



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 12 September 2012

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE
13th Meeting 2012, Session 4

CONVENER

*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

DEPUTY CONVENER

*Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)

COMMITTEE MEMBERS

*Malcolm Chisholm (Edinburgh Northern and Leith) (Lab)

*Alex Johnstone (North East Scotland) (Con)

*Gordon MacDonald (Edinburgh Pentlands) (SNP)

*Margaret McCulloch (Central Scotland) (Lab)

*Aileen McLeod (South Scotland) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

David Climie (Transport Scotland)

Bob Irvine (Scottish Government)

Christina Phillips (Scottish Government)

Stephen Rees (Scottish Government)

Lawrence Shackman (Transport Scotland)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

Committee Room 6

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 12 September 2012

[The Convener opened the meeting at 10:30]

Decision on Taking Business in Private

The Convener (Maureen Watt): Good morning everyone. I welcome you to the 13th meeting in 2012 of the Infrastructure and Capital Investment Committee. I remind members to turn off their mobile phones as they affect the broadcasting system.

The first item is to seek the committee's agreement to take item 2 in private. The purpose of that item is to allow the committee and its budget adviser to discuss themes for consideration in its scrutiny of the draft budget 2013-14. Are members agreed?

Members indicated agreement.

10:30

Meeting continued in private.

10:43

Meeting continued in public.

Water Resources (Scotland) Bill: Stage 1

The Convener: I welcome everyone back to public session following the committee's discussion with the budget adviser on the themes for our scrutiny of the draft budget 2013-14.

The committee will now hear its first evidence on the Water Resources (Scotland) Bill from the Scottish Government bill team. The aim of the session is to allow the committee to take an overview of the bill's provisions. The committee will have the opportunity to raise more specific issues or political points when it takes evidence from the Cabinet Secretary for Infrastructure, Investment and Cities in November.

I welcome the witnesses: Christina Phillips is the bill manager in the water industry team, Bob Irvine is the deputy director of the climate change and water industry division, and Stephen Rees is from the Scottish Government's legal directorate. Aileen McLeod, would you like to start?

Aileen McLeod (South Scotland) (SNP): Thank you convener, and good morning to the witnesses. I thank you all for coming to the committee this morning.

Paragraph 2 of the bill's policy memorandum, under the heading of "Policy objectives", states that the bill

"sets a framework to develop the value of Scotland's water resources, Scotland's water knowledge and Scotland's water technology. The successful achievement of this vision will be to the benefit of the people of Scotland and more widely will contribute to the better global management of water, the planet's most precious resource. The increase in the value should be measured widely in economic, environmental and social terms."

On the back of that, can you outline briefly the purpose of the bill? Why is legislation necessary to achieve the bill's aims?

Bob Irvine (Scottish Government): Certainly, and thank you for allowing us to come to the committee this morning.

The statement that you just read out summarises an ambitious and long-term agenda that ministers have created and developed during the past year or so. It covers a number of areas of Government activity. Within it there are economic, environmental, social and research agendas, and it contains many strands. The statement also reflects a wider, global sense of the importance of water as a resource as the world changes and as globalisation and population increases continue to put more pressure on the water resource globally.

Ministers recognise that, relatively speaking, Scotland is in a fortunate position in being a water-rich country. They want to ensure that Scotland's public bodies and private sector come together, properly recognise that fact and work within the developing sense of water as an important resource to maximise our custody and management of water along with the opportunity that it creates. As I said, that is an ambitious and long-term agenda.

Our water environment is very well managed at the moment, and a robust statutory framework provides for that. However, it is not perfect and it needs to be managed, developed and improved. Part of the bill seeks to achieve that.

Scottish Water is very important to the agenda, although not exclusively. During the past 10 years, it has performed very well in its core functions of providing drinking water and managing waste water. We can clarify Scottish Water's functions in a number of areas and, on the basis of its success in those functions, we can challenge it to develop further into other areas and expand its activity. The bill provides a basis for Scottish Water to do that.

The wider agenda of creating the sense of a hydro nation, which is in the first section of the bill, is perhaps the part of the proposed legislation that responds most directly and critically to the statement of objectives. Why is it necessary for that to be achieved through legislation? Ministers want to heighten the sense of the importance of the agenda and the level of challenge within it. They also want to be able to bring together public agencies and other bodies that have a contribution to make, in order to work very hard to work out how best to take forward the agenda, to develop a plan of action and to identify how we can successfully convert Scotland into something that can credibly be described as a hydro nation.

That is what the first part of the bill does, through giving ministers the obligation to work hard on that objective, through giving them powers to direct relevant public agencies to participate in that activity and—perhaps most importantly—through giving them an obligation to report in a formal sense to Parliament about the progress in the activities on a three-year horizon.

Aileen McLeod: Will you describe the level and nature of the consultation that took place prior to the publication of the bill?

Bob Irvine: As is reported in the policy memorandum and other documents, there were two formal consultations on the development of this agenda. The most recent was in February this year. It set out a more detailed conception of a number of the activities under the hydro nation agenda, and it presented some of the draft

sections. The outcome of that consultation is summarised in the policy memorandum.

Broadly speaking, the same representations and comments were gathered in both the consultation exercises. Ministers were encouraged by the number of responses, which were received from more than just the tight set of stakeholders in the water industry, such as Scottish Water and the Scottish Environment Protection Agency. That confirmed to ministers that there was a sense among people of what is trying to be achieved.

The comments that were received broadly supported the general thought that Scotland can make more of being a water-rich or water-fortunate country. There was also a recognition that there is more that Scottish Water can do, and a request that, as Scottish Water pushes into areas of activity beyond its core functions, care must be taken not to compromise the successful operation of those core functions, which are vital to the health and wellbeing of Scotland.

I know that the committee has received a number of comments on the bill, which reflect some of the points that were raised in the Government's consultation but go into more detail on specific provisions, now that those provisions are available. We are more than happy to discuss some of the implications of those comments if that helps the committee.

Aileen McLeod: You have touched on some of the issues that were raised by respondents. Could you tell us about any other key issues that were raised and state how they were addressed in the bill?

Bob Irvine: One significant comment concerned the definition of value as it is expressed in the bill and whether that is simply about economic and financial value. There was a concern on the part of those who are engaged in environmental activities that such an interpretation of the concept of value would be unnecessarily narrow and might compromise other objectives.

Generally speaking, ministers accept that point and do not see the term "value" in this context as solely limited to financial value. We wish to make it clear that the term embraces the environmental benefits relating to the water environment and the social aspects.

There were issues about the extent to which Scottish Water, as a public body that is supported through Government lending, might be in a preferential position in certain marketplaces, particularly if it goes into renewable energy. We fully recognise that issue. Ministers have no intention or will to put Scottish Water in a preferential market position. Indeed, their expectation is that Scottish Water should make a proper economic return in whatever areas it

engages in. The energy sector is subject to its own form of regulation, so if other players are concerned about Scottish Water's activities they can make appropriate representations. However, ministers are clear in their transactions with Scottish Water that they are not subsidising it to go into other areas.

The other side of that issue is the extent to which customers of Scottish Water might be exposed to risk in the areas of non-core activity. One of the minor provisions in the bill clarifies the distinction between core and non-core activities, with the objective of protecting customers from exposure to such risks. We would not expect Scottish Water to take an unduly risky approach to future activities and investment. Certainly, the present board and executive team are prudent and wise in their approach to commercial activities. It will be for ministers to ensure that Scottish Water maintains that approach.

There were comments on the environmental and business issues. The commentary on the social aspects recognised that Scotland can actually make a contribution in wider areas by supporting places where water is a real problem, particularly in the developing world. Ministers' announcement in June of the climate justice fund begins to enable that. Much of the commentary was about whether we can actually do something, but that does not necessarily affect the way in which the bill is drafted. That issue requires ministers to show what they can do and how they will take forward some of the statements that they have made in relation to the hydro agenda.

Aileen McLeod: Thank you for that detailed response.

Margaret McCulloch (Central Scotland) (Lab): Consumer Focus Scotland has told the committee that the benefits of the proposals in the bill to consumers are unclear. How will consumers actually benefit from the proposals?

Bob Irvine: The first point is to ensure that consumers are not disbenefited or are not exposed to undue risks as a result of Scottish Water going into other areas. A provision in the bill, and ministers' general instructions to Scottish Water, will achieve that.

11:00

A significant distinction is made in the bill between Scottish Water's core activities and its non-core activities. It is not ministers' intention for the non-core activities to be subsidised with profits that are made through the core business. In the fullness of time, if the non-core business is seriously profitable and it delivers significant returns to Scottish Water, that should, in theory, benefit customers as those funds can be made

available for Scottish Water to invest in improving its core service. That will largely be for ministers to determine in looking at Scottish Water's improvement needs in its sewerage and water supply networks, and also the financial requirements alongside the determination of charges. If Scottish Water is successful in its non-core activities, it should be equally successful in its core activities and continue to improve both the level of service that it offers customers and value for money.

There is also a slightly more abstract concept about how customers can benefit. If part of the agenda is about raising Scotland's international profile and encouraging Scottish Water to display itself and work abroad in other areas, that should enhance its skills levels and expose it to more innovative pressures and practices, which it can bring back to the running of its business. We hope that there will be an efficiency gain from that. I do not know how big it will be, but it would be interesting for the committee to explore those possibilities with Scottish Water as and when it comes before you later in the process.

Margaret McCulloch: The committee has heard concerns that the duty that is placed on the Scottish ministers in section 1 focuses too much on developing water resources for economic purposes and does not include sufficient mention of environmental and social factors. Will you respond to those concerns?

Bob Irvine: I tried to address that in responding to Aileen McLeod earlier, and I am not sure that I can add to that. To some extent, it is a legal issue about how we describe value. Ministers will declare that their conception of value goes wider than financial value and they will look to secure, through the various activities that they stimulate and facilitate in the agenda, things that are of environmental and social benefit. Stephen Rees might want to comment on the legal aspect of that.

Stephen Rees (Scottish Government): Section 1 provides that ministers are to take steps to ensure the development of the value of Scotland's water resources in ways that are sustainable, and value is defined as "economic and other benefit", which clearly encompasses social and environmental concerns. The words "environmental" and "social" do not appear in the definition of value, and we could argue about whether those words should appear from a presentational perspective, but the legal effect is clear that value encompasses a broader range of things than purely economic value.

Margaret McCulloch: Does the bill provide that Scottish Water is accountable for adhering to the laws on pollution? An article in *The Herald* at the weekend stated that, for two years, a number of sewage works and plants and the organic

recycling facility at Cumbernauld have been repeat offenders. Is there anything in the bill that will make Scottish Water accountable and ensure that that stops?

Bob Irvine: No, that is not the subject of the bill. Those activities are already subject to close control by SEPA and are all subject to what are known as CAR—controlled activities regulations—licences under the Water Environment and Water Services (Scotland) Act 2003.

The reporting to which you referred notes that there are instances in which things such as allowed emissions are exceeded. Many of those instances are because of reasons that are predicted and understood by Scottish Water and SEPA. Although they are of concern to the environment, they are not a concern from a governance or accountability point of view. Some of them reflect failures of systems or managerial control, and those are pursued. Where it is considered appropriate, SEPA will take enforcement action that can actually lead to prosecution and the involvement of the drinking water quality regulator.

That legislative framework is pretty secure and is continually reviewed. A proposal is emerging about better regulations to tighten up and modernise some aspects of SEPA's interaction with the parties that it controls. Although some failures are inevitable given the facts of life, we would hope that such failures are not significant in the future. I know that the committee will ask SEPA for evidence, so there might be an issue that you want to explore with it. However, Scottish Water is fully accountable and takes such things extremely seriously.

The Convener: We will get into that detail next week when SEPA comes to give evidence.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): Who owns Scotland's water?

Bob Irvine: Do you want the short answer or the long answer?

Stephen Rees: I can try to answer.

Bob Irvine: Stephen is itching to answer, but he will have to be very itchy for a moment as I will put the ball in play.

It all depends which water you are talking about and what you mean by ownership. If someone has a bit of land that has something such as a loch circumscribed within it, they would be deemed to own it. Other people may have certain rights in relation to it, whether conferred through a SEPA authorisation or whether the landowner allows people to fish or boat in it. The trickiest question is who owns flowing water. Not even the institutes of Justinian of 2,000 years ago pulled off a conclusive answer to that.

Stephen Rees: The position is not entirely clear. As Bob Irvine alluded to, it varies depending on the circumstances. Very broadly, running water is generally not owned but is, as Bob said, subject to rights that prevent people from doing anything that detrimentally affects the water that flows past those people downstream of them.

For other bodies of water, such as stagnant water and lochs, the position depends on the surrounding land ownership. The circumstances where there is ownership as opposed to an exclusive right to use the water are unclear. It is a complex patchwork of legal principles that we have inherited over the centuries. It is probably more properly the subject of a university thesis, rather than a presentation from me just now.

Adam Ingram: Can it be regarded as a public good?

Stephen Rees: In a sense, the reason why much of the water in the water environment in its natural state is not owned is that it is seen as something that is common to all and for the benefit of all. Therefore, it cannot be appropriated by one person, unless they extract it in a container and take it away.

Adam Ingram: I ask those questions because of the definition of value. How we develop the value of Scotland's water resources is at the core of the bill's purpose. That value is not, of course, just for this generation; it is for future generations as well.

Perhaps the lack of a definition beyond the water's economic value concerns, for example, the centre for water law, policy and science, which argues that there should be an overriding concern for the protection of the water environment and that the fundamental underlying principle is that we should take an "ecosystems approach". Perhaps we should return to that issue in future witness sessions.

Bob Irvine: I would certainly encourage you to do that.

In response to your first point, the Water Environment and Water Services (Scotland) Act 2003, which is known to those who like to joke about such things as the WEWS act, applies in all water board areas in Scotland, and ownership is not an issue. The priority of the sustainable management of water bodies in Scotland through that act is clear and cuts across ownership. You might infer from that that water is regarded as a public good. You might also infer from the rights that Scottish Water is given in relation to its ability to abstract and define areas of ground for drinking water and the controls and management systems that have to be put in place as a result that the water in those areas is to be regarded as a public

good—that is, accessible for a defined public purpose.

As Stephen Rees said, many university students are busting their brains on aspects of that issue. I do not know whether you will take evidence from the centre for water law, policy and science, but I am sure that you would have an interesting discussion with it.

If there is a serious point that requires to be addressed and can be addressed only through some legislative means, ministers will be more than willing to consider it seriously. As you say, the issue is very close to the purpose that ministers have set out in the agenda.

Stephen Rees: The bill provides that the value of water resources

“includes the economic and other benefit deriving from the use of (or any activities in relation to) them.”

In that, there is the idea of the use of the water, which can be separate from ownership of it. People can have a right to use water without necessarily owning it. Value can accrue in that way.

The Convener: We are taking evidence from the centre for water law, policy and science on 24 October, and we will also visit it in Dundee, probably on 25 September.

Bob Irvine: Excellent.

Adam Ingram: Obviously, we can return to those issues then.

On an unrelated point, section 3 of the bill lists a number of designated bodies that the Scottish ministers may direct to develop Scotland's water resource. What types of direction could ministers give to the designated bodies? Why would that be necessary?

11:15

Bob Irvine: Directions are used sparingly by ministers, but they are used if it is necessary to define a very specific set of activities or purposes for an agency or body. The point of putting the power in the bill is to confirm ministers' seriousness of purpose and their serious wish to have a high level of engagement with those bodies.

It could be possible for a direction to say to one or all of the bodies that they have to engage in specific activities and that they have to have a subsidiary that develops experimental prototypes for gizmos or systems that would assist water management. The purpose of doing that would be to put a ring fence around some of the financial risks that we have spoken about. Ministers might also want to direct some or all of the bodies to engage in areas abroad, whether for humanitarian

reasons or reasons of profit. Potentially, anything within that ambit could be the subject of a direction, if it were consistent with the overall purpose and the other statutory frameworks around those bodies. Ministers have no specific proposition to make a direction at the moment.

Adam Ingram: Nothing in the bill suggests that those directions would be consulted on prior to being made. Why has that consultation stage been omitted?

Stephen Rees: I am not sure that that is correct. I think that section 3—*[Interruption.]*

Sorry, I am incorrect; section 3 is about modifying the list. You are right. My apologies.

Christina Phillips (Scottish Government): We will consider the issue that you raise. We noticed that a few responses to the call for evidence raised the point that some form of consultation would be desirable.

Alex Johnstone (North East Scotland) (Con): Part 2 of the bill concerns control of water abstraction. Why was it felt unnecessary to have a formal consultation on the abstraction proposals?

Bob Irvine: I do not think that it was felt to be unnecessary—it was just that the timescale within which the need for the provision was identified made having a consultation difficult. We engaged with key stakeholders prior to its being developed. From that point of view, it did not come out of the blue. The real answer to the question is that the timetable was against us.

Alex Johnstone: Do you feel that you reached the right stakeholders and that the quality of the interaction was appropriate?

Bob Irvine: I hope that we did. The committee has received additional comments on the provision, and we will consider them carefully. We are interested to hear whether the people from whom the committee will hear in the coming weeks feel that we have that provision in the right space.

We did as much as we could to get the purpose and structure of the provision as clear as possible. From a legal point of view, it is certainly a workable proposition as it stands.

Alex Johnstone: How do the proposed control of water abstraction provisions complement the existing regime under the controlled activities regulations, and why is a new authorisation scheme required for the very large abstractions?

Bob Irvine: The CAR authorisation that is granted by SEPA is narrowly focused on the environmental aspects of any application. “Narrowly” is not quite the right word, but those are the only aspects that SEPA can take into account in awarding an authorisation.

In view of the expanding sense of the importance of the water resource, and given some of the developments that might or might not affect that, ministers wanted the opportunity to consider a wider set of factors in looking at any application for particularly large abstractions. Some of the considerations that they would take into account are listed in the bill.

The aim is to ensure that, if an authorisation for a large abstraction is granted, nothing will be done that would compromise a medium to long-term development that would be difficult to accommodate with that abstraction. That applies particularly if the possibility exists of a developing commodity market in water, in which large amounts might be moved around. There is talk of that, but we shall see whether it is practicable. That is one issue that is at the back of ministers' minds.

Another factor is the wider impact of a very large-scale abstraction locally. The type of abstraction that we are talking about might cause significant disruption from transport, building of pumping stations or whatever. SEPA would not necessarily consider that. Ministers felt that having the additional power was necessary to give them a wider and slightly longer-term perspective on how the water sector is developing.

Alex Johnstone: You have given quite a lot of context for why the provisions are there, but why was the 10 megalitre limit decided on?

Bob Irvine: That was set following discussion with SEPA in particular, on the basis of the range of abstractions that take place. Few existing abstractions are above 10 megalitres; such abstractions are exceptional. If a new one came to Scotland, it would be exceptional. The level might not be right for all time, so the opportunity to vary it exists, but given the exceptional nature of larger abstractions, ministers feel that the size is credible to allow the provision to begin its life.

Alex Johnstone: The submissions that we have received have raised a couple of issues, one of which relates to the abstraction limit. How do you react to the suggestion that the limit should be based on the level of consumption rather than abstraction?

Bob Irvine: We want to look at what people mean by defining the limit through consumption. The exceptions that are given in the bill imply that we are talking about an abstraction that is actually an abstraction and does not involve taking water then spraying it back in. The exemptions provide a way of confirming that. If there is a way of defining a consumptive abstraction beyond that, we would want to look at that. We wish to engage with the representations that have been made on that point in response to the committee's request for

evidence, to see whether there is a better way of dealing with the issue.

Alex Johnstone: Our friends in the Scotch whisky industry would like to be exempted from the abstraction consent regime. What are your views on that request?

Bob Irvine: Again, we want to discuss with the industry exactly why it feels that. Ministers will, of course, always endorse the value to the Scottish economy of the whisky industry and the importance of the water environment to that industry. Ministers may wish to accede to that request but, before they do so, we need to engage with the industry and discuss exactly why it feels that it should be entitled to such an exemption.

Adam Ingram: To follow up on the exemptions, you mentioned the possible development of bulk sales of water, which I think you called commodity trading. Is there anything in the bill that will allow Scottish Water to undertake bulk sales without the say-so of ministers, or is something built into the bill to ensure that that does not happen?

Bob Irvine: If Scottish Water wished to do that, that would be outside its core functions, so the abstraction provision would apply if the abstraction was above the threshold. Other than that and the existing governance arrangements for Scottish Water, through which ministers in effect approve the business plans—that would be a pretty significant activity and would therefore probably be included in the business plan—there is nothing specific in the bill that relates to that activity for Scottish Water.

Adam Ingram: So, under the new exemption regime, the Scottish ministers would have control of any bulk sale in which water was taken out of Scotland.

Bob Irvine: Yes.

The Convener: We move on to Scottish Water's functions.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): Can you explain why the provisions in part 3 are necessary when Scottish Water already successfully provides non-core functions through Scottish Water Horizons?

Bob Irvine: Those provisions are largely for clarification. Stephen Rees might want to comment on that.

Stephen Rees: I am sorry—could you repeat the question, Mr Chisholm?

Malcolm Chisholm: The question is about the non-core function work that Scottish Water Horizons already does. Some people are questioning why the provisions are necessary.

Stephen Rees: Under the existing legislative framework, Scottish Water can engage in activities that are outwith its core functions, provided that that does not compromise its core functions. The purpose of part 3 is to go slightly further than that and to place a proactive obligation on Scottish Water to engage in renewable energy and to use its assets. There will be a slight shift from having the ability to do that to having a proactive obligation to do it.

Malcolm Chisholm: To an extent, you have answered my next question in answering Margaret McCulloch's general question on the issue, but this is specifically about part 3. Will you explain how the provisions in part 3 promote the interests of Scottish Water's customers?

Bob Irvine: I am not sure that I have anything to add to what I said. I can repeat that, and I will perhaps be a bit more successful in summarising the points.

Malcolm Chisholm: The question relates specifically to part 3, but if you feel that you have already answered it, that is fine.

Bob Irvine: The most important bit for customers is section 24, which tightens the distinction between core and non-core functions, which has implications for charging of customers.

Malcolm Chisholm: How do you respond to concerns that the proposals in the bill will have a negative impact on private sector providers of services, because it will enable Scottish Water to invest in services such as waste management? Concerns have been raised about that by some private sector providers.

11:30

Bob Irvine: As I said earlier, it is ministers' expectation that Scottish Water will engage in those activities on properly commercial terms. If ministers need to make that more explicit in anything that they communicate to Scottish Water or report elsewhere, they will do that. At the moment, though, Scottish Water's activities are not compromising or causing concerns in that area. It is a welcome participant, particularly in waste management; indeed, it is leading and stimulating that market. It may have different roles at different times, as those markets develop. However, as I said before, it is not ministers' intention to subsidise Scottish Water, or for customers to subsidise Scottish Water to engage in markets in which it should be operating on properly commercial terms.

Stephen Rees: Some of those concerns may have arisen because of ministers' power to lend to Scottish Water at any rate that ministers choose. In practice, however, ministers would ensure that if

they were lending for non-core activities, they would do so at a commercial rate so as to comply with European Union state-aid competition law. Although those concerns are not explicitly addressed in the bill, ministers have to comply with European law when lending to Scottish Water.

Malcolm Chisholm: Okay. I understand that.

Finally, what evidence does the Scottish Government have that the provisions in part 3 will benefit the Scottish economy?

Bob Irvine: The evidence is rather contingent, is it not? To the extent that Scottish Water is successful in other areas, it will add to Scottish gross domestic product and raise Scotland's profile and influence, which will be to the benefit of Scotland and, potentially, Scotland's customers. Part of the ambition of the hydro nation agenda is to increase the value of the sector to Scotland. It is a sector that is growing in many areas. As we said before, the management of water services is crucial in many developing areas, particularly as populations urbanise. If Scottish Water can contribute to that, and use its expertise and skills, and the skills and expertise that are in our engineering consultancies and many of our academic environments, that will be a significant potential gain for the Scottish economy.

Adam Ingram: We have received evidence criticising Scottish Water in relation to its partnerships with private sector providers. Notably, those submissions argue that by not encouraging Scottish research and development or allowing Scottish expertise to build up, and by going outwith Scotland for research and development and so on, Scottish Water's activities have impacted negatively on the Scottish economy.

In a paper from the Jimmy Reid Foundation, the Cuthberts argued that the way in which the capital investment is financed is dubious, and the returns on capital too great. I think the argument is about excessive profits being made. In terms of developing the value of Scottish Water resources, to what extent will those issues be taken into consideration in the bill or can we develop that while we consider the bill?

Bob Irvine: The bill touches on neither of those issues directly. Scottish Water's charges are regulated according to the statutory framework. There is a clear obligation from the regulator to give the lowest reasonable cost to customers. I imagine that the committee will want to interview the Water Industry Commission. It is my view that Mr and Mrs Cuthbert's concern about the regulatory framework and the regulated asset base does not really apply in Scotland in the terms that they suggest. Scottish Water and the WIC will

be able to give you a more detailed response to that.

On the first point about procurement and so on, the committee will wish to pursue that with Scottish Water. From the minister's point of view, its procurement activity has been progressive and active and it has developed a commendable structure to ensure that local contractors and the local economic contribution are properly regarded in the process. It is true that when it started, for whatever reason, it lacked a certain number of high-level programme management and design skills in particular, so it had to import them. As I have explained before, part of the process is about learning those skills and beginning to take them into the body.

As always, Scottish Water must behave within the context of its own legislation on securing best value, and under European and United Kingdom competition law, which is fairly tight in terms of process and how a body can engage with potential contractors and tenderers. Scottish Water has developed that process during successive investment rounds so it is now quite sophisticated. Although it is inevitably disappointing that not 100 per cent of the required skills or materials are sourced from down the road, our feeling is that as much as is practically possible and consistent with its frameworks and best-value obligations does actually come from Scotland. Indeed, the Scottish Water investment programme is a significant part of the total business of the Scottish construction and engineering sector and will be for the foreseeable future.

Adam Ingram: Thank you for that. It is something that we can pursue, and there will be a bit of overlap with other work that we are doing on public procurement.

Bob Irvine: That would be very helpful.

Gordon MacDonald (Edinburgh Pentlands) (SNP): The bill allows Scottish Water to enter into agreements with owners or occupiers of land with a view to taking action to prevent the deterioration of raw water quality or removing and reducing the need to treat that water. The written evidence that we have received from Scottish Land and Estates argues that Scottish Water should work in partnership with landowners. Why does Scottish Water need powers of entry and inspection when it could work in partnership with landowners?

Bob Irvine: Scottish Water's objective would always be to work in partnership but, for whatever reason, a partnership might not be effective or something might happen in the short term, such as a pollutant activity on a premises that causes a dispute about its origins. The power of entry and inspection is a reserved power. There is no intention to turn Scottish Water into a Stalinist

organisation that knocks down farmers' doors at midnight, but the power is reserved.

It is also necessary to ensure that the partnerships are aware of the seriousness of the purpose behind the provisions, because some of the impacts on raw water are very significant as a result of the costs that are imposed on the public networks to remove them. If there is a better way of managing an issue upstream, as it were, it is in everyone's interest to investigate those options.

This area is developing rapidly and the potential for such an agreement with landowners and land managers or, indeed, other owners of premises is in its infancy. We want to strengthen the ability to develop effective partnerships, new arrangements and new ways of dealing with the issue.

Gordon MacDonald: Are you basically saying that the powers would be used only in the case of emergency when Scottish Water has to get on the ground quickly to resolve a problem?

Bob Irvine: Absolutely. It might help the committee to ask Scottish Water and SEPA—because it is also part of the picture—and the drinking water quality regulator for Scotland about how the partnership approach with landowners is developing and in what circumstances, that they have experienced recently, Scottish Water might want to use the powers.

Gordon MacDonald: It has been argued that SEPA is better placed than Scottish Water to carry out monitoring of raw water quality and that if further monitoring is required, SEPA should have additional resources. Can you explain why the proposed new powers are being given to Scottish Water?

Bob Irvine: It is Scottish Water's responsibility to provide clean, fresh drinking water to standard, so it should have the incentive to seek the least-cost way of doing that. If the least-cost way of doing it is to engage with a landowner, or landowners in a catchment area collectively, and say, "You can do your business in a different way, which means that the pollutant will not come into the system, so that we will not have to invest in machinery, energy and so on to take it out," it is best for Scottish Water to have the incentive to do that. SEPA is a passive monitoring and enforcement agency. A different set of relationships is being stimulated through the provision.

Margaret McCulloch: What impact do you hope the proposals in part 5 will have on licensed providers and their customers?

Bob Irvine: The impact should just be to clarify the arrangements, because there may well currently be doubt about whether a provider can

legitimately charge a new customer in those circumstances.

The Convener: We will move on to the sewerage network. The committee received evidence from several witnesses calling for the proposed powers relating to maintenance of septic tanks to be strengthened to allow Scottish Water to take unilateral action and to require replacement of out-of-date equipment. How do you respond to those calls?

Christina Phillips: That provision is one part of a much broader exercise that is under way between Scottish Water and SEPA to find out whether many septic tanks are not registered. We would be happy to share with the committee other pieces of work that address maintenance of septic tanks, what is happening with them and the broader picture of their management.

There is one very small provision on septic tanks in the bill. Where a group of owners discharge into one septic tank it will not now be necessary for all the owners to give their consent for it to be emptied or maintained. That should make for better maintenance and emptying because at the moment if someone withholds their consent that does not always happen.

11:45

The Convener: Has registration of septic tanks not been working satisfactorily?

Christina Phillips: It has worked, but it is still under way. Septic tanks are being identified and registered during the conveyancing process. Turnover of properties might not happen as quickly as we would like in rural areas so there remains a big piece of work with regard to septic tanks.

The Convener: I am someone who falls within that category. We have all received lots of correspondence and we know that if we want to sell our homes we must have a piece of paper to say that the septic tank has been licensed. Are you saying that that has not really worked and that there still remain lots of septic tanks to be licensed or registered?

Christina Phillips: We know that there are still some that need to be registered and located. Some owners are not contactable or cannot be traced. That is a wider piece of on-going work. Our policy document demonstrates the different actions that are being taken in an attempt to address the issue. I know that the septic tank issue is of particular concern to rural communities.

The Convener: Some tanks might be still perfectly efficient, but may be old concrete tanks rather than plastic tanks. I have visions of Scottish Water saying to owners that they must replace

out-of-date septic tanks. Scottish Water does not even bother because it is too difficult for them to empty some of these tanks. Could it ask a householder who has a concrete tank to replace it on the ground that they do not know whether it is working efficiently?

Christina Phillips: No. We are not stepping on people's rights and responsibilities to maintain and upkeep their septic tanks. SEPA becomes involved if a septic tank is having an impact on the environment. We are certainly not planning any draconian measures to insist that everyone must update to new tanks immediately.

Stephen Rees: The provisions are about empowering owners of communal tanks to take action where perhaps one or two owners are a bit more reluctant to take steps. It is a case of empowering one or several of the common owners to take action to maintain their tank in its current form but to the correct standard and according to the correct procedures in order to avoid discharging inappropriate matter into the environment. So long as the basic requirements on discharge from the tank are met, in accordance with the licence or registration under the control of activities regulations, there is no need to upgrade the type of tank so long as it is maintained to the required standards.

The Convener: Thank you. Finally, Aileen McLeod wishes to ask some questions about water shortage orders.

Aileen McLeod: The committee has received evidence highlighting concerns from domestic customers and major water users such as the Scotch whisky industry about the potential impact of water shortage orders. How often would you expect such orders to be used?

The Convener: A weather forecast is involved.

Bob Irvine: Incredibly, neither ministers nor Scottish Water actually control the weather. I do not think anyone can control the weather.

Such circumstances would be very rare. The existing framework of drought orders has been used only once and it began to rain before the process had been completed. Certain areas are subject to some kind of water stress every year. For instance, no one would have predicted this time last year that the Western Isles would be a particular case this year.

Scottish Water employs a range of activities and actions ahead of actually cutting off supplies and providing stand-pipes, for instance. This framework sets those out. The important aspect for Scottish Water and for customers is to have really clear and early communication if it looks as if something is about to happen. If the reservoirs are struggling at some point in the year, Scottish

Water can give those signals and communicate with customers at the earliest point to advise them on aspects of water use. We do not know how often that will happen. Our weather pattern is changing, so we might expect those orders to be used more often than they were in the past.

An important aspect of revising the provisions is the removal of the word “drought” from the statutory framework. It now talks about “water shortage”, which can occur for reasons other than the fact that it has not rained for three or four months. The real difficulty that English companies had was of having drought orders and hosepipe bans in place while it was slating it down outside this summer. I am not going to say that that would not happen in Scotland, but it is slightly easier, presentationally, to say that we have a water shortage issue even though it is raining, and that we are not responding to an immediate or present drought.

As I say, because of the changing nature of our weather and climate, the procedures may be used more often in the future than they have been used in the past.

Aileen McLeod: What about the impact of any restrictions? How will they be assessed when orders are in force?

Bob Irvine: That will be part of the extended communication between Scottish Water and customers. Knowing where the dialysis patients and the special needs are, and knowing the particular circumstances of industrial or commercial premises and how time sensitive they are to having the water on or off, if that is part of the regime, will be parts of it. Those things do not happen arbitrarily. The point of the statutory framework is to set up a communications and planning framework that will manage such issues.

The Convener: There are no further questions. Thank you very much for the evidence that you have given today. It is very helpful to set the framework for the bill.

I suspend the session briefly to allow a change of witnesses.

11:52

Meeting suspended.

11:54

On resuming—

Forth Replacement Crossing

The Convener: Agenda item 4 is an update on the progress of the Forth replacement crossing project from the Transport Scotland project team. I thank the team for providing a written update in advance of the meeting, which members should have received with their papers. I welcome David Climie and Lawrence Shackman, who are project directors. Malcolm Chisholm will kick off our questions.

Malcolm Chisholm: I have two specific questions, but perhaps the witnesses could start by providing a general update on the progress and timescale of the construction project.

David Climie (Transport Scotland): Certainly. I am pleased to report that, in the six months since we last spoke to you, the project has progressed extremely well on all fronts, particularly on the principal contract. The caissons for the main tower foundations are now in place and the line of the bridge across the Forth can be clearly seen, including where the main towers will be and the approaches on either side.

On the north side, the earthworks for the Ferrytoll embankment have progressed well, and the blasting and removal of rocks from Whinny hill is about 50 per cent complete. The rock from there is being moved to the Ferrytoll embankment to create the new embankment, and that is starting to show clearly where the line of the new road will go.

On the south side, we have made significant progress on the earthworks around the south abutment area, through Echline field and for the South Queensferry interchange. Also, the south satellite office is now in place and is being used for the management of those works on the south side.

On the Fife intelligent transport system contract, the 5 miles of traffic management was removed on time at the end of July, and tonight we will start to install the first of 17 gantries on the M90. Those should all be in place by the end of this month or by early October, although the work is a little weather dependent—it depends on the wind and so on.

In spite of the wet weather that we have had over the past few months, excellent progress has also been made on the M9 junction 1A contract. A lot of the earthworks have now been completed along with the paving work for the new slip-roads on to the M9 going towards Stirling. Similarly, all the beams for the extension to the bridge over the M9 motorway are now in place, as are the beams for the Overton Road bridge. Significant progress

has been made on that front and we are optimistic that that contract will be completed early in the new year.

The contact and education centre, which is the fourth contract of the project, is also progressing extremely well. The structural envelope is now complete and the fitting-out work is moving on inside.

Overall, the project continues to progress on time and on budget, and we expect to have the whole project open by late 2016.

Malcolm Chisholm: That is helpful. The budget is pretty prominent in people's minds, and you say that the project is on budget. That is good news. The range was stated to be between £1.45 billion and £1.6 billion. Do you have any idea where the final cost may lie within that range? If you do not, when might that become a bit clearer?

David Climie: We monitor that on a monthly basis, and the item that changes most regularly is probably the inflation figure. When I reported here six months ago, the rate of inflation was towards the high end of our range. Since then, we have seen a significant downturn in the rate of inflation, which is typical of the global market generally, and the rate of inflation is now running at the low end of the envelope that we predicted. The longer that goes on, the lower is the figure for the baseline cost, which is then inflated further. At the moment, the best indication that we have is that we are still within that overall envelope but tending towards the lower end of it purely because of the way in which inflation is going.

Malcolm Chisholm: Okay. Thanks. You have highlighted what has been going on during the past few months—thanks for that. Can you highlight any key events that are due to occur in the next six months that may be of interest to the Parliament?

David Climie: Certainly. Given the way in which the smaller contracts have been progressing, we expect that the contact and education centre will be fully open to the public by the beginning of 2013. We also expect that the Fife ITS contract and the M9 junction 1A contract will both be completed and fully opened, which will allow bus hard-shoulder running to start operating throughout the scheme.

In addition, on the principal contract, the foundation works—this has been the year of the foundations—will come to a conclusion. In the early part of 2013, we will start to see the main towers coming out of the water. At that point, there will be a significant change in what you see in the progress of the project.

12:00

Aileen McLeod: In the written update that you provided to the committee, you mentioned that a number of community forums were held last month in communities in Rosyth, South Queensferry and Kirkliston. You said:

“At the South Community Forum the issue of localised flooding near to the south compound was discussed”,

following the exceptionally wet weather that we had during June and July. Can you provide the committee with a bit more information about that flooding incident and, in particular, what action has been taken to ensure that it does not reoccur?

David Climie: Certainly. It was extremely unfortunate that the flooding occurred. Lawrence Shackman and then one of my other colleagues visited a couple of the householders who were affected by it, just to see for themselves what had gone on.

As you correctly mentioned, the flooding occurred after a very wet summer. We had some exceptional rain on 18 July when, not just close to the project but in other areas locally, there were a number of flooding incidents, including a landslip on the railway line at Rosyth and some flooding in Limekilns and other areas. Working with the City of Edinburgh Council, we carried out a thorough investigation. When such events occur, it can be the case that a number of contributing factors come together, so we wanted to work with the council to look at the drainage, including the drainage on our site, and at what other reasonable steps we could take to ensure that such an event could not happen again, almost regardless of future conditions. It was an exceptional event, but we had to consider what we could do to prevent a similar event from occurring in the future. Since then, we have put in significant additional drainage work in the fields around the site.

Lawrence, is there anything that you would like to add?

Lawrence Shackman (Transport Scotland): An action plan has been put in place by our contractor to manage rainfall events, including those of high intensity. As David Climie said, a lot more work has been done to mitigate the effect of any future events. A system of pumps is in place in that part of the site. Some quite deep excavations have been formed that can be used as sumps for water events, and moves have been put in play to establish a permanent outfall down towards the Forth, so we are pretty confident that we will be able to manage any similar future event.

Aileen McLeod: Malcolm Chisholm asked you for an update on forthcoming key events. In a previous written update, you said that the permanent contact and education centre remained

on schedule to be completed in autumn 2012. In the most recent update, you say:

“we expect the centre to be fully open to the public from January 2013.”

Is there a reason for the delay?

David Climie: It is not a delay; in effect, it is a phased opening. It is necessary to remember that there are two parts to the building. One part of it is the FRC contact and education centre, but two thirds of it will be the new Traffic Scotland control centre. By the end of November, we expect to have the CEC part of the building ready. We are organising an initial ministerial event, which will tie in with the launch of the bridge-naming process at the end of November, but we do not want to advertise that the CEC is fully open for bookings to the public and so on until January 2013, because we want to wait until work on the traffic control centre element of the building is well advanced.

Aileen McLeod: Thanks very much for that clarification.

How effective do you consider the arrangements for public engagement to be now that the project has been on site for some time? Do you intend to review those arrangements in light of the experience that has been gained to date?

David Climie: It is an area that we keep under constant review. A number of working groups and community forums have been set up, as required by the code of construction practice. We have a feedback loop in all of those to ensure that what we are doing is working and is delivering what was intended in the code of construction practice. The feedback on all the groups that we have had so far has been extremely positive. For example, on the noise liaison group, we had contact from members of the public asking how the feedback worked and how it was taken into account in noise liaison group meetings.

Lawrence went along to a meeting with them to have about an hour's discussion on that, because they had some questions about the 24-hour working on the marine side. We were able to go through that with them and explain to them how any exceedance would be dealt with and reviewed. They were comfortable with that process. They saw that there was a clear process and that all the notes and the minutes of the meetings are being published on the website.

There is that feedback loop, so we are continually monitoring things. An example is the traffic management working group, which initially met monthly. Because significant traffic management was coming up, we increased the frequency to every two weeks. We are being responsive to different areas as the different requirements come into play.

Aileen McLeod: That is good to hear, thank you.

The Convener: David, you mentioned the naming of the new bridge. Has there been a lot of public engagement in terms of making suggestions for the new name?

David Climie: There has been public engagement, some of it a little ahead of the formal process. When it was first announced that there would be a process, a number of suggestions inevitably appeared in the press.

A naming committee has now been appointed—its first meeting, which will be chaired by the transport minister, is on 27 November. Following that meeting, a public announcement will be made about the details of the process and how the public can contribute to it. The intention is that that process will be completed and a new name will be in place by the summer of 2013.

Gordon MacDonald: The refreshed public transport strategy was published on 1 August—can you outline the key changes in the strategy document compared with the one that was published in 2010?

Lawrence Shackman: We have been working well with the local authorities, SEStran and bus operators—we will also be involving Network Rail. As you mentioned, the strategy was refreshed at the beginning of August. Looking at all the options in the Forth corridor, which is essentially Newbridge in the south right up to Halbeath in the north, and how we can influence public transport usage in that corridor, one way is to keep going with the group that we have, which meets every six months—our next meeting is in November.

We will keep reviewing all the aspects, particularly in relation to short-term deliverables or targeted areas such as the Newbridge junction, which seems to be a key potential blockage in the system in terms of bus transit in particular. Now that the refreshed strategy is in place, we can go to the next meeting and look at how we can deliver some of those things in the short, medium and long term.

Gordon MacDonald: You mentioned influencing transport usage. Can you update us on whether any work has been undertaken on possible improvements to the cycle tracks linking the Forth road bridge and Edinburgh?

Lawrence Shackman: Not at this moment in time—it is something that we will look at later with the City of Edinburgh Council. One of the big pluses in terms of public transport since we last gave evidence to the committee is that the contract for the Halbeath park and ride has been awarded and construction has started on site. That is a big positive in terms of being able to take car

traffic off the M90 corridor and put people in buses.

The bus lanes coming into play, both in the Fife ITS and the M9 junction 1A schemes, is a positive aspect. We will be monitoring them to see how much patronage they get.

Gordon MacDonald: The written update refers to a barley field over which the Halbeath park-and-ride project will be built. What has been done to reduce the environmental impact of the construction at the Halbeath site?

Lawrence Shackman: I do not wish to sidestep that too much, but the project is being taken forward by Fife Council. Obviously, the Scottish Government has made a contribution to the park-and-ride site, but Fife Council is taking it forward. I believe that the council will look carefully at any environmental aspect to minimise any disruption to the local farmers and to the travelling public when access is taken off the Crossgates roundabout.

Gordon MacDonald: Okay, thank you.

Margaret McCulloch: Good morning. My question is about subcontractors, suppliers and employees. You indicated in the written update that 60 per cent of the subcontractor opportunities and 87 per cent of the principal contract supply opportunities have gone to Scottish companies. Can you confirm the proportion of the total expenditure on subcontractor and supply opportunities that those figures represent?

David Climie: Yes. In the written update we gave the numbers in terms of quantity, but I can also provide the information about value. For the subcontracts, the amount going to Scottish firms is £31 million, and on the supply orders, the value for Scottish companies is £41 million. That gives a total of £72 million that has been awarded to Scottish firms.

Margaret McCulloch: Thank you. You also indicated that 1,100 people are now working directly on the FRC project. Can you provide a breakdown of who those people are, with an indication of, in particular, how many were previously unemployed and how many are apprentices or trainees?

David Climie: Yes, I can. As you will be aware, we had specific requirements in the principal contract to deliver an annual average target of 45 vocational training places, 21 professional body training places and 46 places for long-term unemployed people. As of the end of August, we have on the site 41 vocational training places, 46 professional body training places and 56 places for long-term unemployed people, which is a grand total of 143. That is what we expected in the early stages. At the moment there is still quite a large focus on design. The professional body training

places are roughly double the target, whereas the vocational training places are just coming up to the annual average number that we expected at this point. As we go forward, we would expect to see the professional numbers dropping and the vocational numbers ramping up and potentially being significantly higher than the target.

Margaret McCulloch: Can you clarify the difference between vocational training and professional body training?

David Climie: Yes. A vocational training place is at a minimum of Scottish vocational qualification level 2. A modern apprenticeship would be at SVQ level 3, so that is a higher level of training. A professional body training place involves someone training to become a chartered engineer, a chartered surveyor or something like that, and therefore a member of a recognised professional body.

Margaret McCulloch: That is lovely—thank you.

The Convener: We will move on to traffic management. Can you summarise the impact of current traffic management measures on journey times and traffic flows?

David Climie: Yes. There are important high-level points to make first. As I said earlier on the Fife ITS project, all the traffic management on the M90 has now been removed, so there is no impact north of the bridge. It will be at least a year or a year and a half before any new traffic management comes on to the main line on the M90 in the Ferrytoll area, so there will be a good break on the north side from impact on travel.

On the south side, obviously we still have in place M9 traffic management and traffic management on the spur. I should flag up that significant paving works on the M9 are coming up and will last for about six weekends, starting at the beginning of October. That will be similar to the work that was carried out on the Fife ITS—I think that we mentioned that at our previous meeting with you. That work was carried out in April and May, when we had significant closures, but it took only two weekends rather than the four that we thought that it might take.

We have taken the lessons learned from that and are feeding them into the M9 junction 1A contractor to try to ensure that the maximum number of weekends that will be affected is six, but we hope that the work will be done in fewer than that. Lawrence Shackman may be able to add something specifically about journey times.

Lawrence Shackman: As David Climie said, junction 1A is the key area of activity at the moment for traffic management. The distances involved, whether people are coming southbound

down the M9 spur approaching the new junction works or from the Stirling direction on the M9, mean that people will have only an extra couple of minutes on their journey time, given that the maximum speed will be 40mph as opposed to 70mph. Obviously, in the mornings people do not normally go at 70mph anyway in that area because it is pretty busy. That is the impact that the works are having at the moment.

As we get towards the end of the year, the traffic management will be lifted. As David Climie said, there will be a period of respite for the travelling public in the area until the principal contract tie-in works start in the south and the more intricate works to construct the new connections around the Ferrytoll junction start in the north.

12:15

The Convener: So the Fife ITS was completed on time and you took off the restrictions when you said that you would.

David Climie: That is right, yes.

The Convener: If I remember correctly, you told me that the extra journey time would be something like 3 minutes.

David Climie: That is correct.

The Convener: Were you able to keep to that?

David Climie: Yes.

The Convener: In the written update, you also indicated that major works to upgrade the M9 will commence later this month. What impact do you expect those to have on traffic flow, given that you have perhaps learned from the Fife ITS experience? What measures have you taken to mitigate any traffic congestion or delays?

Lawrence Shackman: In a similar vein to the approach that we took to the works on the Fife ITS, we will advise people not to make journeys at the weekends if they do not need to, because there will be some disruption. We will try to provide access through the M9 as far as possible, but because of the way that the works need to be undertaken some sections of the road will need to be closed and diversion routes put in place. They will be very well signed and very well publicised, and we will use the same media that we used with the Fife ITS work to try to warn people as far ahead as possible. In particular, variable message signs on the motorway network will be used to warn people in advance. The upshot of the works will be that the carriageway should last for a good number of years. There should be no need to go back for perhaps 15 years as a result of the way that we are doing the works.

David Climie: When the contractor initially started planning the work it thought that it could

take as long as 10 weekends. We have put a lot of work into that with the contractor to get it down to the six that we are currently advertising, and we believe that it may still be possible to improve on that. We have had to take into account the effect of traffic management on the travelling public. There is a noise issue; because we are close to Kirkliston we want to try to minimise the impact of that when working at weekends. A balance needs to be struck between the local residents and the impact on the travelling public, so a lot of work has gone into trying to get the best possible compromise and take all the views into account.

The Convener: When the Fife ITS goes live later this year, what will it involve and what effect will it have on the travelling public and traffic flow?

Lawrence Shackman: When the Fife ITS goes live we will be able to use the overhead gantries and the lane signalling that are incorporated into it. That means that we will be able to vary the speed limits and manage the traffic flow. As David Climie mentioned, initially there will be no traffic management south of the Fife ITS project, because the principal contractors are not going to do any work on the A90 in that area. The system will come into its own when the major works start to take place later, at the end of 2013. The ITS may also be used for managing any back-up of traffic caused by works on the Forth road bridge, for example. It is very much a non-critical activity, in terms of the project. We will be able to get the bus lane running on the Fife ITS. If there is any congestion, the buses will be able to use the hard shoulders, which are designated bus lanes but which can be used by all traffic in an emergency. A good piece of infrastructure is in place that can cater for all the works to come.

David Climie: The largest single benefit is that bus hard shoulder running will come into operation all the way from Halbeath to the north end of the existing Forth road bridge. At peak times, when traffic can queue on the north side of the Forth road bridge, it should be far more possible to guarantee journey times for public transport—for buses—than it is at present.

Lawrence Shackman: We will also have a publicity leaflet for road users, to explain how the ITS system will work and what to look out for with the bus lane operation. As a separate exercise, we will have a training session with the bus operators, so that all their drivers know how to use the bus hard shoulder. The training will cover what to do if there is an incident—how the hard shoulder will close down—and the general operation of the new system so that everyone is as aware as they can be of what they should and should not do when it is in place.

The Convener: At your next six-monthly update, will you be able to tell us how the ITS is working?

David Climie: Yes.

The Convener: Do you feel that you have to put up signs on the gantries, even though there is really nothing to say? I object to being told not to do this or that. Could you put "please" and perhaps a smiley face to make the signs a bit nicer?

Alex Johnstone: In Europe, they just put up the time. That is useful.

The Convener: As there are no more questions, I thank the panel for coming. I look forward to another update in six months' time.

Meeting closed at 12:21.

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