The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

FORTH CROSSING BILL COMMITTEE

Wednesday 14 April 2010

Session 3

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FORTH CROSSING BILL COMMITTEE
7th Meeting 2010, Session 3

CONVENER

*Jackson Carlaw (West of Scotland) (Con)

DEPUTY CONVENER

*Hugh O'Donnell (Central Scotland) (LD)

COMMITTEE MEMBERS

*Joe FitzPatrick (Dundee West) (SNP)
*David Stewart (Highlands and Islands) (Lab)

*attended

THE FOLLOWING GAVE EVIDENCE:

Frazer Henderson (Transport Scotland)
John Howison (Transport Scotland)
Stewart Stevenson (Minister for Transport, Infrastructure and Climate Change)

CLERK TO THE COMMITTEE

Sarah Robertson

LOCATION

Committee Room 3

Scottish Parliament

Forth Crossing Bill Committee

Wednesday 14 April 2010

[The Convener *opened the meeting at 10:30*]

Decisions on Taking Business in Private

The Convener (Jackson Carlaw): Good morning and welcome to the seventh meeting of the Forth Crossing Bill Committee. We start—as all these meetings invariably start—with a request for all pagers, mobile phones and BlackBerrys to be switched off to ensure that they do not interfere with the pyrotechnics.

Item 1 is to consider whether to take in private item 5, which is preliminary consideration of objections. As standing orders make clear, this is one of the committee's roles at stage 1. Our decisions on objections will be published in our stage 1 report. Given the need for a full discussion, I am minded to take the item in private. Are colleagues agreed?

Members *indicated agreement.*

The Convener: In a similar vein, item 2 is about consideration of our draft stage 1 report. I suggest that, for reasons that are similar to those I have just outlined, we consider the report in private. Are colleagues minded to accept that recommendation?

Members *indicated agreement.*

Forth Crossing Bill: Stage 1

10:31

The Convener: We welcome to our main proceedings, and I wish a very good morning to, Stewart Stevenson, the Minister for Transport, Infrastructure and Climate Change, who is accompanied by Transport Scotland representatives, two of whom—John Howison, the interim project director, and Frazer Henderson, the bill manager—we have been pleased to have with us before. I believe that we are welcoming Sharon Fairweather, who is Transport Scotland's director of finance, to the committee for the first time.

Over the past few weeks, we have been considering various aspects of the bill and have heard from a wide range of people and organisations. It is time that we brought all that together to raise various points with the minister. If it is okay, minister, we will move straight to questions. [*Interruption*.] My first question will probably accommodate the silent request that you have just made for a general opening statement. I ask you to trust me on that.

Each committee member will lead on a separate area of questions. David Stewart will ask about the bill's finance aspects, Joe FitzPatrick will look at issues arising from the code of construction practice, and Hugh O'Donnell will consider questions relating to public transport and issues that might arise beyond the building of the bridge. My questions relate to the scheme itself. From the bill documentation and evidence that has been presented over several weeks, we gather that there is an urgency to the project that appears to have affected many aspects of the lead-up to the bill's introduction. The impetus for the project has clearly come from the condition of the existing Forth road bridge, so I thought that it would be interesting to hear your comments about the planning of the project and the thinking behind the timeframes. You might wish to accompany that with any other general opening remarks that you might wish to make.

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Thank you very much, convener. It is a pleasure to be with the committee at last.

I want to say one thing up front, as a courtesy to the committee; John Howison's title is interim project director and I want to make you aware that the project director's name will be publicised tomorrow. I would have preferred to have given you that information today but, alas and alack, I am unable to do so for reasons of timing. I want to do the committee that courtesy because it is

important that we seek to work with the committee to whatever extent we can.

As far as the convener's question is concerned, I should perhaps reiterate what the committee has already heard. The bridge, which was designed in 1958 and opened for business in 1964, was expected to have a 100-year design life. In the event, it is clear that deterioration has taken place that will affect that lifespan. It is also clear that we have further work to do to understand the pace of that deterioration. However, the important thing that drives the timetable for the bill is the realisation that we will not be able, whatever we are able to do to investigate the deterioration of the existing bridge, to undo that deterioration. It may well be possible to reduce the pace at which the deterioration occurs, but it will not be possible to undo it. Therefore, information that will come to hand in future reports on monitoring of the bridge's condition will merely tell us how steeply the graph of deterioration runs down the page; it will not tell us that the bridge will return to the position in its life that would have been expected after some 46 years of the likely 100 years. Our addressing the structural and operational problems that exist is therefore a compelling matter.

It is also worth reminding ourselves that the amount of traffic that crosses the bridge is of the order of twice its design capacity. It is therefore clear that the bridge has significant issues.

The timescale to which we are working is based on the possibility that it may be necessary to remove the traffic that does the most damage and creates the greatest load on the bridge—heavy goods vehicles—in 2016-17; indeed, there is a high probability that that will be necessary. We have always worked on the basis that we need to deliver the replacement capacity across the Forth within that timescale. Essentially, that is what has driven us.

We have looked at bridges around the world, and the conclusion that has been reached is that the build time for the new bridge will be five and a half years or so. That will be confirmed when we receive bids, of course. There is significant road construction associated with the new bridge, but that is not as time critical. The bottom line is that the building of the bridge is the critical path.

We have to go through the process of gaining the authority to build the bridge through the bill while project works are started in parallel. In an ideal world, that would not be done, but the approach is driven by the need to have the bridge in place. A number of things that we have done have been driven by the pressing need to deliver the replacement capacity within the timescale that I have mentioned.

I am happy to take further more detailed questions.

The Convener: I am not trying to introduce a note of complacency on the part of the committee, but it is interesting that we have heard from the Forth Estuary Transport Authority that the envelope, or window, has perhaps opened slightly. I suppose that my question is difficult for politicians to answer. Given that the background information was, in a sense, potentially more dramatic when the project commenced, would the Government and politicians have regarded having the construction in place as being just as time critical as is now envisaged if we had been slightly more open to the idea that the remedial works, which are under way, may have extended things a bit further?

Stewart Stevenson: We certainly do not know at the moment that any remedial works will deliver a better outcome. I must go back to what we know. We know that we cannot sensibly undo the deterioration that has happened. Furthermore, even if, for example, we stop the rusting in the cables we will not necessarily stop further mechanical breakages of the cables. The deterioration of every strand of cable cannot be examined in detail, and there is rusting and pitting on the cables that cannot properly be undone.

I have been made aware of the debate in engineering circles about safety margins. The safety margin that we currently work with on the Forth crossing is level 2. At level 1, the load on the bridge is such that it will collapse, so we are working at half that level. Typically, a safety margin of 2.4 is used in the United States—we are running at the tighter margin of 2. The current load on the bridge is 2.1, so we are very close to the maximum load that the bridge can sensibly take—and that is in an environment in which there are some unknowns about the bridge's load-carrying capacity.

Many things have happened since the road bridge opened in 1964. Heavy goods vehicles are much heavier than they were and the damage that is done to road surfaces and hence to bridges by them is related to the cube of their axle weight—and axle weights have risen over the period. Lots of changes across the transport network have a particular relevance to what is happening on the road bridge.

Even if we imagine that the dehumidification and other actions that have been taking place stop in its tracks the deterioration of the cables, and we therefore took our foot off the accelerator—although there are still issues to consider in terms of the anchorages and deterioration of the joints on the pillars—we would still be left with no option, should the outcome be other than the most optimistic one. It is clear that we must continue to

make best progress. Otherwise, future generations of the people whom we serve will not thank us.

I cannot help but consider what happened with the Severn road bridge, which has similar load capacity and opened over broadly the same timeframe. When the design point of about 30,000 vehicles a day was reached on the Severn, the building of a second bridge was set in motion. For reasons that we need not bother to explore, it was decided in Scotland not to do the same. Now, we are approaching the convergence of need with the capacity of the Forth road bridge. We do not have the luxurious position that applied at the Severn estuary, where the additional capacity was built at a time when there was much more flexibility in the choices that could be made. I do not believe that we have much flexibility here, at all.

The Convener: I have a number of questions—although I can combine them—about the way in which the project has been perceived by the public. A moment ago, although you did not specifically say it, you highlighted what are essentially three separate projects: the infrastructure on the two sides of the Forth, and the bridge itself. Do you feel that the public have fully appreciated and absorbed the fact that the project encompasses all those separate components?

On the need for the new bridge, a number of people have asked why the existing bridge cannot be repaired because they understand that that is possible. Witnesses have brought to our attention the impracticality of repairing the bridge while continuing to use it. Some people have concluded, in essence, that we are spending all this money to build a new bridge so that we can repair the old one.

Could the information that has been given out and the exaggeration of concerns on the part of some members of the public have been handled differently and better? Has that factor arisen from the time-critical component of the project? It is strange that people who have been immediately adjacent to the project seem to be unaware of what I would characterise as basic and straightforward reasons for the Government's conclusion that the new crossing is necessary.

10:45

Stewart Stevenson: I suspect that we will never undertake a project from which we cannot learn lessons to apply to future projects. That is the nature of engineering and, indeed, of politics. When we consider how decisions have turned out, we will always be able to fine tune our approach in similar future occasions.

Turning to how the project has been tackled, there has been substantial engagement with the community and with people who have expressed an interest in the project. That engagement continues and will continue throughout the life of the project. One issue on which we perhaps did not get the message across early enough was the cost of the bridge. The cost of the project is very much in people's minds. Let us for the sake of argument say that the cost of the project is £2 billion, which is a substantial sum of money. However, as the Finance Committee teased out in its deliberations, and as it stated in paragraph 8 of its report on the bill, the cost of the bridge is £543 million. Some of the criticism has been about why it will cost £2 billion to build the bridge when the Øresund bridge at Copenhagen cost only whatever it cost. Of course, that comparison is between the cost of the project and the cost of a bridge. We probably did not get the message across quickly enough on that, but there is now broader understanding.

The Convener: Why do you think that there is broader understanding? The committee still finds, even at this stage, that the perception is very much that the cost is £2 billion for a bridge. I am not persuaded that there is widespread appreciation that the cost is for completion of everything that needs to be done, rather than for just the bridge.

Stewart Stevenson: I do not suggest that we have miraculously got that into the mind of every person who takes an interest in the project—I absolutely accept that we have not. I merely make the point that, although we as politicians are in essence communicators—I happen to be an engineer, but I am a software engineer and certainly not a bridge engineer—that is probably an area in which we did not quite get the message across early enough.

We face the issue that there are, inevitably, still champions of other solutions who will pursue their own agendas. We have had engagement with communities, stakeholders and the local councils at ministerial level and at official level in the project team. That engagement has been far and away greater than I have seen in other major projects in which we have been engaged in the period for which I have been a minister, which is coming up to three years. We will continue that engagement. We have had exhibitions and huge numbers of meetings with various people, including individuals whose interests are affected by the project. We will continue to do that.

The convener is right that what has stuck in people's minds is that it is a £2 billion bridge, whereas it is actually a £2 billion project, in which £543 million will be for the bridge, as the Finance Committee said.

The Convener: As a final point in the opening questions, I will ask about what some people have

referred to as the missing M9 link. I asked Mr Howison about that on one occasion and he was remarkably candid—I do not know whether I caught him off guard. I will put the same question to you. Imagine that the bridge has been built. Gosh! That will be in 2015 but, for the grace of the question, let us assume that you are crossing it in the ministerial limousine from the other side of the water from Edinburgh. You come across to the other end of the bridge and you want to go west. What do you do? Do you follow the prescribed route that takes you round or do you plague the citizens of Newton with your police escort and limousine being driven straight down their high street?

Stewart Stevenson: I admire the vividness of your imagination, convener. At various levels, the police escort has so far been denied me.

The Convener: The question assumes that you have been in government for several years. By then, such things might well be necessary.

Stewart Stevenson: Indeed. Let us return to sober consideration of the issues. I will say, however, that I see the bridges more often from the rail bridge than from the ministerial limousine.

The bottom line is the ultimate destination. It is interesting that, when I go in the ministerial limousine from Bathgate to Linlithgow, I find that drivers frequently go via Newbridge—they use the motorway and go along the M8 and turn up the M9 because, although the distance is greater, the time is less. Drivers' decisions are influenced by time and distance. It is clear that a significant amount of westbound traffic goes along the A904 through Newton. People will make different choices because of the availability of the connection to the M9—the introduction at junction 1A of the ability to travel to the M9 and to travel west.

The design of junctions has substantially exercised engineers in the project, and it has engaged ministers. Indeed, the Cabinet pored over the designs of junctions at one point. A different approach that did not use junction 1A would have created design difficulties for part of the M9, because of the number of junctions and connections. The most sensible solution was to use the recently opened replacement for the A8000, which comes down from the existing bridge, and to improve connectivity at junction 1A, adjacent to Kirkliston. That also provides the opportunity for traffic that currently comes off the bridge and travels west through Newton to use the motorway network.

The Convener: The estimated cost of the M9 link was originally about £140 million. I am interested in how that figure arose. Was that the ultimate determining factor?

Stewart Stevenson: The cost was a consideration, but it was not the sole consideration. Significant environmental issues are associated with building a new road, so they were also considerations. Contrary to what some people think, the link would almost certainly have affected the private interests and amenity of more people than would use a bit of road that already exists. In connecting the road from the new bridge to the recently opened link road from the existing bridge to the M9, we follow the line of an existing road slightly further south, so the environmental impact of the choice that we have made is substantially less.

The £140 million does not necessarily include optimism bias, for example. A variety of issues are involved, such as watercourse crossings, road crossings and rail crossings—the Dalmeny chord is an issue. I am sorry—we should not get bogged down in that; I am trying to think of what the map looks like and I am slightly failing.

The Convener: We have touched on people in Newton. Transport Scotland told us that it has discussed how to minimise undesirable traffic flow along the route. Do you expect to pursue that?

Stewart Stevenson: Yes. The local authority is responsible for the road, so we are working with West Lothian Council. The road through Newton is heavily used. Among the matters in which the council is interested, and which we will discuss with it, are ways of slowing the traffic—of controlling traffic speed through Newton. That will directly benefit the village and will be a disincentive to traffic to prefer that route to the route that takes it to the M9.

Hugh O'Donnell (Central Scotland) (LD): You referred to the 46-year history of the existing bridge. It was designed with the intention that its life would be 100 years. Acknowledging that advances in technology have taken place and that 20:20 hindsight is always perfect, how can we be reasonably sure that, in 46 years, another Scottish Parliament committee will not be sitting here debating yet another hybrid bill for another bridge or crossing, and that we will not end up with a series of crossings marching down the Forth estuary at ever-increasing cost? What assurances do we have about that?

You mentioned speed restrictions in Newton. Is it more beneficial for the community of Newton to have fast traffic moving through the village, or to have slow traffic polluting the atmosphere in the village even more?

Stewart Stevenson: The speed limit in the centre of Newton is 30mph. To the west of Newton, on the stretch that approaches the junction at the hamlet of Woodend—it is barely a hamlet; I think that it has about eight houses—

Hugh O'Donnell: It is a blink.

Stewart Stevenson: —the speed limit is 40mph. The issue is more to do with ensuring that the traffic that goes through Newton obeys and is held down to the speed limit. Of course, that is an enforcement issue and is a matter for the police to deal with. It is not inconceivable that the discussions with West Lothian Council will conclude that the speed limit should be other than the current speed limit, but it is not for me to anticipate that one way or the other. Certainly, the important thing to focus on is ensuring that the speed limit is obeyed. My personal observation is that the levels of obedience of the traffic coming from the west and hitting the 40mph speed limit at Woodend are modest. Our focus should be on ensuring that the speed limits are obeyed. We will work in conjunction with West Lothian Council on what the speed limits should be.

Your question was leading me to talk about environmental pollution. If the traffic is free flowing, there will be little difference in the speed-related pollution. In fact, if the speed limit comes down, the CO_2 and other pollutants that are being emitted for each mile that is travelled will reduce, but not to any material extent. There would be real pollution if the traffic was static, but I do not think that it has been drawn to my attention that that is currently a particular problem in Newton, and we are not doing anything that is likely to make it a problem. We are engaged with West Lothian Council and will continue to work with it on that subject.

Your point about the future of the bridge is perfectly fair. It is important to explain that part of the discussion between the engineers and the ministerial decision makers was about the maintainability of the bridge. On a suspension bridge, everything depends on the quality of the single, albeit complex, structure that is the cable and on the deterioration of that cable. We cannot choose to replace a few strands in the cable; it is all or nothing. Furthermore, there are huge complications with anchorages. As I understand it, and I am sure people will leap on me if I explain this wrongly, the tower would have to be raised, and a second cable would have to be taken over the top and restrung, but there would be huge problems about where the anchorages would go because they would have to go beyond the existing anchorages, and it is not at all certain that there are sites suitable for that. The issue of repairing the existing bridge is fraught with uncertainty at the moment. Of course, more work would have to be done on that.

11:00

The advantage of a cable-stayed bridge is that individual cables can be replaced if deterioration of cables is the issue. That is quicker and, because cables could be taken out one at a time, as a series of cables radiate down from the tower, the other carriageway would not necessarily have to be closed. It is nice to imagine that we could replace the cable on one side of the Forth road bridge and keep the other side open, but in reality that cannot be done because of the associated engineering stresses, loads and traffic volumes. Part of the discussion between engineers and ministers was about the maintainability of the bridge.

The second point to make is about the lessons that have been learned in bridge design and operation as a result of what has happened on the Forth road bridge and other bridges around the world—I think that similar problems have been encountered in Japan. It is now realised that the cables need to be treated in a different way to prevent the corrosion from happening. It was not imagined that corrosion would occur. If one were to build a suspension bridge today, one would do so in a different way, which would give a much higher level of certainty that the deterioration that we are confronted with would not occur. Is there an absolute guarantee that any bridge that we construct now will last the predicted 100 years? Of course not—life is not like that.

However, our understanding of what makes a bridge maintainable and able to serve out its full life has been substantially enhanced. Engineers tell me that the Forth rail bridge will last for ever. The reason for that, they say, is that every component of it can be replaced. I suspect that that is probably not absolutely true and that it may be an oversimplification. Of course, the Forth rail bridge was grossly overengineered on the back of the Tay bridge disaster, which led to a radical reappraisal of how to build rail bridges. A similar reappraisal of how to build road bridges is taking place on the back of the deterioration that we have seen in the Forth road bridge and other bridges around the world.

Joe FitzPatrick (Dundee West) (SNP): You mentioned the safety margin of the existing bridge with its current load of 2.1. If that load is taken off the bridge and put on to the new bridge and is replaced by public transport, as is proposed, what will the safety margin be? By how much will it improve?

Stewart Stevenson: In a sense, I am being asked two questions. The first is about what safety margin we would operate to. We would almost certainly prefer to operate to a safety margin of 2.4. The second is about what the load will be. I am saying that, at present, the safety margin is 2 and the load is 2.1. I do not think that we can give you that number, but we know that the removal from the bridge of the HGVs and the private

vehicles means that the load will be very distant from the safety margin.

I have been advised that we will return to the safety margin of the original design, which was 2.4. I do not think that we know what the load will be. If you really want that information, we can seek to work it out. It is clear that the load will be very distant from the safety margin.

Joe FitzPatrick: That information would be useful in helping people to understand how the bridge might have a safety margin of 2.4 in the future, even if the deterioration continues.

Stewart Stevenson: I have been passed a note with the word "insignificant" on it.

So that I do not mislead the committee, I want to make it clear that there is no absolute guarantee that the bridge, with that reduced load, will necessarily last its 100 years, because we do not know about the deterioration, which comes from several sources. The traffic that goes across it—the load—causes mechanical deterioration. It is clear that we will relieve it of that through change of use. However, the corrosion that is continuing is a different matter and is relatively unaffected by whatever load is on the bridge. It may or may not be possible to stop all of the corrosion that affects the potential lifespan of the bridge. It is like everything in engineering—there is not always a straightforward, one-sentence answer.

The Convener: Thank you. I now ask David Stewart to take us forward on the financial issues that the committee has been exploring.

David Stewart (Highlands and Islands) (Lab): As the minister will know, one huge issue that has been raised in evidence is cost. That is understandable, as the Forth crossing will be the largest public sector contract since devolution. There are concerns about cost overruns, which we have all had experience of since devolution, with the Parliament building and the Edinburgh trams project being two examples.

In evidence that we took from your officials, we identified a couple of issues linked to cost overruns that we should be aware of. The first issue is materials as, if I understood correctly the evidence that we were given, the inflation rate for materials tends to be higher than the retail prices index. The second issue is inflation, which we all grapple with—not least the Bank of England and the Chancellor of the Exchequer. These things are difficult to deal with, particularly in a long-term project. You also touched on optimism bias in your earlier answers.

I have a couple of caveats once you have given us a brief answer, but could you focus on that huge issue? It is extremely difficult, and I realise that you do not have a crystal ball. I received one piece of evidence from a colleague who said, in a rather tongue-in-cheek manner, that the only public sector project that was ever on time and on budget was the pyramids—and I suggest that the labour costs were a bit less than you will experience in this project. Perhaps you can deal with a few of those issues.

Stewart Stevenson: We perhaps have our attention more closely drawn to the projects that have difficulties than we do to those that are successful. For example, the upper Forth crossing came in ahead of time and on budget—the project was initiated by the previous Administration, so I make no particular political point. The M74 is also likely to come in ahead of timetable; we had a slight setback with the bad weather over the winter, but that ate into how far we were ahead of schedule rather than anything else. The M80 looks as if it will be on schedule, and the contract that we have with Network Rail for the Airdrie to Bathgate railway line is such that I have no expectation of overruns. I accept, of course, that those projects have shorter timescales.

Officials have told you that we will carry some of the risk of material cost inflation. You rightly identified that inflation for material prices tends to be higher although, in recent times, with the cut in demand for both cement and steel, the cost of those two key raw materials has reduced. We know that events can change things, though, and I can give the committee a broad example. Members will be aware that, during the winter, every country throughout Europe with the exception of Sweden found that it needed much more salt for its roads—and the only reason why the Swedes did not was that it was too cold and they could not use salt on their roads. The price of salt therefore went up from £20 to £70 a tonne, because the relationship between the demand and supply changed. Part of our consideration of the price of raw materials is an assessment of demand and supply, which we will take into account.

In our projects, we try to lock down as many of the costs as we can. We have done that successfully in recent major projects, albeit that those projects are not as big as the Forth crossing—that said, it is only three or four times the size of the M74 project, which we expect to deliver. It is clear that we have paid close attention to the issues. At this stage, we have not signed the contract so we have not confirmed what the costs derived from it will be.

I know that the Finance Committee has taken a close interest in how we will keep the Parliament engaged in the costs. One thing that will help is that the project will be identified in the budget as a level 3 item, so it will be on a separate budget line. We have been reporting to the Transport,

Infrastructure and Climate Change Committee on the project every six months. When we get to the point of engaging contractors, we will make a statement to the Parliament to explain what the costs will look like in that context. There is a series of ways in which we will seek to manage, monitor and report on the risk.

I have just been reminded that making the project a level 3 item in the budget means that we will need to come to the Parliament if it changes. That is an important consequence of choosing that approach to presenting the project in our accounts.

David Stewart: Thank you for that comprehensive reply. If I understand correctly from previous evidence on what the final cost of the project will be—I accept that it is difficult to be clear about that—an outturn figure of 4 per cent above tender was quoted. If I remember correctly, there is a range of costs of up to £2.3 billion. If my rough maths are correct, there could therefore be an overspend of £92 million. Do you know, or can you provide in written evidence to the committee, the average outturn relative to tender for public sector contracts since devolution? You have given us a few examples in which it has been less, but I would be interested to know the average percentage. Is 4 per cent above tender realistic or is the average higher than that?

Stewart Stevenson: For roads, it is about 3 to 4 per cent. If we are to answer the question, it is important for us to be clear about what you are asking, so I invite you to refine the question. It might be misleading if we reported on the Parliament building, for example, which was not a Government project but was of a different character. We will give you the information that you want, but I suspect that what you would find most useful is the average for comparable projects involving roads, perhaps railways, and bridges. Is that what you are after?

David Stewart: I realise that you will not want a rogue poll as far as the Parliament building is concerned. I would be interested if you could provide a comparable average for roads and bridges.

Stewart Stevenson: We will certainly do that. It might be worth while for me to say that I will be entirely content if the margin of error is 4 per cent, and especially so if it is less than that.

David Stewart: At what stage do you intend to inform the Parliament of the outcome of the tender process?

Stewart Stevenson: We expect to ask for a slot to make a statement to the Parliament as soon as we have completed the tender process and selected the contractor. We expect to get the bids in spring 2011, so the statement will be made at an appropriate time after that.

I am being told that we should be able to make the announcement in spring 2011.

David Stewart: Are you disappointed that there are only two bidders? I accept that there are consortia involved, which include, from memory, eight companies. There has been widespread speculation about the range of costs for the project, but we will not get a project cost under your minimum range. Are you disappointed that more companies did not bid for this huge project so that we could get a much better view of how we could reduce the cost of the project to the taxpayer?

Stewart Stevenson: I have not given up on somebody bidding under the range. I say that in the context that the Irish Government has apparently had bids under its range. At present, there is pretty intense competition for major projects.

In a project of such complexity and size and one that has diverse parts, having two tenderers is a good response. I spoke at a gathering when we first engaged with the contracting industry and the room was so full that there were people standing at the back of it. A very large number of companies were present, many of which are now reflected in the consortia that we have before us. I think that there will be intense competition for the contract to build the bridge. If we had three tenderers, would we have a better competition? Of course, we would. Nevertheless, we are quite clear that having two will create the competitive tension that we require to deliver both the detailed input that a bidder will bring on how they can bear down on costs and deliver time advantage to us and an economically valuable response.

11:15

David Stewart: I repeat a question that I put to John Swinney. Is it normal practice for public sector road or bridge contracts to have an unsuccessful bidder premium? I think that, in this case, the maximum premium is £10 million.

Stewart Stevenson: The situation is far from unique. It happened for the tube in London, for which there was a big compensation payment. I return to what I said in my preliminary remarks about the fact that, in this case, we are engaging with the contractors in advance of having the parliamentary authority to proceed with the project. Although there is generally no huge belief that the Parliament will refuse to allow the project to proceed, there is still risk associated with our not yet having the authority to build the bridge. Providing a relatively small amount of money, which will be only a proportion of the audited costs

of bidding—we will not pay out unless we can see that costs have been incurred—has been key in promoting the bidding process and keeping it moving forward well over a year ahead of having the authority to build the bridge.

David Stewart: If you do not have the information in front of you, will you identify in writing what other Scottish projects since devolution have had an unsuccessful bidder premium?

Stewart Stevenson: There have been others, and we will.

David Stewart: Thank you for that. The reason that you have given for the unsuccessful bidder premium is the potential risk in the project. If my arithmetic is correct, 127 MSPs in the Parliament have supported the project and only two have objected to it. To me, that does not seem an element of risk that is worth £10 million of taxpayers' money.

Stewart Stevenson: I am not saying that the risk is very great—I accept what you say. As I have said on every occasion that I have been asked the question by commercial companies, stakeholders and members of the Scottish Parliament, I do not view the parliamentary risk as substantial. Nonetheless, it is perfectly proper for bidders to look at the process and not have quite that degree of certainty. For a start, the very existence of the parliamentary process, which is being run by the committee, creates a risk of change, delay and legal challenge to the whole process, which may yet come through. A series of risks will exist in the minds of contractors who might bid for the project. We are providing both an assurance and an insurance to them. It is an assurance that we are committed to the project and an insurance that will provide limited financial cover for any costs that are incurred if the project does not proceed in the form for which they were bidding. We are not signing a blank cheque, as a series of conditions must be met. An offer to build the bridge must be made by the tenderer, which must remain valid for a period, and so on. It is not a blank cheque.

David Stewart: Some critics would say that taxpayers are in effect featherbedding construction companies at a time when, as you have said, the market is much more competitive. Why should the taxpayer provide a no-risk strategy for a consortium of construction firms?

Stewart Stevenson: At the end of the day, a bid will seek to recover all the costs that the bidder expends. It will contain an element of risk pricing associated with any uncertain issues, and it will of course contain a profit for the contractor. If contractors are not certain about where a project is going and whether it will go forward, one part of the risk is increased. It is quite likely that the prices that would be bid in circumstances in which the Government did not exhibit confidence in a project going forward would exceed what we are putting on the table at the outset.

Can I state with absolute certainty that that is the case? Will it be possible to prove it one way or the other afterwards? Probably not. However, you have to look at it in that way because any contractor will consider the risks that they are taking and will seek to price their bid accordingly. It goes all the way back to the finance system. In the operation of their business, the bidders inevitably depend to some extent on borrowing from banks. Banks, in assessing the interest rates that they want to charge people, consider the risks that are being undertaken by the companies to which they are lending. If the banks assess that the risks are higher in one set of circumstances than in another, they will increase the rate at which they lend money to the companies concerned.

We regularly engage on the subject of risk. In the M74 contract, for example, there was a substantial difference of view about one particular part of the geophysical risks associated with the construction of the project. Transport Scotland advised ministers, and we agreed that we would keep some of the risk back on our books. I do not want to give false certainty about the number but, from memory, we kept back about £20 million of risk. As a result, we got a much lower price from the bidder. We turned out to be right.

Distributing risk to different parties to a contract is a complex process, but we are confident that taking this particular element of risk at this early stage, when we do not have authority, is the economically sensible thing to do.

David Stewart: You would accept that the committee must also consider the risk to the taxpayer. That is partly what my question is about—the cost overrun.

Stewart Stevenson: It is 100 per cent proper and expected that the committee will pursue those matters with vigour. I very much welcome that engagement because it helps us to understand what we are doing, too.

David Stewart: We will move on to technical issues to do with phasing of capital expenditure. If I understand evidence given to the Transport, Infrastructure and Climate Change Committee, the phasing of expenditure is such that there will be a maximum capital spend in one year of £350 million. Will you confirm the approach that you will take? How will that impact on other capital projects such as local authority and health projects? Will you confirm evidence given to the Finance Committee that, at its peak, that phasing will represent 13 per cent of the capital budget?

Stewart Stevenson: Yes. Our expectation is that it will be 13 per cent. Of course, we have to be slightly cautious in the sense that we do not know absolutely what capital spending will be available to us. We are entering the spending review period. That percentage is our understanding as of this moment.

The key thing is that we have had extensive discussions with finance colleagues about how we can plan to control the cash flow. As I said in my opening remarks, the bridge construction is the longest component of the project. The building of roads gives us the flexibility to move around in the timetable and hence control the cash flow in a way that smoothes the curve and keeps us within the cap to which you referred.

David Stewart: I will move on to another technical issue—I am conscious of your time, too, minister. What approach to accounting and audit is proposed, particularly in light of Eurostat and international standards, which were mentioned in the Finance Committee when it discussed the matter?

Stewart Stevenson: We are subject to international financial reporting standards. In that sense, this is no different from anything else that we do. We are obviously subject to scrutiny by Parliament. It will probably be regarded as broadly helpful that, by making the project level 3, we allow Parliament to exercise more direct control over it than if it were at a lower level in our books. The Auditor General for Scotland will, of course, take a close interest in the project. The project team will examine the contractor costs throughout the construction period, which we normally do. The detail of the costs will appear on Transport Scotland's balance sheets and the Scottish Government's consolidated balance sheet. Of course, once the bridge is constructed, we will deal with it in exactly the same way as our other assets in terms of depreciation, or impairment, which is the Government's name for it—it is not the term that I used when I was in business, but there we are.

David Stewart: Thank you. I turn to one of the most important financial issues, which is the nature of the funding. The project has been funded by a capital approach and not by a public-private-partnership or non-profit-distributing model. I understand that Transport Scotland favoured option B, which was the NPD/PPP approach, as it offered best value for money. Will you comment on that?

I will roll up a few more questions. What was the Scottish Futures Trust's role? I know that that was referred to in the Finance Committee. Will you tell us a bit more about the review that it is planning in 2011? Again, that was referred to in the Finance Committee.

Stewart Stevenson: Sorry—I missed that.

David Stewart: At the Finance Committee, it was mentioned that the Scottish Futures Trust will review the method of capital funding in 2011.

Finally, will you tell the committee a bit more about the market testing that was done to decide the best way of funding the bridge and road construction?

Stewart Stevenson: We have taken quite a pragmatic view—indeed, we take such a view in our approach to projects generally. We looked at a wide range of options. It might be illuminating to look at how we tackled the M80 project, which was in course when we came into office. The funding approach that was taken was a PPP approach. As members are aware, we believe that an NPD model offers better value for money, so we looked at whether it was appropriate to change course on that project. We established that the NPD model would reduce costs, but, crucially, it would introduce a delay into the procurement by taking the finance part of the project back to the beginning and the cost of that delay would exceed the savings in the finance reduction. Therefore, we proceeded with the PPP project for the M80. In looking at how decisions are made, the value that must be attributed to time cannot be discounted.

The addition of a funding package to this project would be likely to increase its length by 18 months or perhaps as much as two years, which, in a time-constrained project, is fundamental. At the point when we were considering this—I return to the M80 project—there was a very difficult environment for raising substantial amounts of money from the private sector or the European Investment Bank. I cannot go into the detail for commercial reasons, but there were substantial difficulties around that time with prospective lenders departing from consortia and others having to be found. It was clear—to a substantial extent, it remains clear—that the very large sums of money that were involved would present a considerable challenge in the financial markets, where there is much less capacity to provide capital than there was previously.

11:30

Of course, for smaller projects for which we are using the NPD model, such as the Waverley railway line, the sums of money that are required are available in the market. However, it is open to question whether the sums of money that are required for the Forth crossing project are currently available in the market. Certainly, at the point at which we had to make the important decisions, it was unambiguously the case that they were not.

We could go back and revisit the decision, but we could not do so without substantially extending the timeline for the project.

Of course, in big-picture terms, you benefit your cash flow by going and borrowing the money, but you impact your revenue, because you have to pay for the borrowing of money. Therefore, given that we have accumulated PPP repayments that are now approaching £1 billion, there are limits to the extent to which we can simply keep borrowing money, because all that that does is transfer the burden into our revenue costs in a way that consumes an increasing proportion of our revenue and starts to affect the operation of the health service, the education system and all the other services that Government has to provide.

We have identified the fact that, challenging though it is, we have the capital capacity within our programme to do what needs to be done, particularly—to refer to matters that we discussed earlier—if we manage the profile of when we need to draw on the funds. It would be extremely helpful if we had more powers to raise our own taxation and make our own decisions about that. It would also be helpful if the Treasury would allow us to draw forward future spending to create more capacity in our capital programme. We will continue to engage on that but, so far, we are not allowed to do that. However, we have the money to do what is proposed.

David Stewart: You did not answer the questions about the role of the Scottish Futures Trust and the review in 2011.

Stewart Stevenson: I beg your pardon. The Scottish Futures Trust has assisted us in examining the finance issues. We will continue to benefit from its input. It provides key stage reviews to the project board and the external assistance that comes from the body will be of considerable value to us.

David Stewart: And market testing?

Stewart Stevenson: Do you want to say anything about that, John?

John Howison (Transport Scotland): Market testing of what?

David Stewart: Of comparable capital projects for the Forth crossing. What different methods will best serve the purpose?

Stewart Stevenson: I will answer that, if I may. When we were considering the matter, I think that I am right in saying that we had six options before us. It is worth remembering that, at the stage when we had to make the decisions, the change to the IFRS was part of our considerations. At that point, it was clear that we would not be able to transfer the spend off balance sheet by borrowing money; we would merely raise the costs.

Under financial reporting standard 17 and the accounting regimes that preceded IFRS, PPP and private borrowing enabled Government to take spend off its balance sheet, which reduced the impact on the ability to carry out other capital projects. Under IFRS, until comparatively recently, the advice from the Treasury was that the spend would have to be on balance sheet. That means that, although you had been able to source the capital elsewhere, your ability to spend capital expenditure nonetheless reduced by the amount that you had borrowed, which meant that, under IFRS, there was not the advantage of getting things off balance sheet that had previously existed for PPP/PFI projects. Eventually, long after we had committed ourselves to an approach—and at the point at which a change of approach would have introduced a delay of 18 months to two years, causing difficulties for the project and, due to the increased time, raising its cost—the view was taken, based on a rule that the Treasury introduced in the 1950s, that the spend would be on balance sheet but that that would not affect our ability to access the full capital expenditure.

The rules changed, but I return to the fundamental point about whether, at any point when we were making decisions, there was money available out there to fund the project. The judgment was informed quite substantially and dramatically for us by the difficulties that we had in borrowing the comparatively modest amount of money for the M80. We do not believe that things have changed to the extent that it would be easy to get the money that is out there. There has been no market testing on that particular issue, because of the context in which the decision was made. However, working with the Scottish Futures Trust, we tested the various models that could be adopted for the project against other projects in the United Kingdom and elsewhere.

David Stewart: Thank you, minister. I have a couple of quick questions; I know that other members want to ask questions, too.

Stewart Stevenson: I am enjoying this—keep going.

Hugh O'Donnell: That is not necessarily what we want to hear.

David Stewart: We have had a lot of evidence about costs. With regard to the bridge in particular, and considering international examples, can you quickly outline the evidence that you have taken to ensure that both the bridge and the road network are comparable with equivalent projects in the UK and around the world? I realise that there is perhaps no such thing as an equivalent bridge project, but I ask the question nevertheless.

Stewart Stevenson: I will start with the road network, because we have an on-going history of

building roads. We seek on a fairly regular basis the answer to the question, "What should a motorway cost per kilometre?" If the motorway in question is the M74, which runs through a densely populated urban area and requires bridges to be built across railways and roads, and complex junctions, the answer is one figure. If, on the other hand, it is the M80, which is a much more straightforward road, the answer is a different figure. It must be accepted that we have good experience in building a variety of different roads, which means that we have been able to make comparisons with our work on the current project.

Our consultants have considered the costs of bridges, as well as roads, and we have got auditors to check whether we are paying the right price. We have also looked at other bridges around the world. We are working with the figure of £543 million that the Finance Committee has provided, and it is clear that that is broadly comparable with the cost of similar bridges elsewhere.

David Stewart: The route is part of the trans-European network, which—as you know—I have raised with your officials in the past. There is trans-European network transport funding available; the key is to try to get funding that does not impact only on the taxpayer. Every pound from Europe, if you can get that money, is a pound less that you are taking from the taxpayer. I understand that you have made applications for funding that were unsuccessful. It seems strange that Europe has not considered funding the project.

Are you considering further applications for funding? Have you approached the European regional development fund? The answer to my previous question seemed to be that the project is not in an eligible area, but it is a national Scottish infrastructure project, so the specific area should not be a huge issue. Have you identified any other sources of funding to reduce the hit on the taxpayer?

Stewart Stevenson: You are correct that we made two applications for TEN-T funding. Our last bid was against an overall available total of €80 million, of which we might have got a small proportion. Given the overall finance that is required for the project, although it is always nice to get some money from outside, such funding is not decisive one way or the other. Essentially, the European Union said that our project was a good project and a good bid, but it concluded that the project does not have European implications. That was the basis on which our bid was unsuccessful. Therefore, I think that our gaining access to TEN-T funding is a rather distant prospect.

On ERDF, we are in the same kind of ballpark. We have prepared a couple of bids for ERDF moneys—of course, there is a cost associated with preparing bids—but we have been disappointed. However, we are now quite clear that we must fund the project from our own resources.

David Stewart: My final question arises from the UK Treasury budget document, "Budget 2010: Securing the recovery", which makes reference to the strategy for national infrastructure, under which Infrastructure UK will

"commission an investigation into the cost of civil engineering works for major infrastructure projects in the UK".

Has there been any contact between the Scottish Government and the UK Treasury about that piece of work? What is the context of that for Scotland?

Stewart Stevenson: We are not aware of any contact having been made with us about that.

David Stewart: Would the Scottish Government consider initiating that contact?

Stewart Stevenson: We work very closely, both at official level and—to a greater extent than the media perhaps appreciate—at ministerial level with people in the Westminster village. We will continue to do that.

David Stewart: My final final point relates to the code of construction practice, which Joe FitzPatrick will also ask about. I understand that a ceiling of £10 million has been placed on compensation for objectors. From having put this point to officials previously, I know that there is an issue with identifying the total by value, but we have had 89 objections. From my perspective on the issue, £10 million seems an incredibly modest sum of funds. Might that have financial implications for the funding of the bridge? In my view, £10 million sounds incredibly conservative.

Stewart Stevenson: That figure is an indication, not a ceiling.

David Stewart: So the £10 million is not a ceiling. On that note, I pass back to the convener.

The Convener: Joe FitzPatrick will now lead on questions on the code of construction practice.

Joe FitzPatrick: From the evidence received, to say that the local authorities are a bit cheesed off about their exclusion from the day-to-day monitoring of the code of construction practice would be a slight understatement. Why was it decided not to give the local authorities day-to-day involvement in the monitoring of the construction work? We understand that discussions about that were on-going with the local authorities. How have those discussions proceeded?

Stewart Stevenson: We continue to have those discussions, which we have not completed at this stage. We expect to be able to reach an agreed

position that protects both the project and the interests of the local authorities.

It is worth saying that the councils involved—the bridge touches different local authorities at either end and also affects the interests of West Lothian, which is adjacent to where the bridge lands on the south—have a variety of different ways of implementing the various regulations, such as those on noise. We seek, and expect, to have an agreed consistent single approach so that, for example, we do not have different approaches at either end of the bridge. That is the basis of our discussions with the councils.

Joe FitzPatrick: The code of construction practice was also the subject of comments from the objectors, especially those who live on the south side of the proposed bridge. They are concerned about the independence of an employer's representative and would prefer an independent monitoring officer, as per the Airdrie to Bathgate scheme. Could that still be considered? What sort of costs would be associated with having an independent monitoring officer?

11:45

Stewart Stevenson: The employer's representative can direct the contractors, whereas the independent person cannot. That fundamental difference might lead one to a certain view of the employer's representative.

Frazer Henderson has volunteered to expand on this quite technical issue.

Frazer Henderson (Transport Scotland): One significant point is that the employer's representative will in fact be the project director to whom the minister referred earlier. As this is a contract between the Scottish ministers and the contractor, the project director, not some independent monitoring officer, will have the authority to influence it.

As we have said in correspondence to the committee, we are aware of the use of an independent monitoring officer in the Airdrie to Bathgate project. One aspect of that role, however, was that it did not duplicate any of the functions of the authorising authority, which, in that case, was Network Rail. As a result, a clear distinction was made with regard to what the monitoring officer really did, which was to review the information presented by the authorising authority and the contractor and communicate those views to others in the local environment.

As the minister has said, we see a clear role for the local authorities. In fact, we had discussions with them on 25 March and will have further discussions again next week. Moreover, we have drawn up a draft memorandum of understanding and draft terms of reference for noise, in particular, with the noise liaison group engaging with Scottish ministers in the role of the employer's representative, the contractor and the local authorities. Those measures in concert will give local authorities the comfort that they require without having to go to the unnecessary expense of employing an independent monitoring officer who would only duplicate many of the employer's representative's functions.

Joe FitzPatrick: It will be fine to have the memorandum of understanding if everything goes fine. However, the public have expressed concern that, at the end of the day, the employer's representative and those who are involved in the project just want to get the bridge built. If something goes wrong and the memorandum of understanding is not being applied properly, who can the public rely on to stand up for them? Is there any point of contact?

Stewart Stevenson: The whole project operates on a legal basis and is subject to regulations and legislation related to health and safety, noise, pollution and so on. The Scottish Environment Protection Agency is also party to it. It is not as if the project is operating in a vacuum or in its own bubble, and the usual legal processes are available to anyone who might be disadvantaged.

However, at the end of the day, we run public projects of this character for the public's benefit and we are subject to all the environmental standards that apply to anyone else. There is also another very direct link. I have had a single week in the past year when I have not had to answer an oral question in Parliament and I absolutely expect it to be the case that, if the usual methods of engagement are not delivering, the matter will land on the person who is ultimately accountable, which is me on behalf of the Government.

Joe FitzPatrick: One of the biggest concerns with regard to the code of construction practice is noise. The noise levels proposed in the code are different from those that would normally have been proposed or which have been proposed in previous private bills. What is the reason for that?

Stewart Stevenson: I am not sure that I recognise that characterisation of the situation. There is a clear legal framework, but different councils approach enforcement in different ways. We are seeking to lay out in the code of construction practice, which is a substantial document—it took me a whole weekend to read an early draft—a consistent basis for the project on that and a wide range of other issues.

Joe FitzPatrick: One of the other areas in which there is a variation is the proposed hours of

work. An argument was made about the need for extended hours of work on the construction of the bridge because of the need to include a travel-to period. Is there a need for extended working hours on the road works, given that there will not be the same travel-to period? Would it be possible to have different agreed working hours for the road works and the bridge works?

John Howison: Any civil engineering on an extended site will involve issues around travelling from one point to the other. The point at which working hours start is not the point at which productive work starts. We want to maximise the amount of time for productive work, because if that is not incorporated into a properly constituted day, the number of years will increase.

Having said that, the issue for the bridge is that there will be island sites and people will have to get to them. Similarly, for the road works, it is likely that the plant will be taken back to the compound and locked up securely each night, so it will have to be moved to and from the compound. At the south of the bridge, the machinery will have to get from the compound along to where it will be doing its work of laying drains and earthworking. On occasion, it might even have to use public roads and one of the advantages of starting early is that we will not have the usual problems that are caused by a JCB trotting along the road at 8 o'clock while everyone is trying to get to work. An early start will give people the opportunity to get to where they should be working before there is an impact on traffic.

Joe FitzPatrick: How can we be sure that the extra time will be used for that and not for actual road works? If the workers are not taking one hour to get to where they are working, how can we be sure that they will not extend the time for which noisy works are being done?

John Howison: One of the issues will be our climate. It is more productive to do such work in daylight, which will largely govern when work is done. Other than that, it is about control and agreement about how operations are carried out. For example, the contractor will have to produce a method statement and an estimate of how much noise will be generated, and that will be part of the information that is submitted for agreement.

Joe FitzPatrick: Might it be possible to write something into the code of construction practice to assure members of the public that there will not be extended periods of working? It is fine to say that we will look at what the constructors propose, but that will not be included in the code of construction practice. Perhaps something should be included in the code to make it clear that the normal expected working hours will not be changed but that the hours will be extended to cover workers getting to work and warming up, which is very different.

Stewart Stevenson: The member is making a point, on behalf of the committee, that we would like to consider. That is not a commitment to a particular response, but the point is well made and we recognise it.

The Convener: That is helpful; we appreciate it. When I was listening to that exchange, I remembered that when Mike Glover spoke to us on the point, a slightly more romantic picture was painted of men being ferried out on the water and sailing through the mists in the early hours to start construction. That is slightly different from JCBs howling up the road at 6 in the morning. Your offer to consider the issue is appreciated, minister.

We come to issues relating to public transport and post-build, on which Hugh O'Donnell will lead the questioning.

Hugh O'Donnell: Before I do that, convener, the minister referred to discussions with the local authorities and letters and memos of understanding. It would be helpful for the committee to have sight of those when they are mutually agreed. They might have a bearing on our subsequent discussions on the code of conduct and other matters relating to it.

Stewart Stevenson: Those documents are not intended to be confidential. They will be available.

Hugh O'Donnell: It would be particularly helpful if they were with us as early as possible. I say that to Transport Scotland in particular.

I have two questions, the first of which is fairly straightforward. If the proposed new bridge is constructed, who will be responsible for its maintenance? What sinking funds are being created for its maintenance? Are there such funds? What role—if any—is planned for the organisation that we currently know as FETA and the staff who are employed by it?

Stewart Stevenson: It is not really possible for the Government to have sinking funds. As you know, we must spend our money in the year in which we have it, although end-year flexibility enables us, under the Treasury's control, to get access to money. The practice in Government has been to pay for things such as maintenance out of current revenue allocations, and I do not see any indication that we will take a different approach in this case.

It would be fair to say that we have not considered in great detail what allocations we might have to make available for maintenance. Of course, we hope that we deliver a bridge that will not require substantial maintenance in its early years.

Stewardship and oversight of the bridge is a more important matter. FETA succeeded the Forth Road Bridge Joint Board, which was the original

establishment. It has been around for about 10 years and is clearly a reservoir of talent and knowledge, and of understanding of the crossing and how to maintain bridges. We will not take decisions on the structures that we may use to manage the bridge for a few years. We have time to discuss that matter later. That said, it is clear that the individuals in FETA who are involved are well placed to provide important support and to co-ordinate the two crossings.

It is expected that, unlike the existing bridge, the new bridge will have a trunk road. That would normally be the direct responsibility of Transport Scotland, as all other trunk roads are. However, we are beginning to explore what would be the appropriate way to manage such a highly specialised crossing.

Hugh O'Donnell: That is useful.

I will make an observation. In light of what we are having to do with the current bridge and the financial implications that are involved—the minister rightly said that there is a revenue issue—there might be value for everyone concerned, and particularly value to the public purse, in developing in discussions on the way forward with the Treasury something similar to a sinking fund or a way of doing things that would mean that whichever Government was in power it would not take a huge hit on its revenue as a result of unforeseen circumstances. However, that is just an aside.

Stewart Stevenson: The Government's political position on control over our own funds is relatively well known and perhaps does not need to be rehearsed here.

Hugh O'Donnell: Indeed.

Public transport, park-and-ride facilities, and the availability of cycling and walking facilities are issues that have been raised extensively, and we have received a variety of responses on them. We know that the public transport strategy generally and public transport in the area in question are separate issues. However, it has been suggested in evidence that we have received from various sources that we would get more bang for our buck if everything was done at the same time. For example, it has been suggested that instead of having park-and-ride facilities and trying to prise people out of their little tin boxes subsequently, there should be facilities from day one, because that would go at least some way to achieving the required public transport usage levels. Can you indicate why that has not been done? Are you still convinced that prising people out of their little boxes on to trains or cycles is possible? You mentioned the trunk road. Why is the multimodal approach still not being considered in the new construction?

12:00

Stewart Stevenson: That is an easy question to answer: when the project first came to me, it had a multimodal component and the price was £4.3 billion. The first presentations to ministers included a third element—providing multimodal support—because of the doubts that existed about whether it would be possible to put light rail on the existing crossing. Because that element had such a huge financial implication for the project, I challenged officials to look into it further. Work was done and it was established that, although the crossing in its present state could not take light rail, it would be possible to adapt it. Doing so would not be desperately cheap, but it would cost less than the £2 billion that we saved by compressing the price. The proposal was not fully costed, but it was so much cheaper that it was clear that using the existing crossing was the right approach.

We have turned our mind to the managed crossing concept. After the completion of the project—I also have something to say about what will happen en route—we will have created a dedicated crossing for public transport, cycling and walking. That is a step change the character of which we have not seen anywhere else on the national road network. It has presented some challenges, because it would be much easier to cut the existing bridge out of the network—the junctions at the north and at the south are more complex as a result of the decision that we have made—but on balance we will achieve it. You asked whether we want to get people out of their little tin boxes. We most certainly do. Public transport cannot support every need, so when the tin boxes do travel, we want them to be full rather than occupied by a single person.

We have two challenges. First, we must determine what park-and-ride facilities we need to provide once we have opened the new crossing. We have identified that we have things to do in that regard. Secondly, we must cover the construction period, when there will be some disruption to use of the existing bridge from road engineering. We expect that we will have to provide a park and ride at Halbeath that is far enough back from the congestion that we would otherwise expect that people will get out of their cars. There is no point in saying that Ferrytoll does the job, because it is right in the middle of the reworking that we are doing. We have already had a number of meetings on the subject. I met councillors from West Lothian, Fife and Edinburgh and members of the south east of Scotland transport partnership on both 29 October 2009 and 19 January 2010 to discuss public transport strategies. The minister and officials are engaging with the issue. Officials have given evidence on

the matter to the Transport, Infrastructure and Climate Change Committee.

It is important to see the issue in two parts. We must have something in place to deal with the effects on the road network of the construction of the new roads and the bridge. We will address that. We also want to ensure that we have park-and-choose facilities that fit well in the environment once we have opened the bridge. We are working on that.

Hugh O'Donnell: With the local authorities.

Stewart Stevenson: Yes.

Hugh O'Donnell: It was not necessarily enunciated in these terms, but part of the fear that I picked up was that the project, nice as it may be, sits in splendid isolation and that, in an era of constricting budgets, perhaps local authorities will pick up liability and the costs for the construction of the park-and-ride facilities that will make the project work to the maximum efficiency and capacity. From what you have said, I understand that you have spoken to local authorities about that, which is encouraging.

Stewart Stevenson: We have not finished speaking to them. We are aware that the effects of major pieces of transport infrastructure can be quite widespread. I will give the committee an example from a meeting that I had yesterday with Strathclyde partnership for transport about the subway in Glasgow. When SPT carried out a survey, it discovered that 400 of the people who used the subway on that day were resident in Fife. When we examine matters more closely, we find that bits of transport infrastructure that we would not necessarily think affect people some distance away can do so. We see the bridge as a piece of infrastructure that will affect people from Inverness, Aberdeen and all points north. It may even affect one or two people from the west.

Hugh O'Donnell: Had the people from Fife come down for a football match?

Stewart Stevenson: No. I asked the same question.

Hugh O'Donnell: I am relieved about that.

The Convener: Slightly earlier than you may have anticipated, minister, we have reached the end of our questions for you. We are grateful to you for the forthright way in which you have answered them. It has been an entertaining morning for us; I hope that it has also been of interest to you. I thank you and the team from Transport Scotland.

Consideration of Late Objection

12:06

The Convener: Item 4 relates to consideration of an objection that was lodged after the objection period closed on 26 January 2010. All members have received a paper that sets out the circumstances that gave rise to the objection. The committee must consider whether it is reasonable for us to consider the objection, whether the objectors had good reason for not lodging it within the objection period and whether they then lodged it timeously. I am minded to accept the case that they have made and to consider the objection.

Members *indicated agreement.*

12:06

Meeting continued in private until 12:28.

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