



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 17 April 2013

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

9th Meeting 2013, Session 4

CONVENER

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

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Jim Eadie (Edinburgh Southern) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Gordon MacDonald (Edinburgh Pentlands) (SNP)

*Margaret McCulloch (Central Scotland) (Lab)

*Elaine Murray (Dumfriesshire) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Nigel Don (Angus North and Mearns) (SNP)

John MacDonald (Community Transport Association)

Gil Paterson (Clydebank and Milngavie) (SNP) (Committee Substitute)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

Committee Room 6

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 17 April 2013

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Maureen Watt): Good morning. Welcome to the ninth meeting in 2013 of the Infrastructure and Capital Investment Committee. I remind everyone to switch off their mobile devices, as they affect the broadcasting system.

We have apologies from Adam Ingram. I am sure that the committee will want to wish him a speedy recovery. Gil Paterson is attending as his substitute.

I seek the committee's agreement to take agenda item 5 in private, to allow the committee to consider a letter from the Finance Committee in relation to the budget strategy phase. Is that agreed?

Members *indicated agreement.*

Community Transport Inquiry

10:00

The Convener: Under item 2, we will take evidence from the Community Transport Association as part of the committee's inquiry into community transport in Scotland. I welcome John MacDonald, who is the director for Scotland of the Community Transport Association.

Before we begin, I welcome Greg Aplin MP, from the Parliament of New South Wales, who has a keen interest in community transport and will be observing this part of the meeting from the public gallery. I hope that he finds the session informative and interesting.

Mr MacDonald, could you give us a brief overview of the community transport sector in Scotland today?

John MacDonald (Community Transport Association): The Community Transport Association exists to represent the interests of community organisations, voluntary organisations, social enterprises and third sector organisations that get involved in community transport. We are a membership organisation. In Scotland, we have 150 members and, across the United Kingdom, we have 1,500 members.

I will try to give you a feel for the size and shape of the sector. We conducted a survey two years ago, which involved 80 of the largest groups in Scotland. In addition to our members, there are probably many more small organisations. About two and a half years ago, we conducted a survey to consider how many organisations were involved in community transport in any capacity, and came to a figure of about 250. The number of organisations is probably of that order.

We asked organisations what their annual turnover was and combined those answers to assess the financial throughput of the sector. The figure that we came to was about £10 million. However, that figure does not give the value of the sector. For example, about 400 people are employed in the sector on a full-time and a part-time basis but, in the groups that we spoke to, there were around 2,500 volunteers. I would say that, in addition to those in the groups that we spoke to, at least another 1,000 or 1,500 people are involved in community transport on a voluntary basis, so the total might be around 4,000 people.

In our survey of the 80 largest groups, we asked about the numbers of volunteers and we also asked for an estimate of how much time, roughly, people gave to organisations. Some people give a lot of time and some give an hour or two here or there. We arrived at a figure of 278,500 hours in a

year. If we were to attach the minimum wage rate to each hour of voluntary time, we would come to a figure of about £1.7 million. That gives you an idea of added value. It will be more than that because there will be many volunteers that we do not know about.

A passenger journey is one journey from A to B. If somebody returns from B to A, that would be two journeys. That is the standard way of measuring passenger journeys in the transport industry. We calculated the total number of passenger journeys provided by the sector in Scotland to be about 3.5 million.

Community transport is not one thing—there are many different models. Some organisations provide dial-a-ride services, which are demand responsive. People phone in advance to ask to be taken to the places that they wish to go. Another model is group hire of vehicles; in other words, vehicles are hired out to voluntary bodies and community groups to take people to the places that they wish to go. Car schemes are another model. That is where volunteers use their own cars to take people in their neighbourhoods to the places that they wish to go. Volunteers normally get a mileage payment to cover the cost of fuel, and wear and tear to their vehicles. Some organisations use one of those models and many use a mixture.

To give you a feel for the size of organisations, the biggest operator in Scotland would have a turnover of about £2 million. That is at one end. At the other end, you could have an organisation that is run entirely on a voluntary basis, in which everyone is a volunteer. Such an organisation might run on less than £20,000 a year.

In our survey, we found that about 19 groups in Scotland had a turnover of more than £100,000 a year. Most operators are very small, with a turnover of well below £100,000.

Some organisations are run entirely on a voluntary basis. Others employ people and, apart from the trustees, everyone involved in the organisation—the drivers, co-ordinators and managers—are paid staff. Generally, though, there is a mixture of a small number of paid staff and quite a number of volunteers.

In the past few years, the financial crisis has had an impact on community transport in that public finances have become tighter. The sector particularly depends on local authorities. The funding from public body sources has decreased and organisations are having to think quite widely about how they sustain their services.

The Convener: We will come on to specific funding arrangements in later questions.

If you were to put all the groups that you know of on a map, would they be fairly well spread out across Scotland, or would there be glaring gaps? If there are gaps, have individuals or groups in those areas contacted you to ask how they go about setting something up? Have such individuals or groups found it too difficult to do so?

John MacDonald: There are gaps. We produced a map a couple of years ago and dotted it with all the organisations that we knew about. Sometimes the dot can be a tiny organisation, for example in a village in the Highlands. It might look good on a map but the extent of the service might be tiny, within a relatively small geographic area. Some areas are quite well served, but there are many large gaps.

People and organisations come to us to discuss how they might set up services. I personally have seen three or four of them over the past couple of weeks. There was somebody from rural Aberdeenshire who spoke about the lack of service in their area and about how they might go about doing something to remedy that. Somebody from the south end of the Kintyre peninsula spoke to us about the possibility of setting up a service there.

In such instances, the first question is where the money will come from to set something up. In the latter case, the person had identified a potential source, which was a community-owned wind farm in the vicinity. They realised that the income from the wind farm could be used to develop their community transport service. We get calls from time to time from people in areas where there is no or very little public transport. At least there are individuals who want to do something about it.

Alex Johnstone (North East Scotland) (Con): I will ask you the free hit question. What are the key challenges facing community transport operators over the next few years?

John MacDonald: There is no doubt that the biggest challenge is funding. What does that mean, however? To start with well-established services, when I ask people who manage services that have been around for many years what keeps them awake at night, they often reply that it is replacing their vehicles. They have a service that is running well, offering good day-to-day services, but their vehicles have a limited lifetime, usually of eight to 10 years. They have a big problem replacing their vehicles.

Over the past few years, the funding that has been given has been very short term. There are very few organisations that have received commitments from funders for more than one year hence. We picked that up from our survey. We asked people how far into the future they felt they could plan their business. About 70 per cent of

them said that they could not see much more than a year into the future. That is a problem. Transport is a long-term proposition, and it is difficult if the commitments that are made are for such a short period. It can hold back decisions on replacing vehicles, for example, if people cannot get a feel for the future.

It is a problem even for people who might be considering leasing vehicles. Most leasing companies would not be interested in any arrangements involving a commitment of less than three years. Many operators are not sure whether they will be in existence in a year's time.

Alex Johnstone: Is that a particular problem? The representatives of community transport organisations to whom I have spoken have told me, as you have, about the cost of replacing vehicles. My instinctive suggestion is that local authorities, or even private companies, could lease rather than buy under those circumstances. Is that issue of longer-term funding the key thing that is preventing community transport organisations from taking the leasing route, rather than buying?

10:15

John MacDonald: It is part of the equation. The sector, in general, is not used to leasing. It is not in the culture of the sector. Most organisations try to raise the capital to buy a vehicle at the outset.

Of course, in the long term, leasing costs are greater than the costs of ownership. The advantage of leasing, for short-term needs, is that you do not necessarily have to have the capital to buy the vehicle. For example, if you are going for a particular three-year contract, you might lease a vehicle to match that contract. However, contracting is not a typical feature of the sector.

Leasing is not common but, having talked to people over the past two or three years, I can say that it is on the agenda for community transport operators. However, most would prefer to own their vehicles and look to a longer time horizon.

Alex Johnstone: Do you see any issues in the future, other than funding, or does funding dominate everything?

John MacDonald: There is an issue to do with drivers of vehicles. Basically, anyone who got their ordinary driving licence prior to 1997 has an entitlement to drive D1-classified vehicles—if they look closely at their licences, they will see that. Most people have probably never noticed that and are unaware that they have that entitlement.

In January 1997, a European Union directive changed things in a way that, in time, will have quite a big impact on the sector. The long and the short of it is that people who do not have D1 on

their licence are restricted to driving vehicles of under 3.5 tonnes. Most vehicles that community transport organisations use—minibuses—are heavier than that.

Alex Johnstone: Is it the case that vehicle weights are gradually rising over time?

John MacDonald: They are. Many organisations are looking to have accessible vehicles and anticipate that many people using the vehicles might be in wheelchairs. Wheelchair technology is getting more sophisticated, but wheelchairs are getting heavier. Further, people want to have quite robust vehicles, which are the heavier ones. In general, vehicles are getting heavier, and people who do not have D1 on their licence are unable to drive vehicles that are heavier than 3.5 tonnes, unless they obtain a D1 licence.

The Convener: We will come back to that. I believe that Elaine Murray will ask a question about permits and things later. We should stick to financing for the moment. Originally, the finance for community transport came directly from central Government and was devolved to the local authorities, but it was not ring fenced. That is why you have seen cuts. Would you like to go back to a situation in which the funding came directly from central Government?

John MacDonald: Until 2008, central Government had two funding pots specifically for community transport. One was called the rural community transport initiative, which had a value of about £1 million a year, and the other was for urban demand-responsive transport and covered the four main cities in Scotland—Aberdeen, Dundee, Edinburgh and Glasgow. In 2008, that funding, which totalled about £2 million a year, was wrapped up and passed to local authorities to do with as they wished. That funding had been in place for about 10 years, during which period a growth in community transport occurred. The catalyst for that growth was that central Government funding.

Generally, organisations that were bidding for that funding would have required the support of the local authority, so, when the propositions were being put forward, there was an element of financial support for the proposition from the local authority as well.

In 2008, national Government decided to leave community transport to local authorities to deal with, which meant that they could make their own decisions on funding. However, as you say, the money from central Government was not ring fenced. Certainly, at that time, there was a great deal of fear in the sector that things would disintegrate. I would not say that they have disintegrated drastically in the past five years.

Some local authorities have kept to the kinds of funding commitments that were being made prior to 2008. In other areas, there have been cuts and, in some areas, there is not a great deal of community transport activity—of course, some of those areas had never had a great deal of transport activity anyway.

At the moment, if you are looking at setting up a service and you are in an area that is covered by a local authority that does not value community transport, you will find it extremely difficult to establish a service, locally.

The Convener: People who know about community transport realise the benefit of it. You can see those benefits in terms of health and so on—we will deal with the health boards in a minute.

How do we persuade those councils that do not value community transport that they should do so? Is there a role that the committee could play, perhaps through our report, to stress its value?

John MacDonald: As time has gone by, there have been some changes in transport in general. Bus transport is by far the most important form of public transport in Scotland. Far more people use buses than use trains, for example. Community transport is trying to work out where it fits in the transport spectrum. It fits in somewhere between bus services and taxis. Sometimes, community transport can deliver a more or less personal service, like a taxi, but without the immediacy of a taxi—with a car scheme, for example, you would have to plan your journeys a day or two or even three in advance. Similarly, a community transport service might look like a bus service, but it might not necessarily be scheduled. Such services tend to be pretty flexible and not to work to fixed timetables.

As I said, bus transport is by far the most important form of public transport in Scotland, but there has been a decline in the number of bus services across the country. A recent study that was commissioned by the Confederation of Passenger Transport found that, since 2008, the annual mileage that is provided by the bus industry to Scotland has reduced by 12.5 per cent. There has been a gradual decrease in services.

I would have thought that that would be worrying for any local authority. Citizens need to get to places, and local authorities—despite the fact that they might not have a statutory responsibility to sort out that problem—should be concerned about the issue.

I would have thought that, given the decline of bus services around the country and the demographic profile of the country—the number of older people is set to rocket over the next few years, so that when I hit 80 there will be twice as

many people of that age—we need to think ahead and work out how older people are going to get out and about. Community transport has proved that it plays a useful role.

A useful role for the committee would be to try to encourage local authorities to put the issue higher up the political agenda and recognise that community transport has value. It must not be seen as an afterthought, as has often been the case in the past.

Elaine Murray (Dumfriesshire) (Lab): Let us return to the issue of licensing and so on. You have described the many different components of community transport, from dial-a-ride to people using private cars. Operators can hold public service vehicle operator licences, section 19 permits or section 22 permits, and there are more informal arrangements as well. Are there ways in which the operator licensing regime might be improved and simplified?

John MacDonald: Yes. When people come to community transport, their motivation is to give people in their neighbourhoods access to services and to improve their communities. Most people do not come to it as transport experts and, when they start to explore the sector, they immediately find that it is extremely complex and highly regulated. As you said, there are various types of permits that allow operators to do certain things. However, no matter which way people turn, there is always a sting in the tail. For example, the great thing about a section 19 permit, which is by far the most common form of permit in community transport, is that it offers a lot of flexibility, but the sting in the tail is that it allows an operator to carry only certain types of passengers, so they are pretty restricted in what they can do.

Section 22 permits allow an operator to carry the general public, but they must design their service in detail up front. Routes must be worked out along with when the service is going to run, and those things must be registered with the traffic commissioner. Once that registration has taken place, if the operator wants to change the service, there is quite a laborious process to be followed. The bureaucracy is significant.

The legislation that applies to car schemes has exemptions from private hire and taxi legislation, so it allows an operator to carry people and charge fares but that cannot be done for profit. The operator can charge only up to a certain level to pay for wear and tear of vehicles and, if they have built up a large car scheme, the co-ordination costs and the extra costs of marketing and that sort of thing.

When groups get involved in the business of community transport, they immediately face a raft of legislation and must be quite careful about how

they design their services. I do not have an immediate answer to your question, but I would have thought that, if it were possible to create one permit for the voluntary sector that allowed flexibility and cut out a fair amount of the bureaucracy, that would be a boon to our sector and would make life a lot easier.

10:30

The key thing is that organisations seeking such permits should be non-profit-distributing organisations; they should not be in this to make money per se. The driver should be addressing local needs and any surpluses that are made should be reinvested in the organisations and not, for example, given as dividends to shareholders. The key difference between a charity and a commercial organisation is what you do with your money; a charity that makes a surplus does not distribute it outwith the organisation but reinvests it in the organisation. If we could have a simplified system with perhaps one permit, that would be good.

Elaine Murray: On a point of clarification, are these permits issued under UK legislation?

John MacDonald: Yes.

Elaine Murray: So that is not something that we could deal with.

With regard to D1 permits, which are no longer on the licences of those who passed their tests after January 1997, does anyone who wishes to drive vehicles in the D1 category have to sit another test? Is it an expensive process?

John MacDonald: They do have to sit another test and it is expensive. The cost is between £800 and £1,000.

Elaine Murray: That is quite prohibitive.

John MacDonald: It is certainly significant.

In a nutshell, the problem with the D1 permit is that at this point in time no one under 33 or 34 years of age will have it on their licence, which means that neither paid employees nor volunteers under that age can drive a vehicle greater than 3.5 tonnes, or 4.25 tonnes if the vehicle has a passenger lift. As Alex Johnstone has suggested, the tonnage of most vehicles is greater than that.

No matter how community willed they might be, a volunteer cannot drive one of these vehicles without a D1 licence. For example, a teacher cannot take children to sports events, plays or whatever in a minibus if they do not have D1 on their licence. In a few years' time, no one under 40 will be able to drive a vehicle without D1; 10 years hence, no one under 50 will be able to. The population who are able to do so are getting older and older, and I see that as a problem. It is

certainly a legislative problem, but it impacts not only on community transport operators but on local authority education departments, whose costs are going to rise.

Those costs are largely prohibitive to volunteers; after all, not many of them will be willing to spend £1,000 on obtaining a licence. As well as the cost, of course, there is also the time that needs to be spent to obtain a licence.

Elaine Murray: And as this is European legislation, it is not something over which Governments in this country have much control.

John MacDonald: That is right.

Margaret McCulloch (Central Scotland) (Lab): Although people who are over 65 have the concessionary bus pass, they have to pay for the community transport bus in some areas. If there were a simpler system of permits, would you be able to claim concessionary travel money?

John MacDonald: It would depend on the design of a new permit and how it fitted with the concessionary fares scheme. At the moment, the key to the concessionary fares scheme is that only registered services can participate. In our sector, a section 22 service that is run for the general public will be registered when it is created, and that enables it to participate in the concessionary fares scheme. However, there are only about 20-odd such services in Scotland, and most of those are very small. At this point, section 22 services are not a major feature of the community transport sector.

Most community transport services are run under a section 19 permit. Those are not eligible for the concessionary fares scheme because they are not registered routes—technically, that is what bars them from participating in the scheme. Most users of community transport are over 60 and have the concession, but they cannot use that on community transport services. In most instances, those people have to pay for the service.

Even if section 19 services were included in the concessionary fares scheme as it is currently designed, another two big problems would need to be overcome. First, those who participate in the scheme would need to have specific hardware and software facilities, the costs of which are in the order of £5,000 to £10,000. Therefore, a small community transport operator would need to think about that cost.

The second big problem is that operators who participate in the concessionary fares scheme receive a reimbursement rate that until recently was 60 per cent, although it has been reduced to 58.1 per cent for 2013-14. A big question for a community transport operator would be how to handle that 40 per cent differential. It would be

difficult for operators to offer services for free if they still needed to find 40 per cent of the fare.

My understanding of the thinking behind the concessionary fares scheme is that the reimbursement rate has always been less than 100 per cent—I think that it started off at about 73 or 74 per cent—because it was viewed that the scheme would generate new passengers. That generation factor would mean that, given the volume of new passengers, the operator would gain economies of scale that would make the service perfectly viable. However, that kind of assumes that the operators are big. That generation factor would not necessarily apply to small community transport operators, whose opportunities for growth will always be pretty limited.

Even if we considered including section 19 services in the concessionary fares scheme, those are two huge barriers. The concessionary fares scheme would need to be run in a different manner. There would not be a neat fit if we simply included section 19 services in the scheme as it is currently designed.

Margaret McCulloch: Would we need to go back to the community transport operators and look at whether the individuals who are running the services have the skills to think outside the box about how they might generate different forms of income to supplement the grants that they currently get?

John MacDonald: Yes, that would be possible, and that is exactly what operators would need to do. They would need to think outside the box and think hard about how they make their service sustainable and where they would get that 40 per cent. It might be possible to obtain funding from other sources.

Margaret McCulloch: I did not mean the concessionary fares scheme; I meant how we get other forms of income to organisations. Yesterday, when I visited an organisation that runs a community transport service, I thought about an idea to run the bus service at night time at the weekend for the young people who live in the village, to take them to a venue for entertainment and bring them back. That would help to keep the young people in that community, but I do not know whether it would contravene the community transport rules and regulations or threaten an organisation's not-for-profit or charitable status.

John MacDonald: As long as an organisation's activities are not for profit or the profit is incidental, it is fine. For example, the hiring out of an organisation's vehicles to a youth organisation is in most instances not a for-profit activity, so that income could be used to contribute towards the

costs of a service, if an organisation was looking for that 40 per cent differential.

I should also say that a lot of community transport operations that run under section 19 permits are group hire services, so the vehicle is hired, perhaps by a voluntary body, and takes perhaps 12 or 15 people to wherever they are going. The organisation that hired the vehicle might pay for that, so it is not necessarily the people who are on the vehicle who pay. Concessionary fares in community transport and section 19 services could only ever work where there is a fare-paying passenger. There has to be an individual on the bus, paying a fare. However, on many services, individuals do not pay fares.

It would be worth looking at how other things might work in practice and whether it is possible to tweak legislation to accommodate section 19 services, because community transport meets the social inclusion principles and objectives of the concessionary fares scheme very well.

Gordon MacDonald (Edinburgh Pentlands) (SNP): You have covered most of the concession aspects that I was going to ask about, but I have a quick question about practicality. The Scottish Government has invested a substantial amount of money on ticketing equipment for public transport operators throughout Scotland, which has provided an efficient data collection base for reimbursement of concession claims. Bearing in mind that two thirds of the vehicles in community transport are private cars, if we were to extend concessions to community transport, have you thought about how you would collect the data and what the cost of that would be?

John MacDonald: If that was done on the basis of how things are now, it would be difficult to deal with cars. In addition, the whole scheme would change from being a bus concessionary fares scheme to something different, which would be a significant change. There could also be problems with car schemes that use volunteers, as they might not be willing to have equipment put into their vehicles.

If we start from a social inclusion principle and want to include vehicles that are not buses—it could be multipurpose vehicles or cars—the only practical way round the problem would be to use hand-held equipment. I understand that Transport Scotland is considering a hand-held piece of equipment. That would certainly be of interest to our sector.

I know a little about the infrastructure behind reimbursement and ticketing. The system is geared towards the traditional bus operator running a large depot. However, many community transport operations do not have depots—they have two or three vehicles that are kept behind a

building or in a yard—so things are a bit different in our sector. We would need the technology to change—and it may well be changing—in favour of smaller operators.

10:45

On costs, Gordon MacDonald is right that the Scottish Government provided substantial funding at the beginning of the concessionary fares scheme—I think that it was £30-odd million—to enable operators to buy equipment and participate in the scheme. However, that funding is no longer available, which is a problem for community transport operators. We visited Transport Scotland a couple of years ago to try to establish the costs of participating in the scheme. Unless someone provides the money, the cost to the operator is of the order of £5,000 to £10,000.

Some local authorities and regional transport partnerships largely cover the back-office costs if a community transport operator is prepared to run a section 22 service, which can participate in the concessionary fares scheme. Highland Council has a nominal charge for the service, but it is reasonable, so operators do not have to absorb the full cost. Strathclyde partnership for transport, which covers 11 or 12 local authority areas, provides the back-office equipment for community transport operators that run section 22 services, which is helpful. However, that is not the case throughout the country.

Gordon MacDonald: On another practical point, the reimbursement formula is based on shadow or standard fares, and the new formula is 60 per cent of the shadow or standard fare. Given that a lot of community transport is demand responsive or, as you said, involves group hire or various car schemes, how would you identify a standard fare for a particular journey?

John MacDonald: At present, there is no such thing as a standard fare in community transport. When the Community Transport Association talks to small groups that are looking to get involved in community transport, we impress on them the need to bottom out costs so that fares are sustainable and set at a level that will be reasonable for users of the service while covering the group's needs.

Quite often, groups coming into community transport are motivated in a different way from commercial bus operators. They want to address problems that they see in their neighbourhood. In practice, they sometimes seek to run a service at as low a cost as possible for the passenger, and sometimes they look to provide that service for free. We usually advise such groups that they should not provide the service for free, because

unless someone else is paying for it, it will be difficult to sustain in the long term.

The question is difficult to answer, because it depends on the operator, what they are constituted to do and how they go about their business. Community groups would really need to work out their costs pretty accurately if concessionary fares were to be opened up to the sector more widely, but I think that such a move would help to force community groups to think through costs more than they perhaps do at present.

Jim Eadie (Edinburgh Southern) (SNP): Good morning, Mr MacDonald. I want to explore the issue of the growing demand for community transport to access health and social care services. In your state of the sector report, you highlight the significant decrease in the number of non-emergency journeys provided by the Scottish Ambulance Service. I think that the report says that there are 1.5 million fewer journeys a year than there were in 1998. How do you view the growth in demand? Is it, as it would appear to be, driven by the decline in non-emergency journeys provided by the Scottish Ambulance Service, or are there other factors at play?

John MacDonald: That is a growing area for community transport. We hear regularly from operators around the country that hospitals often ask them to take people quite long distances, either home or to hospital appointments.

You have identified what I think are accurate numbers. Towards the end of the 1990s, the Scottish Ambulance Service provided about 2.4 million patient journeys in Scotland a year. I saw something recently that suggested that the figure is now 1.3 million, so it is down from the figure that was quoted in our state of the sector report just over a year ago. That is a significant shift.

The Scottish Ambulance Service is focusing its resources more on providing emergency services and is becoming less involved with non-emergency patient transport. There is a case for saying that, in non-emergency situations, some people could use public transport—I am sure that in some instances they could. I could not give you a feel for the figures, because I do not know what the extent of that might be.

Others have their own private transport and could use it to get to and from hospital appointments, rather than expecting that they should be provided with transport. However, we are increasingly hearing about others who do not have private transport—or those who have it but are not fit enough to drive—and who live in areas in which there is no public transport. For such people, getting to and from hospital is a big problem.

I am aware that the national health service in Scotland is not one body; it is made up of 20-odd different bodies. Collectively, though, the problem of non-emergency patient transport is not being tackled effectively.

Jim Eadie: What do you think should be done about it? In your report, you quote Audit Scotland's recommendation

"that councils and NHS boards should consider community transport services as part of their overall strategy".

That appears not to be being done.

John MacDonald: Let us say that it is recognised that there is a problem and there is a view that the community transport sector could do something. Rather than just provide information and lists of organisations that are involved in community transport without information about what those organisations do and whether patients would be eligible for the services, it would be better for the Scottish Ambulance Service and NHS boards to explore what the sector does, how it works and whether there is a fit with the need to take patients to and from hospitals.

For example, group hire vehicles do not meet that need, but car schemes do, because they offer a much more personalised service. That is ideal for taking a patient who is not in an emergency situation—although they might be particularly frail—to their appointment, and it allows them to get home. Discharge is a bigger problem than getting people to hospitals.

There must be discussion of how things work financially. We are not getting far, because people are not focusing on the money. It might be reasonable to expect patients to contribute towards a cost, although the costs of many patient journeys are prohibitive. I have heard about instances of people being discharged from Raigmore hospital and approaching a community transport operator to take them up to Wick by car, but with no discussion of how the cost of the journey should be covered.

We need to establish how journeys should be paid for. Should the NHS contribute towards the costs to a degree? Should patients contribute? Until we have those conversations, the problems with non-emergency patient transport will continue to pose a difficulty.

Jim Eadie: I hope that our report will push the issue further up the agenda.

The Convener: The integration of health and social care perhaps offers a window of opportunity for having those discussions with community transport organisations at a local level.

Margaret McCulloch: Mr MacDonald, your report highlights concerns about community

transport operators' ability to access and secure public sector contracts. Will you expand on those concerns and give me some ideas about how they could be resolved?

John MacDonald: There has been a tendency to move towards contracting over the past few years, as opposed to grant aiding—that involves services being run with a grant provided by a local authority, typically, which enables a community transport operation to run. There is a push towards contracts although, in practice, operators find the bureaucracy that is attached to contracting and tendering for contracts tortuous—it is often over the top in relation to the value of a contract. A contract might be for a few thousand pounds a year, and the bureaucracy that is attached to it can be too much.

With section 19 services, it is not possible to tender for most transport contracts. For anything that could be deemed to be a commercial contract, operators are pretty restricted in what they can do. Under the permit that most operators have, they are pretty restricted in what they can tender for. The service must not be commercial if they are to obtain a section 19 permit. People find the tendering and procurement world extremely difficult to penetrate, yet public bodies are moving in that direction.

As we said in our report, we would prefer to have some sort of continuation of a mixed approach that consists of grant aid, service level agreements and sometimes contracts. Sometimes, officers in public bodies view contracts as a be-all and end-all solution, but that would not work particularly well for many community transport operators.

Margaret McCulloch: Do operators that apply for contracts through the public sector contracts website have the skills and the ability to put in a competitive tender? Have they been on training courses? Have they done that before? Do they know what is required?

11:00

John MacDonald: Probably not in general but, over the past two or three years, the Community Transport Association has pointed anybody who is interested in it to training in how to bid for contracts, which has been very good. A few organisations have gone in that direction. A skill is attached to tendering for contracts, but people have to go back to the beginning and ask themselves whether tendering is the best approach for socially based transport.

A lot of community transport evolves. When people start their transport service, they do not know how it will work, because it evolves. The flexibility of permits under section 19 is good for

that reason. Once a service is established, it will have worked out its model and will be working well.

If a local authority puts a straitjacket on the process at the beginning by telling people that they can apply for a contract but it will prescribe in what way, that often suits the local authority but not necessarily the local community's needs. There is a place for contracts, but they should be only an element of community transport. I am not sure that, if all services in years to come are run on a contract basis or are tendered-for contracts, that will necessarily be a good thing.

Gil Paterson (Clydebank and Milngavie) (SNP): Good morning, Mr MacDonald. You referred to continuity and certainty in funding, and the committee has received written evidence that backs up what you have said, so that is an issue. However, I do not think that you came up with suggestions on the record about how we could address the issue. I give you the opportunity to do that now, so that it is on the record and can be considered for our report. Can you tell us whether you have ideas for solving the funding problem?

John MacDonald: Funding is the biggest issue, but we can strip that down and accept that we cannot fund everything, so the question then is what would be the best way in which to use any resources that we have. There is something specific that would make a difference. I touched on the fact that replacing vehicles is a big problem for well-established organisations that have been around sometimes for 20 or 30 years. If funding could be found to deal with that specific problem, that would make a big difference. Organisations would not be asking for the world or looking for funding to cover all costs but, if one thing should be a priority, it is vehicles.

The issue is not just about replacing vehicles. In some areas, public transport might have disappeared over the past few years, so a community group might want to do something about that. Such a venture becomes real and alive when it has a vehicle.

When such a situation is being assessed, having a vehicle can act as the catalyst for a community group to think through how it can make the venture work. It cannot expect public finance to cover all the costs, but having a vehicle really gets things going. It gets the group thinking about other costs and realistic fares, for example, for the passengers who will be carried; it moves the group away from, for example, thinking about providing services for free to thinking that they will charge people and deciding what will be acceptable and how that can be worked out.

If only one thing in relation to funding could be done to make a difference to the sector, it would be a fund for vehicles.

Gil Paterson: Another issue in the written evidence is continuity, or surety—that is probably a better word. You raised that issue in relation to people knowing what budget will be available only for a year. Should we recommend a three-year budget or some security? The budget might not be the amount that people wished for, but at least they would know where they stood.

John MacDonald: I would vouch for three-year funding as a minimum. It is difficult for local authorities to make any commitment beyond three years but, if people are going to get involved in transport, they should look well ahead into the future. Transport is part of infrastructure. Anything much less than three-year funding simply makes life difficult for everyone.

I understand why we have had the situation that we have had over the past three years. Local authorities will say that they are uncertain about their funding from year to year, but committing to three-year funding would make a difference. That time and commitment could be used to think about things. For example, if people are going to use resources to buy vehicles and if they feel that they will be around for a long time, they will be much more confident about making that investment decision than they would be if their core funding could disappear in six months or a year. Three-year funding would make a big difference.

Gil Paterson: Another issue that you have raised is key to what you have said about having resources available to buy new vehicles. It might seem that a solution to the problem would be leasing, which would mean that heavy capital expenditure would not be needed.

I should put it on the record that I am involved in the motor industry—or my son is; he runs my business. We deal with accident damage, but we were previously involved in the whole range of supplying to all the sets of people involved in the transport industry.

I am sure that you will agree that, with leasing, the vehicle's mechanical repair costs are built into the costs, which already include maintenance. One of the attractions of buying is that people can shop around and buy a vehicle for the best deal in town—that applies to the different parts or different services that can be bought—or they might want to do work in-house. I suggest—perhaps you can confirm this—that the people with whom you engage go into buying because they will carry out much of the work themselves or will get it done at a very good price. Will you comment on that?

John MacDonald: As I said earlier, leasing is not common, but it has certainly been on the

agenda for community transport operators over the past two or three years. I know of operators that have gone along the leasing line more recently, and it solves the problem. In the absence of funding to buy vehicles, leasing is a realistic option.

Elaine Murray: On funding for replacement vehicles, would you want a return to the pre-2008 situation, in which the funding was held centrally and people could bid directly to a centrally funded pot rather than a smaller, divided pot that is rolled up in a local authority settlement?

John MacDonald: I think that everybody in my sector would say that the situation was better in those days than it is now. It is much more difficult now to run a community transport operation. The growth in community transport in Scotland took place over those years. I am sure that I speak for everybody who knows about the way things used to be when I say that that was better.

Local authorities were always important. If a local authority was not particularly supportive of somebody's proposal for the old funds, their chances of securing funding were pretty slim.

The Convener: Do you know why the cost of training for licences is so high? It is nearly £1,000.

John MacDonald: I could not give you chapter and verse on how the elements are made up, but there are fixed costs for the various elements—the theory and practice—which come to about £500. That is before the trainee goes on to a 16-seater vehicle, for instance, to practise. Anybody who wants to secure a D1 licence would have to do some practical training, but it would have to be on a vehicle greater than 3.5 tonnes—perhaps with up to 16 seats—and the number of places to which somebody can go for that training is limited. Then they sit their test.

Somebody could obtain the licence more cheaply if they were so good at driving that they could literally walk into a vehicle and know exactly what to do instantly. However, most people could not do that and would require some training.

The cost is a combination of whatever the training costs plus the fixed costs of the various elements in the test. I have gathered from the training providers that the costs are generally in the order of £800 to £1,000 or more. That is a substantial cost for a volunteer who wants to get involved.

Alex Johnstone: I am not familiar with the issue, but I think that it would be fair to say that that represents the actual cost of training. Changes in the licence arrangements that happened at the same time require young drivers to be trained to pull a trailer behind a car. The

costs for achieving that change in a licence are of a similar order.

The Convener: As there are no further questions, I thank Mr MacDonald for his helpful evidence.

I suspend the meeting for a few minutes to allow the witness to leave the room and to allow for a comfort break, if anybody wants it.

11:12

Meeting suspended.

11:17

On resuming—

Petition

A90/A937 (Safety Improvements) (PE1236)

The Convener: Okay folks, we will reconvene. The next item is consideration of evidence that we heard from stakeholders at the meeting of 20 March on public petition PE1236, on the Laurencekirk junction. We heard a considerable amount of evidence from a range of stakeholders and I imagine that everyone has had an opportunity to review the *Official Report* from that meeting as well as further submissions from Transport Scotland and community representatives.

I ask members for any comments that they might have.

Alex Johnstone: I have reflected on the evidence that we received on 20 March. I have the impression that, on the needs, there is still a significant difference of opinion among the agencies that were represented. However, at the same time, a process is taking place that has the capacity to bring those opinions further into line.

I understand that a meeting is likely to take place between the north east of Scotland transport partnership and Transport Scotland to discuss the matter further. I would be interested in considering the outcome of that meeting in the future.

The Convener: I should say that we are joined by Nigel Don, who is the local member. Do you have anything to say?

Nigel Don (Angus North and Mearns) (SNP): Thank you, convener. At one level, I am not sure that there is anything to add. However, at the risk of repetition, perhaps the point should be made that, although the petition came to the Parliament on a matter of safety, on reflection, it is entirely clear to me—[*Interruption.*]

The Convener: I am afraid that I will have to suspend the meeting, because the official report cannot report it when there is no recording.

11:19

Meeting suspended.

11:23

On resuming—

The Convener: After that slight interruption, we can resume. Nigel Don had the floor. Have you lost your train of thought?

Nigel Don: No, the train of thought is still there. At the risk of the *Official Report* backtracking, I was making the point that I thought that the petition should come before the committee because the safety issues at the junction are a direct consequence of the lack of infrastructure in the area, so it is really the infrastructure that we need to address. We heard previously that traffic has already reached twice the flow rate at which, if someone were designing the road from scratch, they would put in a grade-separated junction. That speaks for itself.

Given that house building in the area will increase, the number of cars on the road is bound to increase. We heard about a likely increase in traffic from Montrose harbour, and we are aware—perhaps more than others—of the increase in business in Aberdeen. That is well understood by those who are local to the area.

I do not think that there is any possibility that the completion of the Aberdeen western peripheral route in a few years' time will reduce the amount of traffic going up the A90. Everything that we know says that there will be more traffic on the road, so the infrastructure will become increasingly inadequate.

It seems entirely obvious that the matter needs to be dealt with, and I encourage the committee to hold on to the petition because the infrastructure is giving rise to the safety issues of which the petitioner speaks. I ask the committee to see what it can do in the months ahead to get Transport Scotland to understand that the matter needs to be addressed, please.

Alex Johnstone: I back what Nigel Don said. We have received two further submissions since we previously discussed the petition: a very emotional one from Jill Fotheringham, the petitioner, and a very informative one from Mike Robson, who makes the point that the figures that Transport Scotland is using are rather out of date, which supports what Nigel Don just said.

Mike Robson's point is that, in relation to the proportion of traffic travelling along the A90 that crosses the road, the figure that Transport Scotland uses indicates that one in 12 vehicles crosses the road, whereas more up-to-date figures indicate that it is one in four vehicles. The situation is on the move and many of the figures are changing, so the issue must be dealt with on the basis of up-to-date figures. That is why I am interested in taking the opportunity to consider the outcome of current meetings and negotiations between the interested parties.

The Convener: I will sum up the committee's view. We are pleased that there will be a meeting on 24 April involving the local council, the north east of Scotland transport partnership and

Transport Scotland, and we would like to hear a report of that meeting rather than close the petition. We are pleased that, perhaps as a result of our meeting and our addressing the petition, that meeting will take place. However, we will want to hear how that meeting went before deciding what to do further. Is that the committee's view?

Members *indicated agreement.*

Subordinate Legislation

Tenant Information Packs (Assured Tenancies) (Scotland) Amendment Order 2013 (SSI 2013/90)

Road Traffic (Permitted Parking Area and Special Parking Area) (Fife Council) Designation Order 2013 (SSI 2013/93)

Parking Attendants (Wearing of Uniforms) (Fife Council Parking Area) Regulations 2013 (SSI 2013/94)

Road Traffic (Parking Adjudicators) (Fife Council) Regulations 2013 (SSI 2013/95)

11:27

The Convener: Item 4 is consideration of subordinate legislation. We have four negative instruments to discuss. The first instrument relates to tenant information packs and the other three concern parking regulations. The Subordinate Legislation Committee has raised no concerns in relation to any of the instruments.

We are invited to consider any issues that we wish to raise in reporting to Parliament on the instruments. No motions to annul have been lodged in relation to any of the instruments. As no one has comments to make on the instruments, does the committee agree that it does not want to make any recommendation in relation to the instruments?

Members *indicated agreement.*

11:28

Meeting continued in private until 11:37.

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