



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

Tuesday 16 March 2010

Session 3

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TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE
7th Meeting 2010, Session 3

CONVENER

*Patrick Harvie (Glasgow) (Green)

DEPUTY CONVENER

*Cathy Peattie (Falkirk East) (Lab)

COMMITTEE MEMBERS

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

COMMITTEE SUBSTITUTES

Alasdair Allan (Western Isles) (SNP)
Murdo Fraser (Mid Scotland and Fife) (Con)
David Stewart (Highlands and Islands) (Lab)
Jim Tolson (Dunfermline West) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Stewart Stevenson (Minister for Transport, Infrastructure and Climate Change)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

Committee Room 2

Scottish Parliament

Transport, Infrastructure and Climate Change Committee

Tuesday 16 March 2010

[The Convener opened the meeting at 14:00]

Decision on Taking Business in Private

The Convener (Patrick Harvie): Good afternoon everyone and welcome to this, the seventh meeting this year of the Transport, Infrastructure and Climate Change Committee. I record apologies from Alex Johnstone.

We have six items on the agenda, the first of which is a proposal to take item 4 in private. I remind members that we previously agreed to take items 5 and 6 in private. Do members agree also to take item 4 in private?

Members indicated agreement.

Subordinate Legislation

National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2010 (Draft)

14:00

The Convener: Under items 2 and 3, we will deal with an affirmative Scottish statutory instrument. Under item 2, the minister will be invited to make some remarks and we will have some time for discussion, following which we will move to item 3, which is the formal debate on the motion on the draft order.

I welcome the Minister for Transport, Infrastructure and Climate Change, Stewart Stevenson, and his officials: Gordon Hanning is head of the concessionary travel and integrated ticketing unit, Alastair Mitchell is head of the bus and taxi policy branch and Jonathan Pryce is director of transport.

The draft order is laid under the affirmative procedure, which means that Parliament must approve it before its provisions can come into force. I invite the minister to make some opening remarks before we invite questions from committee members.

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): For clarity and good order, I draw it to the attention of committee members that I am a card holder under the scheme that we are discussing.

The draft order sets the capped level of funding for the scheme and amends the reimbursement rate to 67p in the pound for the average adult fare. The order also introduces changes in the information that operators must provide. From the day when the order comes into effect, the shadow fare will be the required method of claiming reimbursement.

When the scheme was established in 2006, the previous Administration had the good sense to build into the agreement with the Confederation of Passenger Transport the requirement that there be a review at three years, at which point it would be possible to evidence the benefits that had accrued as a result of moving from local schemes to an all-encompassing national scheme, and to flag up any issues of concern or ambiguities. As you will be aware, the review was duly completed and the report published in May last year. A number of issues surfaced. There were particular concerns that the reimbursement rate might be higher than it should be. The accompanying research supported that view, although the industry was not entirely convinced. However, it

was clear that there was an absence of data to support or justify maintaining the current rate.

In light of the initial research and in recognition of the split in opinion, the review recommended that further work be undertaken. That was commissioned and completed in good time for the new reimbursement rate to be introduced for the new year. The Scottish Government commissioned an independent consultancy, the institute for transport studies at the University of Leeds, to carry out the work in consultation with the Scottish bus industry. The analysis by ITS, which took into account all the information that was supplied by the CPT, informed the decision that is before the committee today, on the basis that bus companies are no better and no worse off through participation in the scheme.

We have taken the opportunity to calculate the capped level of funding for the next three financial years, responding to the industry's request for stability. That takes account of the extension of the scheme to include injured service personnel and veterans under the age of 60, who join the scheme on 1 April 2011.

The shadow fare is a further recommendation from the review, and it is important for working with the integrated ticketing technology that will come into full operation at the end of this month. The shadow fare helps to tackle fraudulent activity and provides for accurate payment and forecasting by Transport Scotland, and it gives us data about usage of the scheme, which will generally help and inform bus route planning.

I am happy to take questions.

Charlie Gordon (Glasgow Cathcart) (Lab): I ask the minister or his officials to say a little bit more about the shadow fare's operation on the ground. As I understand it, the concession holder will board a bus and use their swipe card. I note that the introduction of the shadow fare is tied to the introduction of the modern swipe card system. Then what happens? Can you tell the committee about the mechanics of a typical journey?

Stewart Stevenson: A number of operators have issued tickets that entitle them to recoup the standard fare for the route. In future, people will get on the bus and use their card. Strictly, it is not a swipe card system but a pad. The card conforms to the ITSO standard—it is a standard card, the use of which has been established elsewhere. The passenger will state their destination, like any other passenger, and will be issued a ticket showing that destination.

A matter of concern has been raised. I have received a lot of correspondence from people across Scotland who thought that the absence of a stated destination or, in some cases, the stating of a destination that was the end of the route meant

that bus companies were not behaving in a proper manner. Actually, they were operating entirely within the scheme.

The capture of the data means that a proportion of the standard fare for the route will be set—67p in the pound, if the committee and Parliament agree to the draft order. Although the data are available, they are depersonalised. We and Transport Scotland do not need to know who the individual card holders are, and we will not know. However, we will see the data relating to the journeys concerned. That will be hugely helpful in addressing some of the concerns that the public have raised and, more fundamentally, it will give a clear, unambiguous audit trail, which will enable us to monitor those very operators who have, in our view, misused the scheme to date.

Cathy Peattie (Falkirk East) (Lab): The commencement date is 1 April 2010. Is that realistic to enable smooth running from one system to the other?

Stewart Stevenson: Yes. We met representatives of the Confederation of Passenger Transport on a number of occasions. The planning for implementation on 1 April is well in hand. The last of the readers for buses are being introduced simultaneously. About 80 per cent of buses already operate with card readers, and we expect the remaining 20 per cent of readers to be in place. The industry is ready for that schedule.

Cathy Peattie: Will card holders need to renew their cards? Will there be a system to change their cards? Will they use the cards that they already use?

Stewart Stevenson: The cards that are already being used are ITSO cards. That was one of the good decisions that was made at the outset. Do not ask me what ITSO stands for; I cannot remember, although I should know—it is an international standard card.

Card expiry dates vary. If someone wishes to know the basis on which that is determined, I can go into it. I know that mine expires at the end of 2011, for example. No reissue of cards is required for any aspect of the scheme—the cards were issued with automated reading in mind. There is therefore no issue.

Alison McInnes (North East Scotland) (LD): As an interested outsider to your negotiations, it seemed to me that the process was long and drawn out. I am interested in what barriers you came up against and whether there was full agreement, for example between the CPT and the Government, in drawing up the specification for the independent consultancy that you spoke about.

Stewart Stevenson: Yes, we consulted the CPT and agreed the specification for the study. It is proper to devote a reasonable amount of time to such matters, which are important to the bus industry. My officials met the CPT fairly regularly, and Mr Swinney and I sat down with people from all the major bus companies and the CPT to conclude and to bring forward the proposals that we are discussing. From the outset, we always wished to introduce the measures on 1 April, although members will notice that under article 2(4) there is a slightly convoluted formula relating to the first year of the three years for which the figure is set. That is just to provide for the date of implementation being not 1 April but perhaps 7 April. However, 1 April has always been the date that we, jointly, have been aiming for.

Alison McInnes: You have driven down the reimbursement rate and perhaps driven quite a hard bargain. That is looking after the public pound, but are you clear that the measures will not impact on fare-paying passengers?

Stewart Stevenson: In parallel with the process, we have increased the funding for the bus service operators grant, which until now has been administered by the Department for Transport, but which from 1 April will be administered by Transport Scotland. That will have no practical effect, but that is one of the changes. There has been no associated parliamentary process, although we have pointed out the changes. We have given certainty on the BSOG for three years and increased the funding by about 10 per cent. One reason why we did that was that the BSOG is very much focused on keeping the wheels turning on bus routes, whereas the concessionary scheme is about rewarding bus companies for carrying individual passengers.

Alison McInnes is correct—we have delivered a fair bargain. We should remember that the original figure contained a part to cover the costs of changing bus companies' systems to accommodate the recharge and other issues. On a no better, no worse basis, the figure that we have arrived at is a good one. By increasing the BSOG, we have sought to protect route mileage to the maximum possible extent. At the end of the day, what matters to passengers is actually having a bus on which they can travel.

The Convener: I have a quick final question. You highlighted the decision by the previous Administration to get the technology right, which has allowed the current measures. Are you satisfied that we are taking a similarly far-sighted approach and thinking about what might happen in future in integrating smart ticketing between trains and buses? ScotRail is installing readers and machines in stations and looking to pilot them. Are you satisfied that we will have an integrated

system that will allow people to use one card in both systems?

Stewart Stevenson: You will observe on the train ticket machines that have the new reader on the front of them and a little red light that the screen has the ITSO logo, which shows that the same card standard is used on the rail network as on the bus network. The whole point of the card and the standard is that it is possible to load up a series of applications in the memory of a single card, including commercial applications. The ITSO card was therefore a good choice. It is a well-established system throughout the world and it will enable us to develop the ITSO technology in a number of travel situations. One can even imagine at some future point—although we are not actively engaged in this—people carrying small sums of money on their cards, very much as members do with our parliamentary passes, so that they can buy their newspaper before they get on the bus and travel to work.

The Convener: That brings us to the end of item 2.

Item 3 is formal consideration of motion S3M-5850.

Motion moved,

That the Transport, Infrastructure and Climate Change Committee recommends that the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2010 be approved.—[*Stewart Stevenson.*]

Motion agreed to.

The Convener: The committee will report to Parliament on the result of the debate. I thank the minister and his colleagues for joining us. We now move into private for the remainder of the meeting.

14:15

Meeting continued in private until 15:35.

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