

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

Tuesday 4 December 2007

Session 3

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TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE 13th Meeting 2007, Session 3

CONVENER

*Patrick Harvie (Glasgow) (Green)

DEPUTY CONVENER

*Cathy Peattie (Falkirk East) (Lab)

COMMITTEE MEMBERS

*Rob Gibson (Highlands and Islands) (SNP)
Charlie Gordon (Glasgow Cathcart) (Lab)
*Alex Johnstone (North East Scotland) (Con)
*Alison McInnes (North East Scotland) (LD)
*Shirley-Anne Somerville (Lothians) (SNP)
*David Stewart (Highlands and Islands) (Lab)

COMMITTEE SUBSTITUTES

Alasdair Allan (Western Isles) (SNP)
Gavin Brown (Lothians) (Con)
John Park (Mid Scotland and Fife) (Lab)
Tavish Scott (Shetland) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Elizabeth Baird (Scottish Government Climate Change and Water Industry Directorate)
Malcolm Reed (Transport Scotland)
Stewart Stevenson (Minister for Transport, Infrastructure and Climate Change)
John Swinney (Cabinet Secretary for Finance and Sustainable Growth)
Philip Wright (Scottish Government Climate Change and Water Industry Directorate)

CLERK TO THE COMMITTEE

Steve Farrell

SENIOR ASSISTANT CLERK

Alastair Macfie

ASSISTANT CLERK

Clare O'Neill

LOCATION

Committee Room 2

Scottish Parliament

Transport, Infrastructure and Climate Change Committee

Tuesday 4 December 2007

[THE CONVENER *opened the meeting at 14:00*]

Decision on Taking Business in Private

The Convener (Patrick Harvie): Good afternoon. I welcome everybody to the Transport, Infrastructure and Climate Change Committee's 13th meeting this session. We have been given no apologies, but I have been informed that Charlie Gordon might join us a little late. I ask members and everyone else who is present to switch off mobile phones and pagers.

Agenda item 1 is a proposal to take in private item 5, which is consideration of our approach to our report on the budget process. Is that proposal agreed?

Members *indicated agreement.*

Budget Process 2008-09

14:01

The Convener: Item 2 is evidence on the Scottish budget, for which I welcome the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, along with his colleagues Malcolm Reed, who is from Transport Scotland; John Mason, who is the director of the Scottish Government's climate change and water industry directorate; John Ewing, who is the director of the Scottish Government's transport directorate; and David Reid, who is the deputy director of finance at the Scottish Government. I thank you all for joining us and invite the cabinet secretary to give an introduction.

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I thank the convener for welcoming my officials and me. It is a pleasure to give evidence to the committee on the Scottish Government's budget for the forthcoming year and the spending review priorities in the next three years.

The outcome of the spending review includes for the next three years £1.7 billion, £1.8 billion and £1.9 billion for investment in transport. In addition, we will transfer £94 million from the transport baseline to the local government budget. That is part of the new arrangements that we are introducing for financing local authorities, whereby we will remove ring fencing from several financial streams that have supported local authority activities, a number of which related to transport and aspects of climate change. That will provide local authorities with the flexibility to manage that expenditure while achieving the shared outcomes that are specified in the spending review document and which are the subject of agreement between the Government and the Convention of Scottish Local Authorities. Fundamental to the core of the spending review is the acknowledgement of the new relationship between the Government and local authorities, in which we will work together to support and achieve shared outcomes.

As for the specifics of the allocation of local authority funding, which I suspect I shall discuss at the Local Government and Communities Committee's meeting tomorrow, I will announce the proposed local government finance settlement to Parliament on 13 December, subject to the Parliamentary Bureau's agreement.

In a tight settlement, the Scottish Government has maintained its commitment to invest in transport, funding for which will increase by 14 per cent by 2010-11 in comparison with the 2007-08 baseline. We are pleased that the spending review

reflects our commitment to create a Scotland that has a well-connected, safe and reliable transport system, which will help to deliver increased sustainable economic growth and which will provide good-quality public transport that is integrated, accessible and affordable; support all communities, including those in less accessible or remote parts; and encourage the use of more sustainable and active travel modes, which contribute to a greener and healthier Scotland.

The Government has made specific commitments to invest in strategic priorities and projects, which will maintain high investment levels in public transport. We have chosen to redeploy resources in the portfolio, so we will reduce some budgets, such as that for air services, while sustaining support for essential air links to our remote and island communities.

In recognition of transport's key role as an enabler of economic growth, the settlement will contribute significantly to achieving the Government's wider objectives.

We are delivering sustainable transport as an important contribution to the climate change agenda. The Scottish Government's commitment to tackling climate change is clear from our ambitious emission-reduction targets, which will be set out in the forthcoming Scottish climate change bill. Mr Stevenson will talk to the committee later in the meeting about our work with United Kingdom partners on the UK Climate Change Bill.

As was highlighted in the spending review, the Scottish Government will ensure that public spending across portfolios contributes to the action that is needed if we are to meet our targets. We intend to introduce a system of cross-compliance, to ensure that spending decisions use available techniques and information to assess the carbon impact of policy choices. Existing measures, which are expected to result in carbon savings by 2011, build on the devolved policy measures in "Changing Our Ways: Scotland's Climate Change Programme".

The spending review sets out a wide range of further measures that support our objectives, which include investment in the transport network, significant additional funding for community renewables and microgeneration, the creation of a climate challenge fund, and investment in Scottish Water.

I am happy to answer committee members' questions.

The Convener: Thank you. In any process in Government there will be a number of calls for important areas to be given high priority. Will you say more about how relative priorities between your portfolio and other portfolios and among aspects of your portfolio that relate to the

committee's areas of interest were assessed and calculated?

John Swinney: As you rightly acknowledge, there are an enormous number of competing priorities for funding. As I made clear in my statement to the Parliament on the spending review, there are some priorities that we have been unable to afford.

During the spending review we considered a number of key elements. First, we considered existing expenditure, to determine whether existing spending plans were aligned with the Government's five strategic objectives, with which members of the committee are familiar. We assessed the compatibility of existing patterns of expenditure with our overall strategic objectives.

We then considered a number of policy priorities that the new Administration wanted to bring forward to change the political direction of administration in Scotland. Again, we assessed those priorities against the Government's five strategic objectives, to ensure compatibility.

Finally, we considered emerging pressures in the finances of the Scottish Government, to determine which were inescapable pressures that we could not avoid supporting and to consider how those issues aligned with the Government's five strategic objectives. In essence, we assessed spending priorities against the strategic objectives.

As I think that we demonstrate in section 1 of the "Scottish Budget Spending Review 2007", in which we set out the different instruments that Government is taking forward to support the wider strategic objectives that it has set out, the approach represents an attempt to respond to the call for greater cohesion and joined-upness—if that is an acceptable parliamentary term—in how we spend public money. That call has been made frequently in the Parliament during the past eight years, including by me at different times.

The Convener: In the short period during which the Parliament's committees will scrutinise the budget, there will be debate about priorities that might have been identified, given the political dynamics of the situation in which we operate. What impact might the deliberations of other committees during budget scrutiny have on aspects of the budget that interest this committee?

John Swinney: With the greatest respect, that is more an issue for committees than it is for me. Committees are free to make recommendations on the policy priorities that they consider, subject to the point that I have made to the Parliament on a number of occasions, which is that this is a zero-sum game. We have set a budget on the basis of the total amount of money that is available for spending.

If at the end of the committee scrutiny process the Finance Committee advances a proposition as to how the budget should be changed and recommends that more money should be allocated to a particular policy priority, it will also have to identify from where in the overall budget that has been set out that resource would come. I reiterate what I have already said to Parliament on that issue: if the Finance Committee were to make such a proposal, the Government would give it very serious consideration.

The Convener: That consideration could be serious only if there was scope for looking again at a particular area of the budget.

John Swinney: That is absolutely right.

The Convener: Is there such scope?

John Swinney: In my view, there is not. I assure you that the budget is the product of a tremendous amount of deliberation and consideration by the Cabinet. We have put it forward as our first and best proposal for deploying the resources that we have at our disposal. It sets out the policy propositions that we think should be advanced and which we think are compatible with the policy structure that we as an Administration have set out.

Just for the record, we have identified as our purpose the focusing of government and public services on increasing the level of sustainable economic growth in Scotland. That purpose is supported by five strategic objectives. In the spending review, we have essentially aligned our decisions with that policy framework and that architecture for taking decisions. The budget offers our proposals—our best propositions. It is clear that choices can be made—that is always the case. People could say that some of the priorities that the Government has chosen to adopt are not appropriate and that resources should be spent on something else, but that is not the Government's position.

Alison McInnes (North East Scotland) (LD): Given the Government's overall approach of empowering local authorities—which you have just mentioned—through the concordat with COSLA, by allowing local authorities to retain efficiency savings and by reducing ring fencing, can you explain what the role of the regional transport partnerships will be in future?

John Swinney: As their name suggests, the regional transport partnerships have a role to perform in co-ordinating a range of regional priorities for transport investment. They draw together the work of a number of constituent local authorities to ensure that a more cohesive approach to transport is taken at regional level. That is the challenge that the RTPs have been set. They have submitted their strategies to ministers,

who are considering them. I am due to meet the chairs of the RTPs shortly—on 11 December—to discuss those and related issues.

Alison McInnes: It is my understanding that you have made that challenge much more difficult through your decision not to allocate capital funding to RTPs, with the exception of Strathclyde partnership for transport, which will receive ring-fenced money. Last week we were told that having the flexibility to manage capital budgets across local authorities helped the RTPs to prioritise the development of particular projects. Will you explain the thinking behind your decision?

John Swinney: I have looked carefully at the evidence that the committee took on the subject on 27 November. I was rather struck by the fact that the RTP representatives almost inferred that local authorities were not participants in the RTPs, which I found to be a curious presentation of the argument, given that RTPs are made up of local authorities. My approach to the issue is to maximise co-operation and co-ordination of effort among local authorities, so that they can work together to support shared priorities. I see no impediment to such working arising as a consequence of decisions that ministers have made.

Alison McInnes: Given the relaxation of ring fencing, do you think that the total amount of money that local authorities spend on transport will increase or reduce?

14:15

John Swinney: That is for local authorities to determine. There are a number of strong local transport projects that I would encourage local authorities to take forward, particularly bearing in mind the fact that local authorities must work with the Government to achieve a number of shared outcomes, some of which relate to reducing car journeys, and other indicators that are of direct relevance to the provision of public transport services and support.

Alison McInnes: How will you ensure the coherent delivery throughout Scotland of the national transport strategy, to which you signed up, given that the supporting role of RTPs is diminished and given that the lack of ring fencing and a national framework might lead to a more fragmented approach by local authorities?

John Swinney: There is clearly a national framework. The national transport strategy is in place and a performance framework sets out how we judge performance on a range of indicators that relate to wider policy objectives, including objectives on transport.

Your questions presuppose that it is not possible for local authorities to work together. In my

experience it is perfectly possible for local authorities to combine to achieve shared priorities locally and to strengthen transport infrastructure as a consequence. I can foresee no situation in which local authorities would not be able to work together on shared priorities.

Rob Gibson (Highlands and Islands) (SNP): You talked about including all communities, including small and remote communities. How might local authorities treat community transport, in which the voluntary sector plays an important role? Does the issue figure in your plans for advice to local authorities or do you think that local authorities are perfectly capable of making up their own minds about levels of support for community transport?

John Swinney: There are opportunities for local authorities to design integrated transport structures and services that support the needs of individuals. If we want to achieve indicators in the performance framework—for example if we are to

“Increase the proportion of journeys to work made by public or active transport”—

local authorities have an obligation to put in place support and services to make that happen. The Government will play its part in that process into the bargain.

There are ways in which local authorities can design local services cohesively. I was struck by comments that Neil Renilson made at your meeting last week about how there could be more cohesive integration of services at local authority level. The Government wants to encourage that.

Rob Gibson: Community transport enables people to stay in their homes rather than be moved to care homes, so it is a cross-cutting issue that relates to the health budget. Might that argument strengthen the response of local authorities on the issue?

John Swinney: A big theme of the Government—which I suspect I have gone on about more than other ministers—is the need to ensure that at local level we integrate the provision of services much more effectively than we have done to date. There is a silo mentality around most of the provision of public services. I saw a fabulous picture of three agricultural silos the other day, which was being used to fantastic effect in a presentation to illustrate the difficulty in building connections between silos. At the heart of the Government's approach is the recognition that the community planning partnership agenda is the key instrument for ensuring the planning of joined-up services locally.

Last week I addressed the Scottish community planning conference, which was attended by a wide cross-section of individuals from local

authorities, health boards, fire boards, police boards and the voluntary sector. Delegates considered how we can more effectively join up services. The Government's strategic decision to relax ring fencing provides the greater degree of flexibility that will make it possible for local authorities and other public bodies to co-operate in that fashion.

Alex Johnstone (North East Scotland) (Con): I turn to the issue of trunk roads and motorways. On page 90 of the spending review document is a list of projects that are considered to be priorities, but I notice that it does not include the A82, to which commitments have been made. Am I right to assume that that list of priorities is not exhaustive, or did the A82 simply emerge as a priority too late to appear on the list?

John Swinney: You are right to assume that the list of priorities is not exhaustive, as there are many priorities for trunk roads and motorways. I can confirm that improvement work on the A82—the responsibility for which we inherited—is planned to commence in 2009-10.

Alex Johnstone: As you made clear in your answer, the Government inherited a significant number of projects that were at various stages of development. In recent months, concern has emerged about slippage in some projects. Do you expect to stick to the current timescales for road improvements and developments, or do you anticipate further slippage creeping in?

John Swinney: At the end of June, Mr Stevenson made a statement to Parliament in which he set out the new Government's response to the transport priorities that we had inherited. I have no reason to suggest that any of the commitments will be met in timescales other than those that Mr Stevenson set out to Parliament.

It is obviously the case that issues emerge in relation to particular projects. I know from experience in my constituency that ground works can cause all sorts of difficulties when projects begin to take their course. With the caveat that practical issues can emerge that might affect transport projects' timescales, the approach that Mr Stevenson set out to Parliament in June reflects the Government's current priorities.

Alex Johnstone: I will finish the present line of questioning by raising an issue that is important to me, as a member for North East Scotland. Suggestions have been made—some of them perhaps mischievously—that the Government's commitment to the Aberdeen western peripheral route is not all that the previous Government's was. Can you give me a commitment that the development of the Aberdeen western peripheral route will take place according to the schedule that the Minister for Transport, Infrastructure and

Climate Change set out, in so far as you are able to control that?

John Swinney: I can give you such an assurance.

Alison McInnes: In the past, there has been discussion about how you will fund that project, which was to be funded as a public-private partnership project. Will you again confirm that the timescale for the project will not shift because you are having difficulty finding another way of funding it?

John Swinney: That was a neat way of slipping in the issue of the funding mechanism. The Government is actively developing its proposal for a Scottish futures trust, which I think will be an extremely effective and reliable alternative to PPP. It will be one of the funding mechanisms that will be available to the Government. We will develop the Aberdeen western peripheral route in the timescale that Mr Stevenson set out to Parliament in June.

Alison McInnes: When will you finalise your new futures fund?

John Swinney: I have already told Parliament that I will provide it with further information on the futures trust very shortly. I maintain that commitment.

The Convener: Alex Johnstone got a restatement from you that you are committed to completing the AWPR. Are we still in the slightly bizarre situation of also having a commitment that the Government will abide by the outcome of the public inquiry and that the public inquiry will not have its hands tied? So far, all those commitments have been made.

John Swinney: The Government cannot tie the hands of a public inquiry.

The Convener: I should hope not.

John Swinney: That is a matter of fact. Ministers will take decisions in the context of the findings of the public inquiry.

The Convener: Is that what has changed? The previous commitment was to abide by the outcome of the public inquiry.

John Swinney: The Government's language on the matter is clear. We will take our decision based on the outcome of the public inquiry.

The Convener: You said "based on", not "in accordance with" the outcome of the public inquiry.

John Swinney: We will take our decision based on the outcome of the public inquiry.

The Convener: I think that that provides clarity on which commitment has changed.

Rob Gibson: What rate of annual rail passenger growth is assumed in calculations for the rail services budget?

John Swinney: Malcolm Reed will respond to that.

Malcolm Reed (Transport Scotland): The rate is 3 per cent.

Rob Gibson: What would the budget be if that growth profile was not met?

Malcolm Reed: Sorry, are you suggesting that we might undershoot the target?

Rob Gibson: I am interested in knowing. We could do better and we have had a higher rate than 3 per cent. Would a lower rate alter your attitude to how you spent the money?

Malcolm Reed: No, it would not affect how we spent money. In a sense, the franchise is a fixed payment, which will continue.

Rob Gibson: Thank you—that is clear. How much additional expenditure do you expect will be available from Network Rail's borrowing against its regulatory asset base, or RAB, during the budget period? Which projects will be funded from that resource?

John Swinney: We will fund a number of projects through the RAB, including the Airdrie to Bathgate railway, part of the Glasgow airport rail link and part of the Edinburgh to Glasgow route improvements. The Borders rail link expenditure might also be included.

Rob Gibson: There was speculation in today's press that the futures fund rather than Network Rail's resource might be used to fund the Borders rail link. Is anything definite decided on that?

John Swinney: I read the article to which you refer. It surprised me, because the subject was not one that I recognised.

Rob Gibson: Thank you for your answers to Rob about RAB.

Might considerable efficiency savings be released by restructuring the rail industry in Scotland, given that the Scottish Government is now responsible for funding infrastructure and services?

John Swinney: There will always be discussion and debate about the arrangements. The rail sector has gone through significant change and the arrangements are pretty stable—that is an understatement; the arrangements are working well. On that basis, we should leave well alone.

During the summer I asked Transport Scotland to lead on a piece of work on behalf of ministers, to consider how we could accelerate improvements to the Edinburgh to Glasgow rail

service as part of a fresh look at the Edinburgh airport rail link project. The level of co-operation between Transport Scotland, Network Rail and First ScotRail was fantastic. You would not have known that three different organisations had come together to do the work—I would like such joined-up working to be replicated in other areas of government. An excellent piece of work was produced and ministers were able to take decisions with much information at our disposal. As a consequence, we made quick progress. Although the organisations are distinct and separate they are able to collaborate closely in the interests of the transport network in Scotland, so I am content with the current arrangements.

14:30

Rob Gibson: An aspect of the arrangements that has exercised the committee is the amount of discussion that must take place when there is an argument between the people who are responsible for trains and the people who are responsible for the track, for example over delays caused by a signal failure. Have you considered that issue?

John Swinney: There are always ways in which dialogue between the organisations can happen differently or more effectively. I am not saying that there is no room for improvement. However, there are good examples of the organisations working together. If there are areas in which communication and co-ordination can be improved, we will pursue opportunities to make improvements.

Ministers regularly meet officials from Transport Scotland, Network Rail and First ScotRail—I have met officials from all three organisations in the past few weeks and Mr Stevenson meets them regularly—so there are always opportunities. If the committee has a specific concern about the arrangements I will be happy to take it up with the relevant organisations on your behalf.

Rob Gibson: What is the timescale for improvements to the Inverness to Perth line? You did not say that that work would be funded through the RAB, but Mr Stevenson has talked about how the work is costed. Will work start in the next four years?

John Swinney: Yes. I do not think that the improvements will be through the RAB—Malcolm Reed will correct me if I am wrong.

Malcolm Reed: They will not be through the RAB; they will be included in Network Rail's business plan for the next control period, which begins in 2009. We hope that some work will be undertaken in that control period. We are looking for fairly early progress on the project.

John Swinney: As Malcolm Reed says, the work will roll into the new control period, which

starts in 2009-10. The projects have high priority in the high-level output specification—HLOS, as we call it.

Cathy Peattie (Falkirk East) (Lab): I will ask about concessionary bus fares—really exciting stuff, but important nonetheless. The committee heard evidence that the underlying rate of inflation in the bus industry is around 3 per cent per year. Given the structural increase in costs and the ageing of the population, is it credible for the concessionary fares budget to reduce in real terms during the budget period? How does your approach support the Government's cohesion objective, given that bus services are used mainly by non-car-owning Scots, particularly those on the lowest incomes?

John Swinney: I will explain the budget line on concessionary fares, because I appreciate that at face value it looks pretty flat. A reason for that is that the concessionary travel scheme for younger people has not performed at all. Given that the scheme has not been taken up in the way that might have been expected, we have reallocated resources to support the continuation of other elements of the concessionary travel scheme.

I appreciate that there will always be pressures on costs for bus operators. This is a tight spending round, as I have said in the Parliament a number of times. We have put in place what we think is a fair and effective level of support for the concessionary fares scheme, which we think makes adequate provision to cope with demand for the service.

Cathy Peattie: If, after the completion of the smart card project, it turns out that the number of passengers who travel on concessionary fares has been underreported, how will the budget be adjusted?

John Swinney: If the Government received such a report, that would be a new piece of material information that it would have to consider. The *Official Report* of the committee's meeting last week makes it clear that there is speculation that that might be the case. The Government would consider that once the smart technology is in place and we have a comprehensive picture of the issue.

Cathy Peattie: You will be aware that last week we discussed efficiency savings. Do you believe that significant efficiency savings can be made from the alignment of commercial bus services with other public bus services, such as those that are operated in the education and health sectors?

John Swinney: There is an opportunity to do so. That is the type of example that I had in mind when I responded to Rob Gibson's question a few moments ago. We have an opportunity to align provision to ensure that we operate a

comprehensive range of services in a way that satisfies people's needs.

In response to Rob Gibson's specific question about community transport, I should have said that the Government has given what I consider to be a significant settlement to the voluntary sector. In the three years of the spending review period, resources to the voluntary sector will increase by 37 per cent. The voluntary sector runs several transport projects, one of which I visited a few weeks ago when I was on Lewis, where Voluntary Action Lewis provides a tremendous community transport service. I hope that that greater level of generic support for the sector might result in greater provision of community transport services.

Cathy Peattie: Thank you, minister; I had intended to go on to that issue. I have an interest in what I see as discrimination against those who use voluntary sector community transport services, which operate throughout the country and provide a first-rate service. People who use those services often feel that they are poor relations. Will the Government continue to consider how it can support community transport and how concessions can be introduced for its users?

John Swinney: You raised that issue with me when I came to the committee a few weeks ago. I have undertaken to consider it and we continue to do so in the context of considering the design of the schemes and the relationship between the voluntary sector and the wider concessionary travel issue. We have not come to conclusions on that, but the issue is under consideration.

Cathy Peattie: I welcome that.

Alison McInnes: I have a supplementary question on the young persons concessionary scheme, which was introduced only recently. Will you confirm that it is not a priority to promote the scheme? Am I correct in thinking that you have decided not to promote the scheme further, but to move the money to help deal with pressures on the other concessionary fares scheme?

John Swinney: We still have provision to support the young persons scheme, because demand has been demonstrated over the period, but we have no proposals to market the scheme to a greater extent than it is currently marketed. We have taken the opportunity to ensure that the financial support that was available can be redeployed elsewhere.

Alison McInnes: There has been a cut in next year's budget for the bus service operators grant, which has been compounded by a hidden cut in this year's money as a result of the fact that the 4p rebate that the Treasury announced in April to be delivered in two stages—in October this year and next April—has not been applied in Scotland. Why

did you decide to short-change bus operators in Scotland and what impact will that have?

John Swinney: We must be careful about our language. The Government is deploying £0.25 billion to support bus services in Scotland, so we must all acknowledge that that is a pretty formidable sum of money. As I said, I acknowledge that there are many financial pressures in a tight funding settlement. We have taken decisions that we consider to be fair and sustainable across the board, in the context of support to the bus sector that reaches £0.25 billion in every year.

Alison McInnes: I want to push you on that because, however large the sum of money, there will be a cut in the support that the sector receives. The cut that arises because the rebate has not been applied was not expected and operators are having to deal with it quickly. What might be the impact of the cuts, particularly for rural bus services?

John Swinney: The arrangements that we have put in place bring significant support for local authorities and a relaxation of ring fencing. That translates into a material financial benefit for local authorities, because services can be provided more efficiently and effectively at local level, so money can go further than one might have expected it to with ring-fenced funding. I hope that we can put together sensible arrangements for the joining up of service provision locally, which will ensure a more comprehensive bus service system. That follows on from Mr Gibson's earlier point about how our approaches can be drawn more effectively and closely together.

As I said, there is always competition for resources in a spending review. The Government has taken what it considers to be a fair and sustainable set of decisions.

Alison McInnes: Page 75 of the budget document explains what the Government has rolled up into the local government settlement. Under your heading of "Finance and sustainable growth", in relation to transport, are listed "Demand Responsive Transport Grant", "Rural Public Passenger Grant", "Bus Route Development Grant" and "Public Transport Fund & Integrated Transport Fund". All those are rolled up. What safeguards can you give the committee that public transport, particularly bus services, will be safeguarded? There is nothing in your concordat with local government about the need to safeguard bus services, and rural bus services in particular.

John Swinney: That gets to the nub of a question that we will spend a long time discussing during parliamentary consideration of the budget. It comes down to whether members of the Parliament have confidence in local authorities

delivering services and putting in place arrangements that are designed to benefit local people. I think that local authorities try to do that as effectively as they can. Another point of view says that, unless we ring fence funding, we cannot be absolutely sure that a local authority will provide the service in question.

Let me develop that point, as it is material to the consideration of the budget as a whole. Before the publication of the spending review, 80 per cent of the resources that were given to local authorities were not ring fenced. Until the point at which I produced this budget, Parliament appeared to have confidence that local authorities could spend that £4 out of every £5 effectively. No strings were attached to that money; local authorities were told to get on with it. We had a limited number of ring-fenced funds, and we will continue to have some ring-fenced funds—for police grant, for example. However, I think that giving local authorities greater freedom is a more efficient and effective way of delivering local services. That is my point of view and it is the Government's point of view. I think that that will be borne out in the more mature relationship that we have constructed with local authorities.

Alison McInnes: The one factor that is missing is that there must also be generous enough funding for local authorities. The settlement is opaque, and it is difficult to follow the money from last year to this year. My concern is not so much that local authorities cannot sensibly spend money that has not been ring fenced; it is that the funding will not be generous enough to deliver all the services that are being delivered at the moment.

John Swinney: Chapter 27 of the budget clearly sets out the funding for local authorities. Last year, local authorities had a baseline of £10.651 billion. Next year, they will have a baseline of £11.137 billion. The last time I checked, that was an increase of around £450 million. For the first time since the start of the efficient government programme, this Administration will allow local authorities to retain their efficiency savings at a level of 2 per cent. On top of that, there is about £200 million of freed-up resources to support other priorities. To me, that suggests that local authorities have a formidable amount of financial room for manoeuvre to support the commitments that the Government expects them to deliver.

14:45

David Stewart (Highlands and Islands) (Lab): Does the cabinet secretary share my view that the route development fund has been very successful for the Scottish economy? He is well aware of the success of the Glasgow to Dubai, Inverness to Dublin and Sumburgh to Stansted air routes, which have all made a real difference to the Scottish economy.

I am disappointed that the scheme will not exist for new routes, although I am aware that there is still some provision for existing routes and commitments. What is your view on the way ahead? Could you look again at the scheme and consider, for example, the introduction of different marketing schemes, help with landing charges, or ways to help develop airports such as Inverness, which needs to be expanded? What discussions did you or your officials have with European Commission officials about state aid prior to making your decision? How much was the decision due to state aid? How much was, quite rightly, about priorities? I accept that it is your job to consider priorities. How much did the decision have to do with climate change? There is an argument for that to be taken into consideration.

I am interested in getting to the bottom of the decision, because—if I have read the budget line correctly—the route development fund was cut back by about £7 million.

John Swinney: You properly marshal all the considerations that the issue involves. The scheme would not be compliant with European Union rules—ministers cannot ignore that, and we are alert to such things in all circumstances.

Regarding your original point, the route development fund has benefited Scotland; it has led to the establishment of more direct flight routes into and out of the country than existed previously. I acknowledge the impact that the fund has had. The Government has made clear that it will support its on-going commitments in that area of activity, and we will do that. We are, of course, engaged in that area through other portfolio expenditure—working with the tourism sector in the promotion of Scotland and supporting the wider marketing of Scotland as an attractive place in which to do business have had an impact. I was doing that yesterday in the United States on behalf of the Government, probably using one of the flights that were supported by the route development fund. The Government will continue that element of the promotion of Scotland, which is very advantageous.

You mentioned support for landing charges, but that would go a bit too far in relation to compatibility with an EU scheme. We have had discussions on that point, and the Government has reached its conclusions in that context. You also, quite rightly, raised the general issue of climate change, which the Government must address in its priorities.

David Stewart: As the cabinet secretary would expect, I want to ask about the Highlands and Islands. My understanding as regards Highlands and Islands Airports Ltd, which is owned by the Government, is that the state aid rules are not completely a problem, because the threshold is 1

million passengers and no airport in the Highlands and Islands network reaches that figure. I understand that you might not have the answer in front of you, but perhaps you could consider that point in some detail. I have lodged written questions on that point. In the Highlands and Islands, we are well aware that state aid issues can belittle public expenditure.

If you decided that you did not want the route development fund because you wanted to spend the money elsewhere on transport, I would understand that—that is a political decision for you to make, although the committee might take another view. However, if the reason for the decision is state aid rules, that should be made clear. Is it to do with climate change or state aid, or do you simply want the funds to go elsewhere? Will you consider the Highlands and Islands issue specifically? My advice is that that is not the main problem and there are ways of steering round it. I am sure that your officials can give you some advice on that.

John Swinney: I will certainly undertake to consider that. If questions have been lodged, we will ensure that they are answered appropriately.

The Convener: I will pursue that point a little further. The cabinet secretary and David Stewart both mentioned the relationship to climate change policy—we will move on to other climate change spending in a few minutes.

The previous Administration justified the route development fund by saying that it was consistent with climate change policy because it would cut the number of internal domestic flights. However, it did not do that. If the Government is going to find a way of spending money on a replacement policy—whatever that might turn out to be—will that policy be designed to cut the number of domestic flights or will that no longer be a consideration?

John Swinney: I do not want to leave the committee with the wrong impression. It is not my intention to put in place a new route development fund; perhaps I did not express that as clearly as I should have done. Of course, in our wider work, we will support Scotland as a destination for tourism and business purposes; that is how we will take the issues forward. In a sense, the fact that we do not intend to introduce a new fund addresses your question about whether any new routes will be supported.

The Convener: I was not asking about new routes; I was asking about any policy that might be introduced as a result of the previous policy being dropped. How will new thinking in this area be put through the climate change lens?

John Swinney: We acknowledge that there is an issue about the impact of air travel on climate change. No Government can deny that factor.

However, the only propositions that we have are to continue to support our contractual commitments in this respect. We have no plans to bring forward any new initiatives beyond the ones that we have now. I think that that is the clearest way in which I can answer your question.

The Convener: Perhaps we will have to return to that issue at a later date.

Shirley-Anne Somerville (Lothians) (SNP):

The budget document makes only a passing reference to the accessibility of transport, which you mentioned briefly in your opening remarks. Are you confident that the transport budget will deliver improvements in that area? If so, how?

John Swinney: We want to ensure that transport is more accessible to people by a variety of interventions that will ensure that the services that we have available meet the needs of individuals and that the access that individuals have to those services is comfortable, convenient and appropriate to their requirements. The expansion of rail services is a key component of our efforts to ensure that accessibility is improved. That expansion involves a number of initiatives, such as the Airdrie to Bathgate line, the work that is being done in Edinburgh and Glasgow and the work that is being done on frequency of service and journey times on the Highland and Aberdeen routes.

Secondly, we will work to support the delivery of further park-and-ride facilities across Scotland. Every park-and-ride facility that has been put in place has been an enormous success. The challenge is to ensure that we locate those facilities in places that will result in people getting out of their cars as early in their journeys as possible. That addresses the point about modal shift and convenience.

We are making other significant improvements in public transport. In Edinburgh, we are supporting a significant investment in tram infrastructure and, as a consequence of the arrangements that we have arrived at with local authorities, I hope that we will see the development of more accessible public transport services—predominantly bus services—around Scotland.

Shirley-Anne Somerville: One of my concerns, as a member for the Lothians—I am sure that it is a concern for others, too—is that we should consider not only remote and rural areas, but areas of economic deprivation, which suffer just as much from difficulties with public transport as remote and rural areas do. Are you confident that the situation will be maintained or improved through the concordat that has been reached with local government?

John Swinney: I think that that will be the case. The Government is putting in place a mechanism

to try to ensure that, as we take measures to support our wider agenda of increasing sustainable economic growth, we address the situation of individuals who may be economically inactive. Transport may be a factor in that inactivity, and we must ensure that we have in place the right services and structures to enable those people to become economically active. That remains a challenge at the heart of what the Government is doing.

Cathy Peattie: Accessibility is about people being able to use services. As you said, that includes people who are financially inactive being enabled to be active. However, it does not matter how posh the bus is or how well the train service is run: if a bus does not stop near enough to the edge of the pavement, if someone cannot get into a station, or if someone has to travel half a mile down one road and along another to catch a train, that is a problem of accessibility. That issue still exists for many Scots. What consideration has been given to that in the budget?

John Swinney: We are trying to produce services that maximise accessibility for every citizen. One of our indicators, which I cited earlier, is to

"Increase the proportion of journeys to work made by public or active transport".

We will not do that if the trains and buses are not stopping at convenient places. As part of the agenda to ensure that we improve the accessibility of our services, we have to work with other partners; Mr Stevenson and I do not sit there designing the bus stops of Scotland. We have to encourage thinking to draw together different elements and support the needs of individuals at local level.

Cathy Peattie: I understand that it is not your job to stand at a bus stop to ensure that a service is working, but I am interested in hearing how the difficulties that people face in getting on and off buses or accessing stations will be monitored. In particular, I refer to people with disabilities and families with prams. How will such things be monitored so that we know what is happening, what is not happening and what needs to happen in the future?

John Swinney: Certain statutory obligations will have to be fulfilled, particularly for railway stations. There is an increasing amount of activity among bus operators to provide accessible bus services, including the use of buses that are lower down at the front and make for easy access. Those are tremendous improvements and investments, and I applaud the bus industry for what it is doing in that respect. The Government will provide the co-operation and support that it can to encourage such work in the design of services locally.

Cathy Peattie: Will you consider monitoring whether that is actually happening? People can tell you that lots of good things are happening—I agree that they are—but I want to know whether the services are working.

John Swinney: One of our national outcomes states that we want to

"live in well-designed, sustainable places where we are able to access the amenities and services we need".

That outcome is included in the spending review document to focus the Government and local authorities on delivering that, and we can consider what would be appropriate measures of that success. On page 47 of the spending review document, we set out a number of indicators that will be tabulated and followed. We can consider developing other indicators as appropriate.

The Convener: Am I right in thinking that some of the spending that might be required to meet specific disabled accessibility issues would come from the rail small programmes budget that is shown on page 87?

John Swinney: It is likely that station adaptations would come out of that particular budget.

Malcolm Reed: Perhaps I can help the committee on that point. As far as rail is concerned, accessibility is formally a reserved matter, but we work closely with the Department for Transport. We have access to the funds that the DFT administers for making stations accessible, and we have a programme to improve the number of stations that are accessible.

In addition, as the cabinet secretary suggested, we are spending our own funds on improving stations. For example, we will shortly be making Lockerbie a fully accessible station after a long campaign by Dumfries and Galloway Council. When the Waverley station project in Edinburgh is finally finished, Waverley too will be fully accessible. Every new station that is built as part of the new schemes that are being promoted will, by statute, be accessible. We are making progress. Things could always be done faster, but we are doing as well as we can with the resources that we have.

15:00

The Convener: It would be useful to have a commitment that disabled people and the organisations that work with them will be involved in overseeing how the money is spent and its adequacy.

John Swinney: I am happy to facilitate those discussions.

Alison McInnes: Funding for cycling and walking will help you to meet your targets on

health and well-being as well as those on transport. For the past three years, Sustrans has received funding for maintaining and extending the national cycle network, supporting local authorities' school travel co-ordinators, and promoting cycling and walking to school through initiatives that tackle the school run—something that causes a great deal of congestion. The provision of that funding to Sustrans has ensured that best practice has been shared throughout Scotland, local authorities' own small teams have been supported and the duplication of effort has been reduced. Will you maintain the funding to Sustrans in the forthcoming budget period?

John Swinney: One area where we have decided to retain ring fencing is the cycling, walking and safer routes budget line. That will roll forward in the course of the spending review period. We look to see the funding being deployed effectively in different parts of the country.

Alison McInnes: The funding to Sustrans supported that funding—it was match funding, almost, for cycling, walking and safer streets. You have removed ring fencing of the funding for school travel co-ordinators, so there is a mixed message. Can you say anything to comfort Sustrans on its budget streams?

John Swinney: I make two points in that respect. First, we have other channels of funding that will come through the support for sustainable and active travel budget line, which is on page 93 of the budget document. That money will be spent on a similar area of activity. Secondly, we are engaged in discussions with stakeholders on how to take forward the various priorities in the policy area. Sustrans will be an important contributor to that, and we look forward to those discussions.

Alison McInnes: Sustrans, in particular, has demonstrated that it delivers value for money and brings about change. It seems to me that, if it ain't broke, you shouldn't fix it. I hope that you will consider that carefully.

John Swinney: I reassure the committee that the Government has every intention of encouraging progress in the area. It is important to try to improve the general health of the population by ensuring that we have much greater use of active travel. That is an important priority for us and we will engage in the discussions constructively to ensure that we build on what has been achieved so far.

The Convener: Your portfolio includes a budget for energy and climate change, which will increase to £33 million by the end of the period. That is in addition to the climate change budget in the rural affairs and environment portfolio. Across the piece, how much money will be spent on climate change? How was the final figure arrived at?

John Swinney: It is difficult to give a definitive answer to that. We set out our budget by portfolio, but we also provided information on the cross-cutting agenda. That is included in the first section of the budget document, which explains how we intend to deliver on our strategic objectives.

I recognise the demand from different elements of the Parliament for us to set out how much money we will spend on tackling climate change, poverty, or social exclusion. We could end up doing a variety of calculations, which I fear would not tell us much more about where we were. That is why I am reluctant to give you a definitive number. However, we are making a range of interventions across portfolios to tackle the issue. I hope that the committee finds section 1 of the spending review document helpful in grouping together the strategic objectives. Climate change features prominently in our wealthier and fairer objectives and our greener objectives.

As far as specifics are concerned, it depends what you want to include in the calculation. For example, we will invest in tackling climate change through the climate challenge fund and some of the sustainable development initiatives. In addition to our expenditure on public transport, there is the sustainable and active travel budget line, which I mentioned in reply to Alison McInnes. We have trebled the funding that is available for community renewables and microgeneration. We intend to invest in good-quality sustainable housing to ensure that it is energy efficient and compatible with the high building standards that are being developed. Through the Forestry Commission, we are investing in the development of new woodlands, which will have an effect on climate change. A range of investments will be made through the Government's seven-year rural development programme. I fear that it would be extremely difficult to tabulate the different interventions that are being made across portfolios. For example, how much of our expenditure on public transport is designed to tackle climate change and how much of it is just about providing public transport? We could get into quite a debate about what was in and what was out.

The Convener: I certainly take that point. A new aspect of the Government's establishment was the creation, within your ambit, of a minister with specific responsibility for climate change. Given that much of the spending in other portfolios will have an impact—positive or negative—on climate change, how will policy decisions on spending in other portfolios that will affect climate change be drawn back to your group of ministers?

John Swinney: Such issues are resolved round the Cabinet table. You make a fair point—there is no point in our having an approach to policy that

does not take into account the ambitious agenda that the Government has set out on tackling climate change and the targets on which we intend to deliver. We have established the policy framework of having a purpose for the Government and five strategic objectives which, crucially, are owned equally by all members of the Cabinet. That means that when we take decisions at the Cabinet table, we must be habitually mindful of our obligation to deliver right across the board. The climate change agenda is central to the achievement of those objectives.

The Convener: It could be suggested that there are contradictions even within the remit of transport, infrastructure and climate change. Spending on trunk roads and motorways has been increased significantly, to the extent that it puts spending on some of the more positive interventions that you have listed into the shade. How is that consistent with your climate change policy?

John Swinney: Some people will say that we are spending too much on trunk roads, while others will say that we are not spending enough on them.

The Convener: I am not asking whether you are spending enough on trunk roads; I am asking how what you are spending on them is consistent with your climate change policy.

John Swinney: I am simply saying that, in the context of the debate, the assessment that you have made about our trunk road investment will be a contested assessment.

A balance must be arrived at between what we invest in trunk roads and what we do to tackle climate change. I concede that that is not an easy balance to arrive at. The Government's duty is to see these issues in the round and guarantee that we get the balance right across all the interventions that we undertake, whether they are considered positive or negative. The Government does not advance the unsustainable argument that we should spend much less on trunk roads than we are spending currently, because of the commitments that we have to deliver. In spending the money, we have to ensure that we are taking due account of the requirement to compensate for it in the other policy interventions that we undertake. The Government has to strike that balance in the work that we undertake to ensure that we achieve our statutory obligation to reduce CO₂ emissions.

One of the key pieces of work that the Government is undertaking is creating a carbon balance sheet for transport in Scotland, which will report on the incremental carbon emissions impact—positive or negative—of all the significant policies, programmes and projects that have been implemented since 2004.

The Convener: John Prescott once promised to resign if, within a few years, there were not a lot fewer car journeys being undertaken. Given the spending plans on trunk roads and motorways, nobody would make such a promise at this time, would they?

John Swinney: I fear that you are tempting me on to the dangerous ground of emulating John Prescott. We might have the same first name but, believe you me, that is all we have in common, thankfully. The Government has a duty in the round to guarantee that we establish the correct balance in the policy framework. We must fulfil that obligation to the people of Scotland and we will work to do so.

Shirley-Anne Somerville: I return to the point about there not being a specific budget for climate change work—such work is spread across the different budgets. That makes it difficult for the committee to scrutinise that budget heading and to analyse whether sufficient funds have been put into addressing climate change. Will you explain how the Government satisfied itself that enough was being spent on that work, given the priorities that you mentioned at the outset?

John Swinney: To be honest, you can configure a budget in any way you want. However, there is an historical format that we have inherited. We have maintained information at the level that previous Administrations did. Budget documents change, topics change and needs change. There will be incremental change year on year. We could have chosen to group all the climate change interventions together in a single climate change budget. However, we chose to construct the budget according to the portfolio responsibilities to Parliament for which each cabinet secretary has to deliver financial performance against budget. We then added up all those parts to get the bigger picture. Section 1 of the budget document is designed to address the broader question of how we are planning to achieve our objectives and how we plan to bring together different elements of policy to support the Government's headline commitments. That is the structure that we have taken forward.

The Cabinet has considered carefully a range of competing priorities. It has a duty to look across the policy spectrum in Scotland to guarantee that we are taking the right decisions to support all aspects of public service, economic development and environmental protection. The Cabinet has judged that the range of commitments is in balance. We will continue to monitor that and I am happy to report to the committee and the Parliament on performance against the budget and the performance framework as we proceed through the remainder of the session.

Shirley-Anne Somerville: I want to ask about the budget in general and the impact that funding

decisions will have on climate change. You talked about the carbon balance sheet for transport projects. Will that issue need to be considered in greater depth in all funding decisions?

15:15

John Swinney: There will be a growing need to ensure that we have the information base at our disposal to judge the actions that we take to meet statutory targets for the reduction of carbon emissions. Mr Mason will correct me if I am wrong, but I think that the data that we get for the information base are about 18 months old when we get them and are a disaggregation of the UK system. The information systems are not, therefore, at a sufficient stage for us to be absolutely confident that we have in place all the necessary mechanisms to make that judgment. However, that has been actively developed by the Government in the short period in which we have been in office and will be a material part of the infrastructure for delivering on the monitoring of our climate change requirements.

Rob Gibson: Just as the Government will be publishing a consultation on these matters, we will consider the way in which we make recommendations about the measuring of climate change as part of our review of the same ground. In relation to measurement, the budget talks about a system of cross-compliance to ensure that spending decisions use available techniques and information to assess the carbon impact of policy options during the appraisal process. Is that the sort of information that could be made available to Parliament to help the budget scrutiny in future?

John Swinney: I am prepared to consider that. The comparison that I would see to that kind of approach is, perhaps, an appraisal of a transport project under the Scottish transport appraisal guidance. Although the detail of that would not normally be shared with Parliament, there might be some elements that could be made available to Parliament. I will reflect on the issue and discuss the matter with the committee in due course.

Rob Gibson: The example of the STAG appraisal is good, because it does not seem as if a lot of environmental information is collected in that regard. However, the type of approach is something that could be made public.

John Swinney: I was simply citing the role of the STAG assessment in the process. Clearly, if we are undertaking an environmental assessment or a consideration of the carbon implications of a policy decision, that will involve another part of the process. That is the illustrative point that I was making.

The Convener: I thank the cabinet secretary and his colleagues for joining us. I am aware that

we have overrun slightly, but the Scottish budget is not unimportant.

I suspend the meeting to allow a changeover of witnesses.

15:18

Meeting suspended.

15:22

On resuming—

Climate Change Bill

The Convener: Item 3 is the legislative consent memorandum on the Climate Change Bill. I welcome Stewart Stevenson, Minister for Transport, Infrastructure and Climate Change, and his officials Philip Wright, Elizabeth Baird and Rosemary Whaley. I apologise for the fact that we are beginning this item a few minutes late. I invite the minister to make an opening statement.

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Thank you. There has been much publicity about the evidence on climate change. The Stern review confirms the seriousness of the threat to the global economy and makes a compelling case for action. Stern's message is reinforced by the latest report from the Intergovernmental Panel on Climate Change, which issued the clearest warning yet of the impact that humankind is having on the world's climate.

Today, we are discussing Scotland's and the UK's contribution to global efforts to tackle climate change, just as the United Nations climate change conference gets under way. Scotland is not the largest source of greenhouse gas emissions, but it has a key leadership role to play and it has the opportunity to take advantage of the major economic benefits that will flow from moving to a low-carbon economy. I believe that Parliament is alive to the need for action and, I am sure, to the economic opportunities.

The UK Climate Change Bill was introduced to the House of Lords on 14 November and had its second reading on 27 November. The draft bill was, of course, published in March as a set of principles for action. However, it did not set out the roles of the various Administrations in the UK. The bill has now been developed in more detail and we have firmed up the role of the devolved Administrations.

The bill provides statutory emissions reduction targets and a supporting framework. At this stage, the targets are expressed in relation to carbon dioxide, but the bill provides scope to add other greenhouse gases to the targets at a later date.

I turn to the main features in relation to Scotland. The secretary of state carries the duty to achieve targets, but he will look to all Administrations, including our own, to contribute. Because the secretary of state carries that duty, he also has the power to amend the targets and to set and amend the carbon budgets. The bill requires him to consult the devolved Administrations—we shall usually have three months to give our views—and

he must make a statement on how he has taken our views into account.

The committee on climate change will be appointed jointly by the four Administrations in the UK. It will advise all of us, not only the secretary of state, on the UK target. Another important feature is that the bill enables the devolved Administrations to seek, if we wish, the committee's advice on any targets of our own.

The bill provides powers to all four Administrations to establish trading schemes related to greenhouse gas emissions. We can establish separate or joint schemes as appropriate. The bill also ensures that we shall have a joint UK-wide assessment of the impacts of climate change, but it leaves it to us to decide how we adapt to climate change risks in Scotland.

The legislative consent memorandum is unusual in its extent. The key elements of the bill's climate change framework are within the legislative competence of the Scottish Parliament, so far as they apply to Scotland, but the purpose of the bill is to introduce a shared framework for the UK as a whole, which is not within our competence.

Climate change is a global challenge. We need to co-operate with other countries, and it makes sense for Scotland to work with the rest of the UK on the Climate Change Bill. The bill recognises Scotland as a partner in the venture, but it does not stop us having our own ambitions and promoting our own bill in due course.

None of us knows in detail all the actions that we shall need to take to achieve the 2050 targets, but setting ourselves the challenge is the right thing to do. In recent years, work has been done to curb emissions. We must build on that foundation through new policies and technological developments so that we get a tighter grip on emissions and move Scotland—and the UK—down the pathway to a low-carbon economy. I therefore ask the committee to support Scotland's participation in the bill and to agree to the legislative consent motion.

The Convener: I thank the minister for his opening remarks. You have given us some detail about the aspects of the bill that relate to Scotland and how Scotland fits within the bill as it stands. How much input did the Scottish Government have in drawing up the bill? We have an interest in ensuring that it sets a framework that will work well with the separate plans that will be progressed in Scotland.

Stewart Stevenson: The Scottish Government and civil servants have had considerable input. Indeed, Elizabeth Baird has been working exclusively on it for a considerable period. At ministerial level, ministers from all four Administrations met before the summer recess to

discuss our joint way forward. We found that there was consensus that we wanted to and had to work together.

What has happened since the draft bill was produced in the early part of the year and the bill was introduced in the middle of November reflects the substantial engagement that took place between my civil servants and civil servants in London and elsewhere and, of course, political engagement between ministers.

The Convener: Have specific changes been brought about as a result of that engagement?

Stewart Stevenson: Let me have a look, because I have the specific answer to that.

Elizabeth Baird (Scottish Government Climate Change and Water Industry Directorate): Would it help if I gave the detail?

Stewart Stevenson: Yes.

Elizabeth Baird: You will appreciate that the bill contains a considerable amount of detail that was not in the draft bill, as it did not set out the roles of the devolved Administrations. For example, on setting carbon budgets, amending carbon budgets and potentially amending the targets, the draft bill said nothing about Scotland. There is now provision for the Scottish ministers and the other devolved Administrations to be closely involved in all those decisions. The secretary of state is under an obligation in the bill to consult the devolved Administrations and to publish an account of how he has taken account of our ministers' views.

Another example of where something has changed is the committee on climate change. Now, in addition to the committee advising all the UK Administrations on the UK target, the bill will make provision, as the minister said, for advice to be sought in relation to our Scottish targets and our particular Scottish interests. Indeed, we have fleshed out how Scotland relates to other aspects of the bill.

15:30

The Convener: When we agree to a legislative consent motion and give permission to Westminster—if permission is needed—to legislate on devolved areas, we pass to the other Parliament not only the responsibility for passing the legislation but also the job of scrutinising the legislation. How confident are you that the parliamentary scrutiny at Westminster will take account of the specific Scottish issues or issues relating to the other devolved areas? I have spoken to Westminster parliamentarians who have been involved in the legislative process and who are surprised to learn that there will be a separate Scottish bill or that we need to agree to a legislative consent motion at all. That is rather

worrying, given the changes that might be made during the process.

Stewart Stevenson: The Westminster parliamentarians whom I have met in connection with a variety of subjects have not been surprised about that or lacked knowledge about Scotland's higher ambitions or our plans to legislate for ourselves.

The more important and substantive point relates to how we deal with changes that might be made as the bill goes through the parliamentary process at Westminster—of course, if no changes are made, there will be little point in scrutiny. On our own recognisance, we will keep track of changes. If substantial changes are made that affect our interests, we will get involved in the process again to ensure that the bill is consistent with our objectives.

The provisions of the bill are, largely, enabling, and in certain cases they represent a transfer of powers to us. In so far as the bill touches on our interests and places what we do in a UK context—which it has to, because the Government in Westminster is responsible for meeting international targets—we must ensure that we play our part in meeting the targets. The part that we play in Scotland will be distinct from the part that the other devolved Administrations play.

Elizabeth Baird has passed me a note, but I am not sure that I can read it.

The Convener: It has been explained that there is to be a concordat between various Governments. What stage is that work at? Is there a draft that we can see? If not, when will one be available?

Stewart Stevenson: There is no draft as yet.

The Convener: Do you know when one will be available?

Stewart Stevenson: No. It is worth making the point that our consultation on the Scottish bill is expected around the turn of the year. There will be a period of engagement with civic Scotland and the people of Scotland on our bill and we will bring it forward later next year. Until we have established the shape of our bill, the relationship between what we are doing and the UK bill will be undetermined.

We should focus on the fact that this is one of the areas in which there is huge encouragement from Westminster for us to make the kind of progress that we want to make. Our 80 per cent target makes us a vital link in the chain that will enable the UK to meet its targets, whatever they turn out to be. I do not think that in this policy area there will be any divergence in what we try to do. There is great good will across all the Administrations and a preparedness to work

together. The existence of a concordat is merely a formalisation of something that, in any event, we will agree on quite vigorously.

Rob Gibson: It is interesting to reflect that the arrival of nationalists in Governments in Scotland, Wales and Northern Ireland has sharpened the focus on climate change. I am glad to see that they are taking it seriously by proposing to set up the climate change committee, which sounds like a very good clearing house. However, the climate change strategy that has been adopted in Scotland sets the Scottish share of carbon reductions at a million tonnes by 2010. How does that fit in with the plans that we are hearing about? Why should the Scottish Parliament agree to a legislative consent motion that allows for legislation that is not as stringent or ambitious as that proposed by the Scottish Government?

Stewart Stevenson: No single country in the world can deal with climate change on its own. We wish to co-operate with the other countries within the United Kingdom, just as the United Kingdom is part of a wider European strategy for climate change. This week, we have a rather large number of people in Bali who are considering what will follow Kyoto. Co-operation is required, and the UK bill provides the framework for co-operation within the United Kingdom.

Although the bill contains some items that are peculiarly and specifically English and do not apply to us—they are in the bill because there is nowhere else for them—it enables and empowers the Scottish ministers and the Scottish Parliament. We in Scotland have to legislate, for example, for our adaptation strategy, because conditions in Scotland are different from those in other countries in the United Kingdom. Scotland is more rural, there is greater sparsity in certain areas, and the profiles of our transport network and our energy generation are different. We need to take initiatives that relate to specific Scottish conditions. This enabling bill at United Kingdom level is a good example of partnership working, as it leaves us the space to do the things that we need to do.

It also, of course, does things that we cannot do, for example in relation to local government. Local government exercises a series of powers that stem from the powers of the Scottish Parliament and relate to devolved matters, but it also exercises powers that are derived from UK legislation and reserved powers. Without a framework that covers both those strands, we would be unable to create for local government a comprehensive working environment that covers its responsibilities that are derived from both Administrations. A whole series of examples shows how bringing everything together will help us to drive forward on the common goals that I hope we share.

Rob Gibson: I welcome that co-operation, and I hope that the committee will be able to explore more of it soon. It would not allow Scotland to have to bear greater than its share in order for the UK to reach its 60 per cent reductions target—or would it?

Stewart Stevenson: The UK bill does not set targets for Scotland—it sets targets for the UK. It is a matter of trust and co-operation. We will set our own targets. We have said that we will consult on a target of 80 per cent. The UK Government is pleased that we believe that it is possible to achieve that target in Scotland. That is, in part, why the UK Government wants to ensure that we have the powers to enable us to carry out carbon mitigation and carbon sequestration, and to stop generating carbon in Scotland—because it will help the UK to meet its international obligations. You are correct that Westminster is not setting targets that apply in Scotland, but the secretary of state is responsible for UK numbers and will work with us to ensure that we make our contribution.

Rob Gibson: Can you say anything more about how different targets from the different Administrations have been factored into the UK bill delivery mechanisms?

Elizabeth Baird: I will expand on the minister's point. Although the bill sets the overall target level, it does not specify what the individual countries will have to contribute. That needs to be worked out, because we all want to do our bit.

You asked how that factors into the delivery mechanisms. You will appreciate that the bill is very much about setting a framework. It foreshadows programmes and policies that will be the delivery mechanisms—when we address those we will get into the detail of exactly how we move towards the targets. As the minister said, because the UK bill is an enabling bill, we can take forward our mechanisms in Scotland. We can make our decisions here about the right things to do to meet the targets, which, in so far as they require legislation, could be in the Scottish bill.

Rob Gibson: The five-year carbon budgets do not fit well with the Scottish electoral cycle. How will political accountability for emissions reductions be ensured?

Stewart Stevenson: Not unreasonably, we are moving on to discussing what the Scottish bill will say. We envisage that there will be an annual progress update and that ministers will be accountable to Parliament—to this committee or any other committee of the Parliament. If progress deviates from the line that is going to get us to our 2050 targets, ministers will have to demonstrate what measures will be taken to ensure that we catch up if we are falling behind, or set out how we will bank overachievement—if I can use that

term—for future periods. The UK bill makes some reference to that in the UK context. We expect there to be something similar in the Scottish bill. However, until we get the Scottish bill, I am giving a projection of what I expect, rather than a commitment to what will happen.

Rob Gibson: We will keep those questions on the table.

Stewart Stevenson: Indeed.

The Convener: I want to pursue a couple of questions about targets. If there is to be an annual reporting mechanism at both levels of Government, is there an expectation that the reports will coincide, or will they be made at different times of year? If the reports will be made at different times of year, in what way will we in Scotland be able to separate out the different responsibilities that different levels of Government are exercising, or failing to exercise?

Stewart Stevenson: The straight answer is that I do not know whether the reports will coincide. However, you make the useful point that it will almost certainly be beneficial if they do coincide, or, at the very least, cover the same time period, so that there is a degree of comparability. If, per misadventure, the UK Parliament reported during a Scottish Parliament recess, there would be practical difficulties. I take on board the point that the reports should cover the same calendar period so that we can see how one Government is supporting the other, or is failing to do so.

What was the second part of your question?

The Convener: You have answered it by implication. The point was, if the reporting time or the time periods that are covered vary, that will impact on our ability to determine which level of Government is working or not working in achieving the targets.

Stewart Stevenson: You are quite correct. However, not all of what happens in Scotland is the Scottish Government's responsibility. Therefore, having a consolidated report would be useful. It might be useful to hear from Philip Wright on this point.

Philip Wright (Scottish Government Climate Change and Water Industry Directorate): There is a practical issue with reporting. At UK level, reporting will be done on a UK basis. The greenhouse gas emissions inventory is produced for the UK, which has to submit the information for United Nations purposes. The next part of the process is to disaggregate the inventory down to the individual countries of the UK—there will be an inventory for England, Scotland, Wales and Northern Ireland. That tends to be done sequentially. From a practical point of view, there is a delay of a few months before we have

separate Scottish information on our performance on emissions compared with that of the UK.

The Convener: Would it be expected to cover the same period?

Philip Wright: Yes.

15:45

Stewart Stevenson: Indeed, that is already done. Now that I remember, the disaggregation report was published about three weeks ago.

The Convener: My final question on targets is about what they should include. Rob Gibson mentioned the difference between the 60 per cent target that is currently proposed at the UK level—albeit that may change—and the 80 per cent target that is being talked about for Scotland. There is also a question about the inclusion of emissions from aviation and shipping, which many people outside Government are calling for, as well as other detailed questions about what the targets will or should include. Are there reasons why the targets should include those emissions at both levels or, if we agree to the LCM and the UK Government decides not to include aviation and shipping emissions, could Scotland be more ambitious?

Stewart Stevenson: That is precisely why we have to work with our Westminster colleagues, as aviation is a reserved matter. We have written to the UK Government supporting its moves to ensure that aviation is included in European trading and not excluded from it, as appeared to be the case at one stage.

We also need to have a robust understanding of where the cost of an individual flight will be booked. International discussion on that is on-going. Will it be the plane's country of registration, the country where its fuel is bought, the country from which it departs or the country in which it arrives? Significant issues are still under discussion, but there is at least consensus that aviation needs to be inside the tent.

We have shipping services that are wholly within Scottish boundaries and with which we can deal. On the other hand, we also have international shipping that connects to Belgium, for example, and might connect to other destinations. In general, consideration of how shipping will be dealt with internationally is at a much earlier stage.

The Convener: I take the point about whether and how aviation and shipping emissions will be included in the trading mechanism. However, if we agree to the LCM but the UK Government legislates in a way that does not include aviation and shipping in its targets, will that preclude the Scottish Parliament from passing legislation that includes such emissions?

Stewart Stevenson: We can operate only within our legislative competence. Aviation is outside that competence and the LCM does not change that. However—to be helpful—the committee on climate change is likely to be the forum at which such questions will be addressed. I indicated that work still needs to be done on aviation and that the work on shipping is less developed. Those will be issues for that committee.

The bill is a framework. Substantial amounts of secondary legislation will be introduced under it, and I do not think that there will be any particular difficulty in ensuring that Scottish interests in aviation and shipping are reflected in what the UK Government does. For example, we have an issue in relation to our lifeline aviation services. We must ensure that any regime that is introduced to address aviation's contribution to climate change does not attack the viability of those services in a way that is difficult to deal with. After all, those services are, by and large, of a different character from much other aviation, because they use turboprop planes, which have a different consumption profile and fly at a lower altitude, therefore they damage the atmosphere less. It is about not only CO₂ but the whole basket of greenhouse gases, although the UK bill deals only with CO₂.

The Convener: The minister will be delighted to know that the next question comes from a man with an interest in turboprops.

David Stewart: I thought that I was the only anorak in the room—

The Convener: I beg your pardon. I have skipped over Rob Gibson's questions. I will come back to you in a few moments. I am so sorry.

Rob Gibson: No, I have asked my questions on targets and carbon budgets. I think that we are making progress.

The Convener: I am doubly corrected.

David Stewart: What is the minister's view on the suggestion that has been made in some quarters that there should be a Scottish committee on climate change? Our committee has picked up some thoughts from the Northern Ireland Assembly, which has expressed concern about the lack of dedicated representation on the UK-wide committee. What is the Scottish Government's view on how to ensure that the interests of all devolved areas are covered effectively?

Stewart Stevenson: We engaged with that question quite early on in our Administration. After discussions with the UK Government, we took the view that we would have our own direct access to the UK committee so that we could ask our own questions and get our own answers. We will wait

and see whether that works for us. We are not precluded from establishing a Scottish committee if that is the right thing to do, but a committee that covers a bigger geographical area and has greater responsibility will be more attractive for the experts to participate in. Such a committee creates the opportunity—but not the certainty—that it will be better able than a committee that draws on a narrower base of people and which might lack breadth. At this stage, we do not know. In a spirit of co-operation between Westminster and the Scottish Government, we think that it is certainly worth looking at participating in the UK Government committee. We expect to participate in it for several years before considering whether we need a separate Scottish committee.

I will not get wound up about the issue at this stage, as I do not think that it is fundamental. If people in Scotland feel that our having a UK committee might prevent them from contributing to the formation of Government policy, I will certainly be happy to hear from them to ensure that, by other means, we can cross-check what we get from the UK Government committee. I suspect that the UK Government committee will probably be a sustainable way forward, but nothing in the bill that has been introduced in the Westminster Parliament precludes our ability to set up our own committee if we judge that to be the right response.

David Stewart: My final question is probably a variation of my first question. Obviously, I do not need to give any lectures to the minister about different, distinctively Scottish issues such as our different approach to land management and our large amounts of renewable energy resources, which are due not least to the good work of Tom Johnston in the 1940s, but that is perhaps another story for another day. What expert advice is available to the Government to reflect Scotland's distinctiveness from England, Wales and Northern Ireland?

Philip Wright: We can draw on quite a wide range of expertise, especially for issues such as land use on which there is a disproportionate interest in Scotland's contribution. For example, we have the centre for ecology and hydrology—on the south side of Edinburgh—which also advises the UK Government on land use-related issues. We also have access to the Macaulay Land Use Research Institute. Scotland has a whole range of research providers and research institutes that we can draw on. The Government is looking to develop and strengthen the networks that exist to ensure that we identify and have access to as wide a range of expertise as we require.

Alison McInnes: I have a follow-up question. We have received comment about the fact that the make-up of the climate change committee will not

include any environmental expertise. Will the minister comment on that? Schedule 1 to the bill sets out who will participate in the committee, but it makes no mention of environmental expertise.

Stewart Stevenson: Schedule 1 contains a list but it is certainly not intended to be exhaustive. I would be very surprised if such interests were not reflected in the final composition of the committee. Indeed—this relates to David Stewart's question—paragraph 1(3)(d) of schedule 1 provides that the committee must reflect the geographical diversity and different needs of the countries of the UK. Perhaps this is an object lesson in the dangers of putting lists in primary legislation. I have spoken about that in the past.

Alison McInnes: The bill provides for national authorities jointly to give guidance to the committee on climate change on matters that it should take into account when exercising its functions. Why does the guidance in most cases require to be jointly issued by all the national authorities? Would it not make sense for functions relating to matters that are devolved to the Scottish Parliament to be guided primarily by you?

Stewart Stevenson: The guidance does not have to be joint. Any joint arrangements among the countries of the United Kingdom would be entirely voluntary.

Alex Johnstone: I want to ask about emissions trading and the opportunities that might arise. The bill contains little prescription on how emissions trading will be used. No reason has been given for why enabling different trading schemes in different parts of the UK might be appropriate. Why is that?

Stewart Stevenson: We are creating a framework that is to last until 2050, so it is important that we do not second-guess what the world will look like in 2030 or 2040. I suspect that no one here could credibly claim to know that.

Leaving matters open so that the different Administrations can establish their own trading schemes, and empowering us to do that, has been done with an eye to the future. We do not necessarily think that we will establish our own scheme in the short term. The provision is there to maintain future flexibility, so that there is no need to revisit the primary legislation if circumstances dictated that we needed a separate trading scheme.

Clearly, there could be advantages in having a separate scheme in certain conditions, but equally there could be disadvantages, because a smaller market for trading might have a bigger range of buying and selling prices. At this stage, it is not clear what the balance will be.

We also have to take account of what Europe might end up doing with emissions trading. That

will influence the UK's ability to construct schemes of its own.

As with much of the bill, flexibility has been left in, so that we can determine what we want to do in future.

Alex Johnstone: So you are not in a position to envisage what a Scotland-only emissions trading scheme might attempt to achieve.

Stewart Stevenson: At this stage, we do not envisage there being a separate Scottish scheme. However, it is useful that the bill provides for that possibility in future.

Alex Johnstone: I am interested in exploring the possible arrangements that you might hold out for in a UK emissions trading scheme. I have expressed the concern that Scottish Government commitments might, in order to achieve higher targets, place a greater economic burden on Scotland's industries and local authorities. You might dispute that, but can you envisage any UK-wide trading mechanism that could allow Scotland—were such an economic disadvantage to be imposed because of higher targets in Scotland—to be compensated for making a disproportionate contribution to the United Kingdom's targets?

16:00

Stewart Stevenson: I suspect that it will be the other way round. We have a huge reservoir of renewable energy in marine, wind and hydro power—Tom Johnston was mentioned earlier in relation to hydro power—and we will actually support everyone else, rather than being a burden.

I have been out and about talking to business about the Government's plans for climate change legislation; indeed, my second public engagement, which was in late May, was a talk on the subject to the Confederation of British Industry in Edinburgh. I found a roomful of enthusiasts who saw the advantages in Scotland taking the lead in the climate change business, building the skills, creating the products and selling them to the rest of the world. They felt that that far outweighed the burden of having to reduce our own carbon emissions. Time will tell, but I got a very strong sense that the business community saw climate change as much more of an opportunity than a threat. Of course, that is a general statement. Individual aspects of the proposition might need to be examined more closely when we come to them.

Alex Johnstone: The bill appears to give you very wide-ranging powers to define the types of activity that, depending on the emissions produced, can be limited or encouraged under trading schemes. However, why do the papers before us contain so little detail about those

powers? Given your previous answer, I would feel more reassured if I knew something about their nature.

Stewart Stevenson: As I have said, the UK bill is a framework bill, and the details of any scheme that might be introduced to exercise the available powers will be a matter for discussion when we reach that point. In a sense, we will be unable to answer all the questions that relate to climate change and a timetable leading up to 2050 for a considerable time. Of course, the secondary legislation that will be introduced will give Parliament the opportunity to debate and discuss the subject and to agree or disagree on the direction being taken.

Philip Wright: Although the existing EU emissions trading scheme, as implemented in the UK, and the proposed carbon reduction commitment are both trading regimes, they are quite different in character, which means that the regulations for both will look quite different. As it will be quite difficult to capture that different shape in the original primary legislation, we need flexibility in that respect. That said, although the schemes are different, they both have the primary objective of reducing greenhouse gas emissions.

Cathy Peattie: How are the powers likely to be used in Scotland? Moreover, how much thought has been given to commodities such as electricity that have cross-border links between Scotland and England?

Stewart Stevenson: We do not envisage introducing a separate Scottish trading scheme. However, your question touches on the important issue of Scotland as a net exporter of electricity, in particular. We would have to carry the carbon cost of generating the electricity, while our friends south of the border would gain the subsequent electrical benefits. That is precisely why trading might form an important element of the strategy to ensure that such matters are properly dealt with. Trading schemes represent a tactical means of allowing us to transfer the carbon cost of generating electricity that people in Northumberland, Cumbria or wherever might be consuming, because, after all, their need for electricity was the reason for the generation in the first place.

Of course, we will also be incentivised in that respect. As long as we are burning fuels to generate electricity, we will wish to sequester the carbon dioxide produced through carbon capture schemes. A range of options has been discussed in relation to coal-generated power and the gas-generated power in Peterhead in my constituency. I hope that we will be able to make progress on that issue as well as on sustainable power generation from exploiting the energy in our oceans and rivers and the air.

Cathy Peattie: Why is the detail of the carbon reduction commitment set out in the bill while other trading schemes are left to regulations under the bill?

Stewart Stevenson: What is in the bill is time-limited to 1 January 2011. That has been done simply because the UK Government knows enough to be able to put that detail into the bill, and because putting it into the bill accelerates the date on which the UK Government can move forward. If it had done what I agree would have been more natural in drafting terms and put the detail in secondary legislation, it would have delayed the point at which the legislative power was available.

It is purely the UK Government's desire to make rapid progress that caused it to draft the bill in that way. Secondary legislation will be involved, but the drafting is a practical way of accelerating work on carbon reduction. The bill has a sunset clause that comes into effect in just over three years—I am doing the arithmetic quickly.

Cathy Peattie: You will be aware that the Parliament's Subordinate Legislation Committee felt that the LCM is unclear about how proposed regulations for Scotland under the bill, with regard to trading schemes, will interact with future provisions in any Scottish climate change bill. Will you explain how the Scottish Government intends to approach that issue? I understand that we are at an early stage, well before the Scottish bill comes to this committee and goes out for wider consultation, but I am interested in your thinking.

Stewart Stevenson: The Subordinate Legislation Committee makes reference to a number of clauses in the UK bill, including clause 36, which provides for different trading schemes. I return to the point that the legislation simply enables the various authorities to respond in the specific way that they may need to respond. It also enables us to exercise powers under the Scottish bill that are granted in the UK bill, which is extremely useful.

We will know how we will exercise those powers when we reach the point of doing so, and we will discover the schemes that may be brought forward when and if we introduce them. However, I repeat that we are not considering a Scottish trading scheme at this stage.

Shirley-Anne Somerville: The bill requires the secretary of state to provide the UK Parliament with an assessment of the risks of climate change. That assessment will be sent to the Scottish Government, which will lay it before the Scottish Parliament. Why is it not considered appropriate that a Scotland-specific assessment of the risks of climate change should be published?

Stewart Stevenson: The bill refers to powers that the secretary of state can exercise. The bill is

limited to reserved powers and does not cover devolved powers. Therefore, it is a courtesy that such an assessment by the secretary of state be provided to us and laid before the Scottish Parliament. Elizabeth Baird may correct me or expand on that, as appropriate.

Elizabeth Baird: Shirley Anne-Somerville asked why the risk assessment is UK-wide and why we are not having a specific Scottish assessment. We discussed that as four Administrations and we felt that there was a real benefit in taking a UK-wide look at the impacts of climate change to which we will have to respond and adapt. Within that, there will be some analysis of what is happening in different parts of the UK, so there will be a flavour of what is happening in Scotland, but that will be set in the bigger context. We will then be able to consider that with our partner countries and see how best to adapt.

Stewart Stevenson: However, it is for us—not the secretary of state in London—to manage our risks.

The Convener: If members have no further questions, I thank the minister and his colleagues for joining us and answering questions. I think that the minister will be back with us shortly for another agenda item.

Stewart Stevenson: Do you wish me to withdraw just now, convener?

The Convener: Yes, that would be helpful. We will suspend briefly to allow the minister to leave.

16:09

Meeting suspended.

16:10

On resuming—

The Convener: Do members have any other comments on the LCM? The clerks noted the questions that we raised and the points that we pursued with the minister, but are there any other comments that members would like to make to inform the clerks' work on drawing up a report?

David Stewart: I have an observation on the issue of what we will measure. Obviously, as we heard, we will measure carbon dioxide emissions, but section 19(1)(b) includes

"any other greenhouse gas designated ... by ... the Secretary of State."

That is an issue for the secretary of state rather than the minister, but it is worth flagging up that an order might come through the parliamentary procedure to include more than just CO₂.

Alex Johnstone: I think that the minister mentioned extending the bill to cover other climate change gases.

Rob Gibson: Methane is of considerable interest to us in Scotland. [*Laughter.*] We have a large number of cattle, sheep and so on.

The Convener: We are still in public session. Your comment might be misinterpreted.

Rob Gibson: Not at all. I am interested in people understanding the differences.

I am happy with the way in which the matter is being dealt with, because it does not preclude our considering issues in our own targets.

Alex Johnstone: A significant amount of what we have been discussing seems relatively vague. As was said often, the bill provides a framework that can be developed later on to cover other things. I am slightly worried that the bill is so vague, but the minister answered our questions appropriately and explained why that is the case. I am prepared to accept the answers that he gave.

The Convener: I agree. His answers were as reasonable as we can expect. I would like us to convey some concern and state that the Government should continue to take an active interest in the scrutiny process. LCMs are often simple documents, but the one that we are discussing is one of the most extensive LCMs that the Parliament has considered, and the bill that we will ask another Parliament to pass for us is complex. We should ensure that we and the Government take a keen interest in it.

Is that sufficient for the moment?

Members indicated agreement.

The Convener: The clerks will circulate a draft report based on our comments.

I suspend the meeting again to allow the minister to rejoin us for the next item.

16:13

Meeting suspended.

16:14

On resuming—

Abolition of Bridge Tolls (Scotland) Bill: Stage 2

The Convener: I welcome back Stewart Stevenson and welcome his colleagues Chris Rogers, Jacqueline Pantony and David McLeish.

Item 4 is stage 2 consideration of the Abolition of Bridge Tolls (Scotland) Bill. Although no admissible amendments have been lodged, we are required under standing orders to consider each section in and schedule to the bill and the long title.

Sections 1 to 3 agreed to.

Schedules 1 and 2 agreed to.

Section 4 agreed to.

Long title agreed to.

The Convener: That ends stage 2 consideration of the bill. I was expecting my first stage 2 as convener to be more demanding than that, but there we go.

I thank the minister and his officials for joining us.

Stewart Stevenson: Thank you, convener.

16:16

Meeting continued in private until 16:48.

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