pose the question that you asked me to David Humphrey, who I suspect would like to comment on plans for routes within the network.

David Humphrey (Transdev Edinburgh Tram Ltd): I cannot remember the exact context of the question, but I think that it was to do with the connection of lines 1 and 2. Was it to do with the east-west cross-city connections?

The Convener: It was based on what Mr Renilson said about that earlier.

David Humphrey: One of the tasks that TIE has set us is to examine the service patterns of both lines, particularly with regard to how they come together as a network, to see whether the overall scheme can be optimised. I believe that it is clear that it can be.

The two lines put together are on the cusp of being able to deliver a cracking good cross-city service. If line 1 is left as it is planned, it will be a circular route that will operate in both directions. Line 2 is capable of extending not the physical structure of line 1, but the timetable for line 1 services beyond St Andrew Square, down Leith Walk and round to Ocean Terminal. The incremental costs of doing that would be outweighed by the incremental revenue. That is our initial analysis, although I cannot give you any promise that that is what will eventually happen on the streets. The system is capable of delivering that, as long as there is no detrimental effect on the journey times that the vehicles are capable of, and so on. We are pretty close to being able to get that, which would transform east-west travel opportunities.

If a passenger cannot get all the way down to Leith Walk and Ocean Terminal in one journey, they will be able to get some way towards that. Even if that is not possible, there will be the opportunity for them to transfer from one tram to another on the platform in the city centre. Part of the ticketing arrangements will be to ensure that there will be no fares penalty for doing that.

The Convener: Thank you. We will return to the general question of integration later. In the meantime, Marilyn Livingstone has some questions on the environmental impact of the line.

Marilyn Livingstone (Kirkcaldy) (Lab): Good morning. In your written evidence, you state that the line will

"produce relatively few negative environmental consequences"

and that it will, overall, have a minor negative impact on air quality outside the city centre. Lothian Buses told us that, although the environment would be slightly improved in Edinburgh, we would be moving the effects outwith Edinburgh. I would like you to talk a bit about the impact on the environment and overall traffic noise, which you say will not be reduced.

How can you justify the development of the tramline on environmental grounds?

Michael Howell: I pass that question to my colleagues from FaberMaunsell.

Iain Bell (FaberMaunsell): Jim Ritcher will address the issue of air quality.

James Ritcher (FaberMaunsell): Regarding air quality in Edinburgh, pollutant concentrations of nitrogen dioxide and PM10—fine particulate matter—exceed the Government's air-quality objectives. The council has a duty to reduce the pollutant levels below the national standards. The air-quality assessment for line 2 has shown moderate benefits for local air quality, especially in the centre of Edinburgh, where pollutant concentrations are highest.

In relation to regional air quality, you are talking about the displacement of pollution. As I say, there are moderate benefits in the city centre, but some pollution will be moved to where the electricity will be generated. That was assessed using worst-case assumptions. The assessment shows that, even though there will be some displacement of pollution, there will be a very small reduction in CO₂ levels overall. The environmental statement also shows a minor benefit for global air quality.

Marilyn Livingstone: The evidence from Friends of the Earth states:

"So that trams truly are environmentally friendly, the electricity supply for the trams should be sourced from renewable sources."

For example, solar energy is used for parking meters. Have you considered alternative energy sources?

James Ritcher: As I said, our assessment was based on worst-case assumptions. The benefits of the scheme will be greater the more that renewable energy is used. The council currently receives about 10 per cent of its energy from renewable sources, and I understand that that will be the case with line 2.

Marilyn Livingstone: TIE is investigating opportunities for reducing energy demands on the tram system and potential options for producing electricity from a renewable source. I presume that you are already investigating that and I wonder where you are with it.

11:15

David Humphrey: When we submitted our bid for the contract, which we have now been awarded, we suggested that that issue be considered. Certain organisations will sell electricity that they guarantee is generated from renewable sources. I am not quite sure how they manage that, because I do not think that one can

identify what colour electrons are as they pass along a wire. I presume that it is all tied up with contracts and someone says, "We'll sell you so much electricity and we commit to having a back-to-back contract to buy it from some form of renewable energy source." We all know that the question of renewable energy generation is live, with all the arguments for and against wind farms and so on. We will be keeping a close watch on that. When it is time to place contracts for the supply of electricity, which will be in 2008 or so, we will be able to make an informed decision about the best way of purchasing the electricity so that we can help the city to achieve its environmental objectives.

Alasdair Morgan: For the record, what is the estimated consumption of the tram system at its predicted frequency? We might have the figure somewhere in our papers.

David Humphrey: I rely on memory and that figure is not in the memory bank at the moment. It is probably in the papers before you, but we can certainly get it to you.

Alasdair Morgan: Perhaps you could confirm it.

David Humphrey: Yes.

Marilyn Livingstone: Do you believe that trams are really the most environmentally friendly form of public transport, given the emerging technologies such as hydrogen fuel-cell buses, which are undergoing commercial trials throughout Europe under the clean urban transport for Europe project?

Barry Cross (City of Edinburgh Council): It is not a question of either/or but one of keeping a watch on the development of new technologies, particularly for buses. The principal argument that we are using for the delivery of the tram network is based on its capacity, speed and reliability. That is linked to both existing communities and the emerging shape of the city with new developments. The environmental gains are very much spin-off benefits. That does not mean that there is not a significant role for new technologies in buses. Even with a full tram network, the largest percentage of people moving around will be on buses. Depending on the precise definition, 80 per cent of public transport trips are likely to be made by bus, so many bus trips are left in the equation.

I cannot remember whether Lothian Buses detailed the steps that it has taken in fleet replacement. It has a modern fleet, which includes a high percentage of Euro 2 and 3 engine buses. We are continuing to keep a watch on not just fuel-cell buses but gas buses and battery buses, not least for operating on the Royal Mile outside Holyrood. It is very much a matter of having both, rather than having one or the other.

Marilyn Livingstone: You say that you are considering those alternatives. Could you update the committee on where you are with them? I am not asking you to do that just now, but it would be helpful if we could see the case for the alternatives.

Barry Cross: Yes—no problem.

Marilyn Livingstone: That would be helpful.

I want to pursue questions on environmental issues. As all of us are aware, Edinburgh is a world heritage site. Can you assure the committee that the tram-related infrastructure, particularly the overhead line equipment and the poles, will not damage the townscape values of this unique urban environment?

Michael Howell: I give you my personal assurance that the question is of major concern and that it is being discussed at all stages. It will be easiest if I ask Mr Cross to respond, as he is deeply involved in the detail.

Barry Cross: Other panel members might want to add specific comments on the environmental impact.

The committee is aware of the planning framework and the parallel process that the council is putting in place to address issues of the kind that the member illustrates. The design manual has been put together in consultation with Historic Scotland and the Edinburgh World Heritage Trust. The issue is of utmost importance for both the council and its planning committee. Undoubtedly, examples of tram installations elsewhere in the United Kingdom and abroad ring bells in terms of the need to get things right.

We have a design manual for the process that we have put in place, in which we set out best practice, the methodology for addressing issues such as building fixings and wirescape and the broader issues of what tram stops, for example, will look like. We hope that, when you look in detail at the manual, it will give you considerable confidence that the process does not end with the parliamentary process but goes on through to the detailed meetings that will happen on site between the planners, Historic Scotland and the building fixers. The process will go on right down to the implementation stage.

David Humphrey: Our organisation has put tramways into exceptionally sensitive areas—Orléans and Montpellier spring immediately to mind. Indeed, the sensitivities in Orléans were similar to those in Edinburgh. People were concerned about the visual intrusion of the overhead wire equipment, but we managed to resolve the situation.

The technical solutions that are available to us include the use of very thin wires and the building

fixings that Barry Cross has mentioned. Where there is the need for overhead masts, they can be designed in a way that is rather more elegant than the I-beam cross-section overhead line masts that one sees on heavy railways.

The guy who was in charge of managing the design in Orléans is contractually committed to working in Edinburgh. The city will therefore have the benefit of his experience of beating up the designers and contractors to ensure that the line is as elegant as possible. The only time that an overhead wire visually intrudes is when one looks at it against the sky. If one looks at it against buildings and trees—and there are lots of them along Princes Street—it disappears. As long as the wire is the right sort of wire, one just will not see it.

If we have anything to do with it, Edinburgh will not have thick—double-overhead—cross-section wire going down Princes Street. The city will have the thin single-section wire that disappears except when one looks at it against the sky. However, that issue will be dealt with in the decisions on where to put the span wires. In the places where people can look up and see the sky, they do not want to look up and see something that looks like a big lump of knitting.

Marilyn Livingstone: As you say, we will have the opportunity to come back to you on the detail.

David Humphrey: When you get to that stage, you will be able to see the seriously important design work to which we are committed positively, including the detail of what the stops will look like and how they will fit into the townscape.

Marilyn Livingstone: I will continue our questioning on environmental issues. Some of the evidence that we have received addresses the other transport policies that you are considering to ensure that the road space that is freed up by people who will transfer to the tram is not taken up by other car users. How do you respond to comments that any such freed-up road space should be used further to enhance public transport and to offer amenity improvements such as cycle lanes and broader walkways? There has been some disappointment about that issue.

Michael Howell: The detailed design of the space within the city is a critical part of ensuring that the tram system is effective. The issue is linked to the earlier discussion about buses. We are dealing with a finite amount of street space, so working out how to utilise it to the maximum public good takes up much of our time. I ask Barry Cross to comment further, as fundamental sign-off and planning responsibility for use of the space is with the City of Edinburgh Council.

Barry Cross: There are a number of strands to this issue. The first challenge is simply to look

around. The complaint that is being made against the council is curious and is not one to which we are used. Normally, people complain that we are all too ready to ensure that general traffic does not grow by limiting capacity for it. We have a long record of ensuring that general traffic does not grow by dedicating space to both bus and cycle lanes.

Specifically, the council is committed to ensuring that trams are a catalyst for consideration of the design of the total streetscape, rather than simply a 10m or 12m strip down Leith Walk or along Princes Street. We are working with TIE and Scottish Enterprise Edinburgh and Lothian on a programme for £18 million-worth of streetscape improvements in the city centre, especially in St Andrew Square. If the powers are granted and the trams arrive, they will be integrated into a total streetscape that will include better pedestrian facilities, wider footways and cycle facilities. That initial project gives confidence that the council understands the issues and will address them.

The third issue, which is particularly important, is the relationship between space for trams and residual space for general traffic and buses. Earlier Neil Renilson spoke of the significant benefits that have been secured for public transport by the co-operation of the key bus operators and the council on infrastructure. We are keen to ensure that the benefits in patronage growth that have been secured over many years are not lost with the introduction of trams. As I said earlier, a substantial proportion of the population will continue to use buses. The divvying-up of the road space with which we are left is more than likely to lead to a greater percentage of space being made available to the combination of buses and trams than is the case at the moment. It is most unlikely that within that mix cars and general traffic will be anything other than constrained. That fits not just with tram policy, but with the raft of policies in the local transport strategy and with the work that we are doing in parallel on the design of the congestion charging scheme, which will go out to referendum early next year.

The Convener: We return to the question of integration.

Marilyn Livingstone: As the witnesses are aware, Edinburgh Waverley is Scotland's second biggest railway station, serving 12.5 million passengers during 2002-03. Why will there be no interchange between the tramline and this major transport hub?

Michael Howell: We recognise the geographical constraints on the site. Waverley station, of necessity, is at the bottom of the valley and the tramline will run along Princes Street, at a much higher elevation. Obviously the issue then is how to ensure easy access from Princes Street down

to the station and vice versa. The plans, of which we are well aware, that are being put in place by the City of Edinburgh Council and the Scottish Executive include a mechanical linkage—in other words, an escalator—between the station and the street. The escalator will run up and down the Waverley steps.

11:30

However, that is only half the solution. People tend to have a bit of a blind spot when it comes to recognising that the location in the city that is much better suited to easy interchange is Haymarket. Perhaps it is no coincidence that TIE recently moved its office to Haymarket. We feel that it is crucial that we maintain in our minds every minute how important Haymarket will be in the future, as that is where the trams, trains and buses will all come together in a narrow, limited space. The task for us all is to ensure that the opportunities for interchange there are maximised. The fact that tramlines 1 and 2 both run through Haymarket station is key to ensuring that the scheme works as well as it can. That is at the heart of our thinking.

Marilyn Livingstone: My final questions are very important ones. Will the tramline be part of an integrated ticketing scheme along the lines of the London travelcard? Will it be part of the national concessionary fares scheme for elderly and disabled people?

Michael Howell: I have already alluded to the one-ticket scheme, which has been under way for almost two years. We are responsible for administering the scheme and it is fair to say that it has made a good start. It recently expanded its availability through the introduction of pay point locations, so it is much more accessible than it was when tickets could be bought only through bus operators or from local council offices. As a result, sales have increased to the point at which the scheme's costs are covered by the fees that it charges.

I mentioned that the principles by which the scheme will be applied to the tram are already in place. We will certainly ensure that that ticket, or one akin to it, will be in place to ensure that the tram is accessible on a seamless basis to users of buses and trains. Indeed, we hope that what will happen first is that, along with FirstGroup, which is the new ScotRail franchise holder, we will be able to ensure better adherence by the train system to the one-ticket scheme than currently exists. That is obviously also key to ensuring patronage growth among those who come into Edinburgh and switch to another mode of transport.

I pass the question on concessionary fares to Mr Cross.

Barry Cross: The answer is yes, it is intended that trams will be added to the concessionary fares scheme. For the committee's information, the Edinburgh Tram (Line One) Bill Committee asked for an additional paper on the issue. If it would be helpful we could certainly let this committee have that paper.

Marilyn Livingstone: It would be helpful to have an additional paper on both questions.

The Convener: We now come to a series of questions on Lothian Buses.

Alasdair Morgan: I will briefly return to integration first. I had not realised that an escalator was going to be installed at Waverley. I am sure that everybody will be glad to hear that, although it might be 150 years too late. However, even with an escalator, the integration with the two bus stops in South St Andrew Street and South St David Street will not be ideal, because people will have to cross Princes Street and South St David Street if they are going down to Leith. I suspect that that will not be a very attractive interchange option.

Michael Howell: We must operate within the framework of what exists. We will certainly look at ways to facilitate pedestrian movement between the railway station, tram stops and bus stops. As you may be aware, the remodelling of St Andrew Square is also under evaluation: in fact, there is a firm plan. That will give us an opportunity to take advantage of changes to the streetscapes. Mr Cross may again make some additional observations.

Barry Cross: Just for information, the lift and escalator are part of the Scottish Executive and Strategic Rail Authority proposals for Waverley phase 1 and are thus part of the base scheme to which the Executive has committed £250 million.

The interchange arrangements at the top of the Waverley steps are complex because, at the moment, there is a physical separation of some distance between heavy-rail trains in the valley, local buses on the street and buses in the bus station that travel any distance. We are attempting to minimise the disadvantages of those spatial separations by putting the tram stop in reasonable proximity to both the bus station and surface buses. We want to build on the improved escalator links. However, it is likely that the key interchanges for heavy rail at Waverley will be for London, North Berwick and Dunbar services. I suggest that, with a remodelled, revamped Haymarket interchange, it is likely that heavy-rail travellers from the west will choose to interchange at Haymarket rather than at Waverley, simply because of those spatial issues.

The Convener: I am sorry to hop around, but Jeremy Purvis indicated earlier that he wanted to ask a question.

Jeremy Purvis: I hear Barry Cross's optimism, but the situation for my constituents is horrendous—they take a heavy rail FirstGroup train into Waverley station and then have to struggle up to the bus station to get a FirstGroup bus to Galashiels. I hope that they will read the *Official Report* of this meeting. We need a strong assurance that the tram scheme will not simply exacerbate those already complicated arrangements.

I return to the point that the convener made. For clarity, will someone who comes in from west Edinburgh or the airport have to change at St Andrew Square to go down to Leith or will there be a continuous tram service through the city?

Barry Cross: David Humphrey explained that in one of his earlier answers. The on-going work that Transdev is doing, which is fully supported by TIE and the city council, is to see how we can develop the physical network—for ease, we have notionally called them lines 1, 2 and 3—and what the service pattern on top of that physical network might be. David Humphrey explained that the plan that is closest to being firmed up and agreed to is the extension of line 2 tram services to use the Leith Walk section of line 1 to Ocean Terminal. The benefits that that service pattern overlay will bring are significant.

Jeremy Purvis: As I understand it, we will speak about the financial case because Mr Howell is present. The financial case document from September this year says:

"when a network of Lines One and Two is assessed, it becomes more difficult to become fully confident about the adequacy of available funding and accordingly there is a need for further detailed evaluation of the system scope."

Are you are saying to the committee that there is a prospect of having radically different services from the two lines over two routes? As far as we know, there is no certainty about the remainder of the finance for line 2. That raises serious questions about your financial case as well as about how you might lever in private sector funding or decide on the funding model for line 2.

Barry Cross: I understand the point that you raise. The financial case that members have in front of them is the base service pattern that we have been referring to, with services on line 1 that will go round the circle and services on line 2 that will go along the link to St Andrew Square.

We have been keen to stress from the beginning that involving the operator in the procurement process at an early stage allows us to work with those base assumptions in a way that ensures that they constantly improve. That goes for physical issues, service issues and, undoubtedly, ticketing issues. Those are the areas that were flagged up in the NAO report as being ones in which early

operator involvement would be beneficial. I think that bringing Transdev to the table adds value to the project. It does not undermine the case; in fact, the deletion of the interchange-with-interchange penalty for a section of the travelling community cannot be anything but a good thing.

Michael Howell: To elaborate gratuitously, transport to the airport, for example, could be undertaken by trams coming south to Haymarket and turning right to carry on out to the airport. Evaluation of such initiatives shows that that would increase the accessibility of the airport to people from the north-west of Edinburgh as opposed to those from the north-east. Such initiatives are extras that would be beneficial to the base cases that have been presented in the context of the two bills.

David Humphrey: I can see that Jeremy Purvis still has a frown on his face.

Jeremy Purvis: I just tend to have it. It is my normal expression.

David Humphrey: Barry Cross mentioned that there is a base case, which you have seen. That stacks up and is a good starting point that we can take comfort from. We have been asked to be as imaginative as we can be to find ways in which it can be made better. I mentioned that we would always consider the incremental costs and incremental revenues of any proposition on timetabling and that we would implement the proposition if it is better than the present situation—and not implement it if it is not. For example, extending the route beyond St Andrew Square means that we can do away with the need to have somewhere for line 2 trams to terminate, which is a difficult design proposition. Therefore, although that option would involve the additional costs of running the trams further, it would remove other costs.

Michael Howell mentioned the possibility of trams coming up from Granton and going out to the airport. To do that, we would need to have a delta-shaped junction, which we would not need to have otherwise. Therefore, we will assess the likely demand for such a route, even in the long term. If we can save money by not having a delta junction at that point, something else could be put in place elsewhere. Those are the sort of iterations that we are currently going through.

I stress that I cannot say to you that we are going to deliver that timetable, but we are on the cusp of being able to. If we can get the priority on the alignment and the junction priority and if we can hit those STAG-assumed journey times, we will be pretty close to being able to do that, which will give us a three or four-minute headway all the way from Ocean Terminal to Haymarket. That is a cracking good tramway.

Alasdair Morgan: Apart from the need for the physical elements that you are talking about—triangular junctions, sidings for short services and so on—I assume that, provided that not too much power is being drawn, the trams can go anywhere where it is possible to put in place the overhead cables. Is that the case?

David Humphrey: Yes.

Alasdair Morgan: Questions were asked earlier about competition from buses, which will still be able to run anywhere that they want. Lothian Buses seems to be suggesting that, if other bus companies do not run services in competition with the services that it provides at the moment, they would be unlikely to run in competition with the tram service. Is that a fair assessment?

David Humphrey: Yes. As part of our obligations to develop integrated transport, we have agreed a service-planning methodology with Lothian Buses that, simply, asks whether, if someone travels by bus over a certain number of minutes from one point to another, it would be better for them to travel by bus to the tramline and then travel to their destination by tram, even with the interchange penalties. If the answer is yes—multiplied by millions of journeys—that is the planning supposition that will go into the replanning of bus services once the tramway comes in. If we do that, we will not leave a gap in the market for someone else to exploit.

One of the fears that Lothian Buses has expressed elsewhere is that if it was forced to take all its buses off the road because there was a tramway—not that it could be forced to do that—that would lead to what it describes as a Low Fell situation. At the Low Fell station on the Tyne and Weir metro, the passenger transport executive tried to force people to use the metro and took off all the buses. A bus operator stepped in and said, “Actually, it is better for people to stay on the bus, so we will run bus services.” Both we and Lothian Buses are alive to that risk and we will not let it materialise. We will plan so that no gap is left in the market. In conjunction with Lothian Buses we will plan changes to the bus services that are in the interest of passengers.

11:45

Alasdair Morgan: Although Lothian Buses is the predominant operator in Edinburgh, there have been one or two challenges from FirstBus over the years and it is clear that FirstBus would step in if there was a gap. Basically, you are saying that you are trying to ensure that there is no gap.

David Humphrey: Correct.

Michael Howell: In addition, the framework of Transport Edinburgh Ltd is intended not only to

ensure active linkage between Lothian Buses and the trams but to provide a framework within which all bus operators will work. It is not possible to go against an entrepreneur's ability to launch a service if they see an opportunity to do so, but we are not going to form an exclusive club that excludes other operators.

Alasdair Morgan: Will you explain what you mean by a framework within which the bus companies will operate?

Michael Howell: We talked earlier about feeder services. As we know, and as Mr Renilson mentioned, bus operators outwith the city are operated by other companies. Therefore, as we put together our plans, we intend to ensure that there are seamless arrangements at interchanges between the tram service and services operated by Lothian Buses and other bus operators.

Alasdair Morgan: The dominant bus operator on a particular radial route might decide to run the route as a feeder service, but presumably a certain proportion of the population will not want to change because they will prefer to make a single journey. That will leave an opportunity for another operator to come in and replace the bus service that the first operator stopped running to run a feeder service instead.

Michael Howell: That is where Mr Humphrey's comments fit in. One has to put together a plan that is appealing to the passenger—that is the basic protection. I do not want to add anything further, because I think that I am covering the same point.

David Humphrey: I think so, yes.

Alasdair Morgan: Lothian Buses said that the commercial case for the section to Ingliston and Newbridge is pretty weak. Do you have comments to make on that?

Michael Howell: I ask Barry Cross to comment on that.

Alasdair Morgan: I should have said that Lothian Buses said that the case is weak in transport terms.

Barry Cross: I would draw out another word. Lothian Buses said that the position was weak in transport terms, but also—I do not think that I am paraphrasing incorrectly—that it does not take into account other agendas, such as social inclusion and development. I draw your attention to development in particular. The committee will recall from its bus trip, during which members looked at the site, that Newbridge has a number of industrial units of various sizes. What one does not see are the consents that have been granted for additional developments. I class that as a transport need, albeit one that arises from future development, which one cannot see. Outline

consents have been granted for an additional 100,000m² of class 4 business development on the Continental Tyres site and a 65,000m² business park; substantial housing developments are also in the planning process.

The transport situation that we envisage is based on the current development pattern and Lothian Buses will undoubtedly realise that when it considers potential patronage beyond the airport. The witnesses from BAA referred to the west Edinburgh planning framework, which contains detailed information about the expansions that I have described, particularly the expansion at Newbridge. We must add such factors to the Lothian Buses view of the efficiency of that part of the proposed tram network.

Michael Howell: Although it is anticipated that a shuttle service might operate throughout much of the day, it would clearly be feasible for trams to run directly from that part of the network to the city centre at peak times—or at any time when that is necessary. I am sure that Mr Humphrey would endorse that.

David Humphrey: Yes.

Alasdair Morgan: Lothian Buses raised the possibility of a park-and-ride facility at Hermiston Gait to serve the Edinburgh Park stop. Another suggestion is for such a facility to be built at Newbridge. Is there scope for more park-and-ride schemes to reduce pressure on the A8 at Newbridge and the proposed park-and-ride site at Ingliston?

Michael Howell: Yes. We should return to the issue in relation to tramline 2, because perhaps we have not harped on enough about the significant source of business at the Ingliston park-and-ride site. Barry Cross will say something about Edinburgh Park.

Barry Cross: The tram strategy is overlaid by the park-and-ride strategy, which proposes a ring of six strategic park-and-ride sites. The City of Edinburgh Council is working towards delivering those sites, a couple of which have been mentioned. The Ingliston site is under construction and will have 500 spaces in its initial phase, but could be expanded to provide 1,000 spaces. The figures from the tram analysis led us to conclude that we could readily double the site's capacity and, in developing the site, we have always taken the view that that will eventually happen. That is not to hide the fact that there will be a planning process, in which the airport will have an interest because its access road is adjacent to the site. It is clear that the expansion is not secured. However, the base site is under construction and integrates well with the existing roads network and the proposed tramline, so Ingliston is certainly the premier park-and-ride site in the west of the city.

There is already an informal park-and-ride site at the retail park at Hermiston Gait, probably because the retail park might be under-trading and the operator is happy for park-and-riders to use the site on the basis that they might do some shopping there on a Friday night. The provision of any park-and-ride site must strike a balance between a range of issues, one of which, frankly, is affordability. A park-and-ride site at Edinburgh Park would be located in a prime office development site with associated land costs—in effect, that is one X in the box. The second X relates to the fact that the trunk roads network management division of the Scottish Executive has considerable difficulty accepting more traffic into the trunk roads network. Indeed, access to and egress from Edinburgh Park at Hermiston Gait is gated and controlled by barriers and smart cards to limit the amount of traffic that can enter the trunk roads and motorways network. A park-and-ride scheme at Edinburgh Park might seem attractive superficially, but it does not fit into the strategic ring of park-and-ride sites that the council is developing, such as Ingliston, Hermiston and Ferrytoll, which is north of the Forth.

The strategies for the tramline and for park-and-ride sites fit together and we are keen to develop Ingliston into a world-class park-and-ride site. Part of the way through next year we will cut the ribbon and kick off that process.

Alasdair Morgan: How does that fit in with what we heard from BAA about the growth in traffic to the airport? We understand that 70 per cent of traffic from the airport does not go to Edinburgh, so it leaves the airport mostly in the form of cars, which means that the number of cars on an already busy road is increasing. Would another park-and-ride site further out at Newbridge have merit?

Barry Cross: Part of the target market for the Edinburgh airport rail link is people who would use first-rate, high-quality links between the airport and centres throughout Scotland. Our view is that the 70 per cent patronage can be substantially eaten into with those links, which are difficult at the moment because double interchanges are required to access the rail network.

You made a point about the link between park-and-ride capacity and access to and egress from the airport. I have no doubt that part—but only part—of the answer lies in the airport's proposal of another access road from Gogar. We have no fundamental problem with an additional park-and-ride site at Newbridge. The tram proposals include a small park-and-ride site at Newbridge. We will negotiate opportunistically with any developer who arrives on the scene to minimise the capital cost to the council and the project of an additional park-and-ride site at Newbridge.

The Convener: You heard the evidence from Ms Follin on behalf of BAA about the tramline's potential impact on the airport. In particular, I remind you that Ms Follin said that the airport's expansion could be prejudiced to an extent by the tram project's implementation. What steps have you taken to consider the airport's future? Do you accept Ms Follin's evidence?

Michael Howell: No. I take exception to her view. We must take account of the issues and establish jointly an agreed way forward. Before I plunge into the tram question, I will pick up a point that Mr Cross made and highlight the differences between EARL and tramline 2, because those issues are in our minds, following what was said.

We need to remember that EARL is a national project. It will provide a new opportunity to travel faster from the city centre for those who wish to pay a higher fare. The implication is that Edinburgh city will have a couple of similar options to those that Heathrow has today: a premium rail-based service and a slightly slower and cheaper light rail service, although London has the Piccadilly underground service. Both services will meet different needs and serve different passenger groups. We have not talked about Edinburgh Park, the new Royal Bank of Scotland headquarters or the Ingliston park and ride, all of which tramline 2 will serve and none of which the heavy rail link will serve.

Beyond Edinburgh airport, the story is one-sided. The purpose of the very ambitious scheme, the consultation on which was announced three weeks ago, is to provide direct linkage to the airport terminal from all over Scotland. That does not mean just the cities in the east, as the terminal will be a mere 40 minutes from Glasgow Queen Street station. That will provide another option for Glasgow residents. I endorse what Mr Cross said about the opportunity for substantial migration to the train of those who currently use their cars to go to the airport. That is why we go for the railway tunnel option.

12:00

I return to the views of BAA. We have the good fortune of having the people who are developing tramline 2 and the people who are developing EARL sitting literally within 10ft of each other in our office. That is intentional; it ensures that there is a clear, informal linkage and an understanding that the technical and financial cases for both schemes are considered together. Clearly, the schemes are being promoted by different organisations and are proceeding according to slightly different timetables, as we have discussed; nevertheless, it is our firm belief that the tramline 2 alignment issues can be addressed comfortably.

It is interesting that we were in discussions on the tramline 2 alignment before construction was started by BAA on its new multistorey car park. In some ways, the restriction on the site is linked to the fact that the corner of that car park is very close to the burn, as has been mentioned. We have reached what we believe to be a satisfactory solution regarding the approach to the airport building and the limits of deviation that exist in the bill provide adequate solutions, which I am sure that we will reach, regarding where the tram stops should be. At the moment, we feel that the tram stops should be as close to the terminal as possible, whereas BAA is seeking to preserve a measure of flexibility in keeping them further away. Even if that were to be the eventual solution, we could have—as we have at the ERI, in our tramline 3 plans—a travelator that would make it easy for people to move from the tram stop to the terminal with the minimum fuss.

I believe that this is a positive move in all respects for Edinburgh airport. It will provide better access for people in all modes as well as more choice, and it will, I hope, improve the airport's business prospects over the medium to long term.

The Convener: We accept the fact that the rail link and the tramline are not competing in the same market, in certain directions, as the rail link does not go to places where the tram goes. However, it is still likely that the heavy rail link could have—in your words—a large impact on the airport tram; I refer to the written evidence that you gave in August. Would you like to quantify that and give an opinion on whether, in such circumstances, we are putting the horse before the cart? Should we not have waited to see the impact of the rail link before proceeding with the tram project?

Michael Howell: I hope that we are dealing with matters of principle rather than with details. When I said that the impact could be large, I meant that through-passengers from the city centre—especially from Haymarket—will be given the choice between a journey time of under 10 minutes on the train from Haymarket and a journey time of around 20 minutes on the tram, and that a fair proportion of those passengers will choose the former rather than the latter. Nevertheless, the fare policy will determine the degree of cannibalisation—if that is the right word—of passengers on the tram. It is our belief that the tram business case will not be materially adversely affected by the rail link, because there will be a fare premium, which is yet to be determined, and because a substantial number of airport passengers will choose to use the tram because it provides a reliable, modern and good-value service in comparison with what is presently available—which is equally good, but which is

subject to traffic delays at peak times, which the tram will not be.

Meeting closed at 12:04.

The Convener: Thank you very much for your evidence. I remind members of the public that the committee will meet again next Wednesday at 11 o'clock.

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