



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 26 March 2014

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CONTENTS

TRANSPORT.....	Col. 2895
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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE
10th Meeting 2014, 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)

*Mary Fee (West Scotland) (Lab)

*Mark Griffin (Central Scotland) (Lab)

*Alex Johnstone (North East Scotland) (Con)

*Gordon MacDonald (Edinburgh Pentlands) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

David Anderson (Transport Scotland)

Keith Brown (Minister for Transport and Veterans)

Aidan Grisewood (Transport Scotland)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

Committee Room 5

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 26 March 2014

[The Convener *opened the meeting at 10:00*]

Transport

The Convener (Maureen Watt): Good morning, everyone. Welcome to the 10th meeting in 2014 of the Infrastructure and Capital Investment Committee. I remind everybody to switch off their mobile devices, as they affect the broadcasting system. Some committee members may, however, be consulting committee papers on their tablets.

The first item on the agenda is an update on transport from the Scottish Government. I welcome Keith Brown, the Minister for Transport and Veterans; Aidan Grisewood, who is the director of rail at Transport Scotland; and David Anderson, who is the head of planning and design at Transport Scotland. Would the minister like to make some opening remarks?

The Minister for Transport and Veterans (Keith Brown): Thank you for the opportunity to come before the committee again to provide an update on transport.

We estimate that the Scottish Government's capital investment programme for 2013-14 will be around £3.2 billion and that it will support about 40,000 jobs across the Scottish economy. That is good news for our economy and for our construction industry, which we know benefits from the certainty and the vision for the future that the infrastructure investment plan provides.

As we set out in our budget plans for 2014-15, we expect to secure further investment of over £8 billion in 2014-15 and 2015-16 from a combination of the capital budget, the new borrowing powers that we will get in 2015-16, revenue funded investment through the non-profit-distributing programme, the regulatory asset base—which obviously relates to rail projects—general rail enhancements, capital receipts, and allocation of some resource funding to capital assets.

Obviously, if the result of the referendum in September is a yes vote, we will have the full prudent use of borrowing powers that nation states have and so we could, in our view, bring forward investment more quickly, which would make a very substantial difference to our economy at that point and later in the future.

We have made significant progress in delivering our IIP over the course of last year across all the sectors, in transport, in particular. I will mention the completion of the second of three major contracts that are required to deliver the Forth replacement crossing scheme: the upgrade of M9 junction 1a, at a cost of £26 million.

On other aspects of transport policy, there is the redevelopment of rail stations at Dalmarnock in Glasgow at a cost of £12 million, and Haymarket in Edinburgh at a cost of £26 million, which are both part of the Edinburgh to Glasgow improvement programme.

There has been significant progress on IIP programmes and projects elsewhere in the transport sector, including design of the A9 dualling from Perth to Inverness. The draft orders for the 7.5km section that is to be dualled between Kincaid and Dalraddy were published in November 2013 and design consultancy services, with a contract value of about £120 million to £180 million for the programme, are in procurement.

On the design of the A96 dualling from Inverness to Aberdeen, preliminary development work and strategic environmental assessment work are under way along the corridor between Inverness and Aberdeen. Route option design work is being progressed for the section of the A96 between Inverness and Nairn, including the Nairn bypass.

I return briefly to the Forth replacement crossing. The committee received a specific update from the project team early in March, so I will just restate that in September 2013 the budget was reduced by £145 million to between £1.4 billion and £1.45 billion. That compares to an opening tender band—if you like—of between £1.75 billion and £2.25 billion. The project remains on schedule for completion in 2016. I was there last week; I believe that the committee also intends to go and have a look on site. The scale of it is quite incredible and I am sure that members will be impressed when they see it.

The final business case for the Edinburgh to Glasgow rail improvement programme has recently been published and is predicated on a capital outturn cost of £742 million for phase 1, which will be fully delivered by March 2019. As a precursor to the formal Transport and Works (Scotland) Act 2007—TAWs—process, Network Rail is currently consulting on the £120 million transformation of Glasgow Queen Street station.

The Borders railway project continues to make good progress and is on target against both budget and programme. Construction costs are estimated at £294 million at 2012 prices, with service commencement planned for September

2015, although we continue to work with Network Rail to see whether there is any way that it can be brought forward. The fares structure and timetable that we published in late February will ensure that the train will be an attractive option for travellers, allowing them to go end to end in less than an hour and for under £10.

The contract for the M8, M73 and M74 motorway improvements has recently been awarded at a significantly lower cost than the original expected cost. The project is expected to be completed in 2017. The next phase of the £40 million programme to upgrade the M74 between junction 22 at Gretna and junction 12 at Millbank is starting at the end of March. When the full programme is complete, there will be 80 miles of new road surface, which is the equivalent of 200 football fields—for those who think in terms of football.

The contract for the Aberdeen western peripheral route, including the Balmedie to Tippetty section, is currently in procurement, with contract award expected late this year. Construction is expected to start thereafter. Completion is expected by spring 2018.

On the Glasgow subway modernisation, up to £246 million Scottish Government funding has been given to enable Strathclyde Partnership for Transport to deliver new trains, refurbish stations, upgrade signals, and improve accessibility. Station refurbishment works have been completed on Partick's platforms and at Ibrox, and will be completed at Kelvinhall before the Commonwealth games start.

Up to £40 million has been committed to fund the core Glasgow fastlink scheme within the SPT business case. The infrastructure that will be completed by mid-2014 will be available for use for the Commonwealth games.

Development of the A82 improvements design is under way, with designers having been appointed to develop a preferred scheme between Tarbet and Inverarnan by spring 2015.

As Mr Ingram knows, construction started in 2013 on the A75 Dunragit bypass. The A75 Hardgrove to Kinmount section, the A77 Symington and Bogend Toll improvements, and the A82 Crianlarich and Pulpit Rock improvements are all expected to be completed this year. Overnight construction works on the A82 Pulpit Rock improvement scheme have resumed this week and will go on until Friday.

I also announced recently that Scotland's roads will get an additional £10 million upgrade as part of the 2013-14 budget. In the north, the A90 at Stonehaven will be resurfaced and, in the south, major repairs are being made to the Dumfries bypass. Works on bridges include upgraded

parapets on structures from the A1 to the M90, and replacement bridge joints on the M8, M80, M9 and A90.

In late February, I announced 29 successful applicants to the community transport vehicle fund, which was recommended by the committee. Although a number of good applications were made, the fund was heavily oversubscribed, with 130 applications seeking a total of £4.1 million from a £1 million scheme. New vehicles are expected to be in operation by the summer.

I know that the committee has a strong interest in active travel. We are increasing investment in active travel by 50 per cent—from £21.35 million for 2012-13 to £32.2 million in 2014-15. In September, we announced an extra £20 million during the next two years for cycling infrastructure. That additional funding includes the £3.6 million that will go to the Leith Walk active travel improvements. Local authorities will be given the chance to bid for the balance of £16.4 million through the Sustrans community links programme.

It is worth pointing out that some of those programmes are much smaller than others that I have mentioned previously, but such projects can have a disproportionately beneficial effect, especially in rural areas. Smaller contracts are often taken up by smaller local companies, which has a knock-on effect on local economies.

Finally, following the recent landslide at the Rest and Be Thankful, where the old military road local diversion was used for the first time, members of the A83 task force held their first update meeting of the year on 18 March. As the work around the Rest and Be Thankful nears completion, the netting that has been installed in the area has already prevented debris from the hillside reaching the road. Investigations at other known landslide high risk areas on the A83 at Cairndow, Glen Kinglas and Loch Shira are on-going, and we are looking at options to provide similar mitigation at those locations. Budget discussions for the next financial year are continuing, but that work is a priority, and I want the level of momentum and commitment that there has been on the A83 to continue in the near future.

If we consider the menu of on-going projects, we see that the work is part of a process that amounts to the modernisation of Scotland's transport infrastructure. I have not mentioned many things in relation to ferries or aviation, but the things that I have mentioned show that there is a substantive transformative change taking place in the infrastructure. That is underpinned by the fact that we have had underinvestment in our infrastructure for decades. It is not just me saying that; the Secretary of State for Transport, who has obviously forgotten that he used to be a transport minister between 1989 and 1992, said it recently,

too. In fact, he has repeated it. We are coming up from a low base.

We cannot do everything at once. We have to prioritise, but in what I have spoken about today there is evidence of major change, not least in terms of having motorways or dual carriageways between all our cities, which most modern developed economies expect.

I hope that that brief overview is helpful to the committee. I look forward to answering questions.

Mary Fee (West Scotland) (Lab): Good morning, minister. Could you provide the committee with an update on the results of the Glasgow airport strategic transport network study, and is the Scottish Government committed to implementing the improvements?

Keith Brown: The recent study was led by Glasgow Airport Ltd, rather than by the Government, and was carried out in conjunction with the Government, Renfrewshire Council and Glasgow City Council. It identified a number of things, including the short-term bus improvements. We support that and have asked the partners to pursue those measures, including a fast bus link. The study showed that such things do not have much risk attached to them, but have major potential benefits. With few risks in their implementation, they can be achieved at low cost.

Following publication of the report from that study, I have asked Transport Scotland to work with the airport and the two councils to consider further the feasibility of a tram-train link from Glasgow airport to the rail infrastructure. The idea has been well received by the airport. The cost benefit ratio is substantial, so we think that it could produce benefits.

I should say, however, that the report has its limitations. It does not go into all the detail, and it points out that linking a light rail network to a heavy rail network has challenges. It provided three indicative routes, but it has not said which route should be considered. We have approached the idea with an open mind, and Glasgow Airport is keen for the option to be considered. We said that we would do what we can so that Transport Scotland and its partners can consider the suggestion and establish whether it is possible.

Mary Fee: The cost of the tram-train link would be £92 million. Are you able to break down that cost for us and tell us what is included in it?

Keith Brown: Mary Fee says that the cost of the project would be £92 million; I think that the price that was first quoted for the Parliament building was £10 million, and it cost £432 million. I am not saying that that would happen with the tram-train link; I am just saying that the initial figures are very provisional. The authors of the

report say that the figure is indicative and have not, as yet, broken it down in the way that you want. We estimate that the cost could be well short of that figure, but it could go beyond it. It is a bit invidious to put a specific price on the project. The main cost will be that of the infrastructure that would be built.

One of the attractions of the project—it appealed to me when I read about it—is that, unlike the heavy rail network, a light rail option can be much more flexible within the grounds of the airport, where space is constrained. It would be much easier to turn.

The cost benefit ratio is also better than for the heavy rail option. I would not, however, want that price ever to be fixed in the public imagination if we were to proceed down this path. That price is merely indicative at this stage; that is what we asked the study to produce, so we cannot be too specific.

Mary Fee: Network Rail will trial tram-trains in Sheffield and Rotherham; that is due to start in 2016. Let us suppose that the trial takes two years. By the time it is evaluated, what impact will it have on a potential tram-train link between Glasgow airport and Glasgow? Do you have any idea when a tram-train link could be started?

10:15

Keith Brown: It is as invidious to talk about dates as it is to talk about prices. The initial study has shown that a tram-train link is a possibility and has shown the associated benefits. The cost benefit ratio is good. We are doing a much more in-depth study and we will be much clearer about a timeline for putting a rail link in place at the end of that work, if it is agreed that the link should go ahead. We do not want to be specific about a date just yet. However, we must inject some pace into the work. The airport is very keen that we look quickly and seriously at the issue and that is what I have committed to do.

We are aware of the Network Rail trials. We can draw a lot from those and from existing tram-train links. Perhaps Aidan Grisewood has something more to say on the Network Rail initiative.

Aidan Grisewood (Transport Scotland): I do not, other than that we need to look at all the relevant information. Experience of the technical side and of assessing feasibility of such projects, as well as information on uptake and demand, would all be relevant to an appraisal of an airport tram-train link.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): You will be aware that the Deputy First Minister was before the committee last week to update us on what is happening at Prestwick

airport. I note the £3.2 billion capital programme. Will the investment in Prestwick airport come out of that budget or—if the Government takes it on—is there a separate budget for that?

Keith Brown: The funding will come from general Government expenditure. It is probably as much for the Deputy First Minister and the Cabinet Secretary for Finance, Employment and Sustainable Growth to decide exactly where it will come from. They made a commitment to provide the funding, including the necessary capital expenditure, in order to stabilise and make more attractive the airport as a proposition for businesses—the bulk of the work is being done on that. The committee will be aware that our appointed adviser is in place.

The Deputy First Minister is very much in the driving seat; her update to the committee last week is the latest position. I read that she was not unmoved by your suggestion to rename the airport. She may have mentioned that the removal of existing signs would prove to be popular, too. A substantial commitment to the airport must be made and that commitment has been given.

I reiterate the Deputy First Minister's other point, which was that Prestwick airport is a long-term project. It is clear from the challenges that the airport faces that it will take time to turn it around. We are confident that we can do that, whether through additional ancillary works or other developments. Substantial capital funding is in place for that.

Adam Ingram: To rename the airport the Robert Burns international airport would be a nice marketing tool.

Airport businesses have suffered from the loss of a link to hub airports in and around London. What is the Scottish Government doing on that front—not just for Prestwick, but for airports across Scotland—and what progress are you making?

Keith Brown: The European Commission is about to publish, or may already have published, its latest proposals. They supersede the old route developments support framework, which was very popular and successful under the previous Administration but was later ruled out by the European Commission. We are concentrating on the areas that fit with the Commission's guidelines, which tend to be about using marketing to encourage routes.

On the hub airports, there are two difficulties, the first of which is access. Heathrow and Gatwick airports see long-haul flights as being much more lucrative, which squeezes out not just airports in Scotland, but airports in other parts of the United Kingdom. I have made representations to a number of UK secretaries of state on that matter without success. I have told them that other

European countries ensure that they have connections to their hub airports because it is vital that they do so.

The second difficulty is air passenger duty, which is—we have made the point before—a particular inhibitor to routes from Scotland. People who fly from Scotland who must also use hub airports very often pay air passenger duty twice.

A number of services could have been lost on Flybe's Inverness to Gatwick route, which we stepped in to support. We provided substantial support to replace and improve the services. People do not pay APD when they fly from Inverness. Flybe had cited APD as a major reason for its withdrawal, as well as increased costs for using Gatwick's facilities.

I have repeatedly asked the UK Government and Danny Alexander about the issue. He is on the first flight down to Gatwick, although his position was cited as being one of the problems for the service, whereas we stepped in to help.

I have met UK secretaries of state and representatives of airports to make points about APD and guaranteed access to hub airports. There is an element of competition between Gatwick and Heathrow and there is the airports review. I have said that passengers from Scotland are interested in having access and in having it at the right price. Airports should turn their minds to how best they can serve that. If they do not, there will be more advertisements—I heard one on the radio yesterday—for people to go to New York or Dubai via Dublin. People can save on APD in that way and have guaranteed access.

If a facility wants to be a hub airport, it must act like one. That means it must service Scotland and not have punitive taxes, such as the highest APD rates in Europe.

Adam Ingram: Am I right that the budget last week made changes to APD for long-haul flights, but not for the links that you are talking about? That seems to be a bit ironic.

Keith Brown: That is right. The budget contained further increases in APD rates, but bands C and D—which include flights to Mexico—are to be removed. Not many flights go direct from Scotland to the locations involved, although the change will be of benefit. As an example of the detrimental effect of APD, I was told—the York Aviation report pointed it out—that flights from Mexico no longer come to the UK but go to Paris instead, which means that we suffer a loss of tourism.

The UK budget change is relatively minor; it is good that some individuals will benefit, but it will have a limited impact. We should consider a major overhaul of the APD rates.

The Convener: There are no more questions on aviation and airports, so we move on to the Caledonian sleeper franchise.

Alex Johnstone (North East Scotland) (Con): Will the minister give us a quick update on the franchising processes for ScotRail and the Caledonian sleeper?

Keith Brown: Both processes are going well. Aidan Grisewood can talk about the exact point in the process that we have reached. We had a good briefing recently on progress with the sleeper franchise, which is more advanced—that was what we programmed.

Healthy interest has been shown in both processes. We are down to three bidders for the sleeper service and we have healthy interest in the main ScotRail franchise. The processes are going to plan.

The committee might recall that we announced the process for letting both franchises in the middle of the west coast main line situation. We have been very aware of the need to plan the processes and to have enough time and resource going into them. That has borne fruit. I do not know whether Aidan Grisewood wants to say more about the stage that we are at.

Aidan Grisewood: I do not have a huge amount to add. As the minister said, we have three bids for the sleeper service, all of which meet the transformational objectives that we seek. The successful bid will be announced in the summer.

As the minister said, we programmed the bid process for the sleeper and the main ScotRail franchise to ensure that Transport Scotland is adequately resourced to manage the process and to allow a longer mobilisation period for the sleeper, because we are seeking transformational change through that procurement process, which concerns the rolling stock and getting best value from the £50 million-plus investment in it. That is an important part of the process and it is factored into the timescale, to ensure that the passenger benefits come early.

We have five shortlisted bidders for the main ScotRail franchise, and the successful bidder will be announced in the autumn. I confirm that the process is fully on programme and to timescale. Both new franchises will start in April 2015.

Alex Johnstone: I heard mention of the £50 million. I have inquired after its wellbeing before. I understand that the UK Government gave that £50 million to upgrade the rolling stock for the sleeper service on the basis of a match-funding arrangement. Can the minister tell me where that money is currently resting, whether it is doing its

job at the moment, and when it will be invested in rolling stock for the sleeper service?

Keith Brown: The £50 million that Aidan Grisewood mentioned is not necessarily the £50 million that the UK Government committed. We agreed to match fund, but I am sure that the member knows how the process works. We ask for the invitation to tender to specify what we want. The bidders are aware of the resource that we will apply to that, and they make their bids on that basis. We will pay the subsidy costs of the franchise over a period of time, which will include the costs that the successful bidder will take on for upgrading the infrastructure, which may be for rolling stock and other parts of the infrastructure to improve the sleeper service. It is not as if there is 50 million quid sitting there; it is applied as part of the process, and the bidders bid knowing that that resource is available. They say what they will do with that resource as well as the additional resource that we will apply to fund the services.

Alex Johnstone: But there is £50 million sitting somewhere at the moment.

Keith Brown: There is a lot more than £50 million sitting in different places, but the money will be applied to the service. Having seen some of the commentary, I am not sure how else things could have been done. We could not have gone out and bought £50 million-worth of rolling stock, as that does not exist. There is a long lead-in time for new rolling stock, but we have not specified that; we have said that we want to see a transformation in the quality of the rolling stock. That could include refurbishment and it could include new rolling stock, but it is up to the bidders to look at that. The £50 million and the much larger sum that the Scottish Government will put in will pay for the on-going costs for each year of the franchise, as happens now. That includes the infrastructure costs and the costs of the services that are run.

Alex Johnstone: Thank you.

Mark Griffin (Central Scotland) (Lab): Good morning, minister. Why has the cost of phase 1 of EGIP increased by almost £100 million, from £650 million in 2012 to £742 million now?

Keith Brown: There are two main reasons for that. The business case allows for costs of £742 million. That now allows for prudential allowances of around £130 million for contingencies, which is a bigger figure than the previous figure. That is to do with Audit Scotland's comments and Treasury guidance. From memory, the contingency for high speed 2, for example, is around 40 per cent of the actual cost. The established guidance is to try to put in a substantial contingency to meet the potential additional cost. That is not to say that we are committed to spending that money; obviously, we will try to reduce that.

The basic costs have increased from £505 million to £560 million mainly because of additional investment in Queen Street station. It became obvious from the previous figures that a bigger project could be achieved at Queen Street station, but it would include, for example, the purchase of nearby properties in order to make it happen. We think that there is a much bigger prize to be won in an iconic station at Queen Street. The bulk of the additional costs are for that additional quality of product at Queen Street—if members have seen Haymarket station, they will, I hope, have seen what I mean by that—and the additional contingency that we put in. The contingency may be a bit generous, but we think that it is wise to put it in at this stage and try to work back from that, rather than have to increase the contingency as we go forward.

Mark Griffin: You touched on the Queen Street station proposals. Could you give us a timetable for the upgrade of Queen Street station and tell us about the possible impact on passengers?

10:30

Keith Brown: We have said that we will try to complete all of that, including the EGIP works, by March 2019. The redevelopment of Queen Street station is to be completed by the end of control period 5, which comes to an end in March 2019.

In relation to the impact on passengers, the work will be carried out through Network Rail, which is the expert in this area. We have made it clear to Network Rail, as we do with all such projects, that we want to ensure that there is minimal disruption to passengers. We are not naive enough to believe that such huge transformative projects can be carried out without some disruption, but Network Rail can minimise that, and it is more effective than we would be at realising how to do that.

The key stakeholders, which are Network Rail, Glasgow City Council, the Buchanan Partnership—in relation to the property that I mentioned—First ScotRail and Strathclyde partnership for transport, are discussing ways in which the impact on passengers can be minimised as far as possible. We will have to shift trains and some trains will not be able to get into the station as they currently do. The way to minimise the impact as far as possible is for the stakeholders to get round the table to discuss that with the sole aim of minimising disruption.

Mark Griffin: I know that the slab track replacement work is not necessarily part of EGIP, but it will add to the disruption. Will the slab track replacement and the tunnel closure at Queen Street coincide or overlap at all with the Winchburgh tunnel closure?

Keith Brown: The slab track maintenance, which has to be done in the tunnels, is Network Rail's responsibility. It has overarching responsibility to undertake those works, and we are aware of the need to do them. We have said to Network Rail that we want to minimise disruption and we have asked it to bear in mind EGIP in considering that work. We do not want people to be disrupted twice if that is not necessary, so Network Rail should be aware of our plans for EGIP. Therefore, the timing of that maintenance might be affected by what we can do to make it less disruptive. If Network Rail realises that EGIP is happening and it has to do other work, why, for example, close a tunnel twice if it is possible to do it once?

I ask Aidan Grisewood whether he wants to add anything in relation to Winchburgh and what we know about the slab track proposals at Queen Street.

Aidan Grisewood: That challenge of seeing what work can be done in the station and around EGIP at the same time as the tunnel closure to minimise passenger disruption is a key issue that Network Rail is working through with stakeholders. For the work at Winchburgh tunnel, initial work has been done on timescales and whether, to minimise passenger disruption, it is better to do the two at the same time or separately. The initial conclusion seemed to be that the disruption would be less overall if the two are done at separate times, because of issues to do with the resilience of the overall network and the wider impacts. However, the industry is still working through that to come up with a solution that minimises the overall disruption.

Mark Griffin: Phase 1 of EGIP has a cost benefit ratio of 0.7, which is lower than any other Scottish Government-backed transport project. Why has phase 1 gone ahead with that cost benefit ratio? Is that the best use of Scottish Government capital funding?

Keith Brown: We have to take a longer-term view on the improvement of our infrastructure. It is fairly self-evident that individual aspects had to be upgraded, such as Haymarket station, which I think was the second-oldest station in Scotland. It is also fairly obvious that Queen Street station has to be upgraded, given the constraints there. More important, we think that electrification stands on its own merits, given the increased efficiency, reduced environmental damage and increased reliability of services. We think that those things provide public goods in their own right. It is not always easy to attribute the benefit, beyond the financial benefit, but there are other benefits that arise, some of which I have just mentioned.

During our rail consultation, there was a big campaign to save stations in Glasgow and

elsewhere, although they were not under threat. People campaigning for those stations recognised that, although they might not have a positive cost benefit ratio in terms of monetary return—nearly all rail services in Scotland are subsidised—there is a public good in having them, and that is the basis for our proceeding with EGIP. I have not heard a serious suggestion that we should not progress with EGIP. We think that the project stands on its own merits. It might be worth considering the cost benefit ratio for the whole of the EGIP process, to see what that comes up with.

Mark Griffin: Obviously, the cost benefit ratio starts to justify itself in phase 2. With that in mind, are you able to give any firm information on the scope, cost or expected delivery dates of phase 2?

Keith Brown: We have said that we will continue to have 100km of rail in Scotland electrified every year after we finish phase 1 of EGIP. Future phases, including the connectivity with Edinburgh Gateway station and the six trains an hour via Falkirk, could be delivered through that. Decisions regarding the timing and the specifications of those future phases will take account of wider capacity, including the capacity to fund those things, and the demand requirements of the rail network.

There has been a substantial increase in the number of passenger journeys—it has risen to around 83 million a year. That demand is part of the justification for EGIP, as from projections of demand we know that we will need more capacity on the Edinburgh to Glasgow line.

The answers will depend on future control periods. As you know, the funding for future control periods is quite convoluted, as things stand. There is an iterative process whereby we will say what we think we want to be done, Network Rail says what that will cost and then the Office of the Rail Regulator steps in and says, “No, you can do it for this much.” Also, before that, there are stages involving lovely acronyms such as HLOS, which stands for high-level output specifications, and SOFA, which stands for the statement of funds allocated. There is quite a convoluted process to go through before we prescribe exactly what we want to see in the next control period, which will be when subsequent stages of EGIP will be considered.

I am not in a position to be more specific, apart from the intention to continue electrification of rail. Aidan Grisewood might have something to add.

Aidan Grisewood: The only thing that I draw to your attention is the business case for the high-speed link between Edinburgh and Glasgow, and the fact that the phased approach to EGIP allows a strategic decision to be made about the next

intervention in terms of capacity and journey-time improvements between Edinburgh and Glasgow.

Mark Griffin: If a high-speed rail link between Glasgow and Edinburgh goes ahead, I take it that that will mean that phase 2 of EGIP will not.

Keith Brown: It would mean that it would be different. As it would have a potential impact on phase 1, the possibility of there being a high-speed rail link is being factored into our planning for that phase, too. We do not want to have any abortive expenditure.

Mark Griffin: Why did you feel it best to leave the procurement of the EGIP train fleet to the next franchise holder? Would it not have been better for the Scottish Government to take that exercise forward so that that fleet meets the needs of passengers rather than the franchisee?

Keith Brown: That question points to the fact that there were at least two different ways in which we could have gone about this. I understand that point. The process that will be followed by the franchise holder will be remarkably similar to the process that we would have followed had we procured the fleet directly. The EGIP trains are a central element of the invitation to tender for the franchise, which contains detailed specifications for the fleet. We believe that that ensures that the needs of passengers are taken on board from the start.

The specification that we have included in the ITT allows us to protect passengers in the way that you are describing. We think that allowing the franchise holder to undertake that task is a more cost-effective way to proceed. For example, it might be the case the it can secure rolling stock from various sources at a better rate than we could, especially if it is doing so in conjunction with the franchise.

We decided that that was the best way to go, and we do not think that it diminishes the benefits to passengers. In fact, it might increase them.

Adam Ingram: It was reported in *The Scotsman* last October that the Stirling-Alloa-Kincardine railway line would need to be substantially rebuilt at a cost of £17 million, just five years after its opening. The suggestion is that poor design may have resulted in that need for a substantial overhaul. Can you provide an update on the repair work that is required on the line, its possible effect on passenger and freight services, and who will be liable to meet those repair costs?

Keith Brown: To take the last point first, it is Network Rail's obligation to maintain the track and infrastructure, even though in this case Network Rail did not construct it. However, I remember that, in its previous guise as Railtrack, it was the organisation that put up the Scottish transport

appraisal guidance appraisals and was deeply involved in doing the work that allowed a small council with no real expertise to take the lead by relying heavily on those in the industry. As you say, that has meant that the track condition has deteriorated much more quickly than would have been anticipated, so there are now speed restrictions in place and they are having a negative effect on journey times for both freight and passenger services.

Network Rail undertook essential major renewals of the track bed and drainage between 21 February and 3 March, and it will continue doing that. There has been some disruption in my constituency, on the Kennet side, and there will also be disruption in the Cambus area, which will include completely digging out and replacing the track, and replacing steel sleepers with concrete ones.

To return to the point about funding, the ORR and Network Rail are working with industry partners to finalise the cost of remedial works, and those costs will be met by Network Rail, although they are funded from overall budgets in Scotland, which are determined by the ORR and to which we contribute.

Adam Ingram: Is there anything else that you want to say about that, given that you have been intimately involved with that railway line?

Keith Brown: I was intimately involved in the proposal—I know that it sounds convenient to say this, but I was involved at the start but not when the building works took place. As you may recall, I proposed that Clackmannanshire Council should sponsor the first private bill that the Parliament considered; I think that it ended up being the second one. We wanted to have the line because we were concerned about passenger services between Stirling and Alloa, but we were told by the then Scottish Executive, with some justification, that we needed to have the freight element as well. I understand from what I have read that some of the problems may have been caused by the freight trains carrying coal to Longannet being substantially heavier than was anticipated, which will have put more pressure on the line.

Like the area that Mr Ingram represents, Clackmannanshire is known for its mine workings, and there may be softer ground there, although I am not sure of that.

We had got the proposal through to the permission stage in 2003, when, sadly, we lost control of the administration and it was taken on by somebody else, and the construction started thereafter. It was completed in 2008, so we have to take responsibility for that, and the Government would of course have been involved in overseeing

that, but it was done through TIE, an organisation that members may remember.

In any event, the problem has to be fixed, and that is vital to the Scottish economy. The coal going to the power station is extremely important, not to mention people being able to use what has turned out to be a successful passenger link between Stirling and Alloa, so the work is being undertaken by Network Rail.

The Convener: The problems at the Rest and Be Thankful on the A83, which you have touched on, seem to be regularly mentioned in news bulletins, especially when there has been heavy rain. You have also referred to the opening of the diversionary route. Each time there is a slip, we hear that engineers and surveyors are looking at the hillside to see whether there are likely to be more slips. Is this simply going to be an on-going problem, or is there a case for blasting away bits of the hillside?

10:45

Keith Brown: Nature is already doing its job on the hillside, but we cannot guarantee that we can absolutely mitigate all landslips. That is true not only at the Rest and Be Thankful and, indeed, in the rest of Scotland but, as we have seen in the news this week, in Washington state and parts of Europe such as the Alps, where landslips occur fairly regularly.

We have tried to mitigate the effects of the landslips; given that the worst effect is obviously on safety, we have decided to go with the progressive installation of netting at the Rest and Be Thankful. As you have said, convener, you will hear about every problem that arises, but you will not hear about the times when the netting catches landslips.

The biggest frustration for people in the wider area is the 50-mile diversionary route that has previously been used, and there is also a perception that Argyll might not be open for business, which it is. We have concentrated on those two issues to ensure as much coverage as possible in order to mitigate slips. The approach is working progressively and well. For example, the new diversionary route, which I recently used, is a major improvement for many people and we have received an awful lot of positive comments about it. However, there are no headlines about people being delayed by 15 minutes instead of having to take a 50-mile detour.

There is still work to be done. Some of the slips have been on the other side of the Rest and Be Thankful, and we are working on that side to see whether they can be mitigated. I have recently had meetings to consider additional planting, which might help to stabilise the slope; however,

although that option has been discussed, we need the proper basis for undertaking such work. The last time we had a slip, it was not the slip that was most disruptive—the slip itself was not huge—but the possibility of a rock the size of a house coming straight down on to the road and rolling right down to the old military road. I went up in a helicopter to see the size of that rock and to see the guys who were working on it in what were pretty difficult circumstances. There are many different gulleys in the area, but because of the history of landslips there, we cannot say whether some of them were made three or 3,000 years ago.

We are concentrating on mitigation and minimising the impact on people, and we are stabilising the slope as best we can.

The Convener: You also mentioned the major trunk road projects—the M8 from Baillieston to Newhouse, the AWPR and the dualling of the A9—which I understand are all at the procurement stage. Are they going to be phased, or will they all happen at the same time? Are the same companies bidding for the contracts?

Keith Brown: They are neither being phased nor happening at exactly the same time, but there is some overlap between them. The AWPR is due to be completed by the spring of 2018; I think that I mentioned 2017 as the date for completing the M8 bundle; and the A9 and A96 are longer-term projects, which we aim to complete in 2025 and 2030 respectively.

A lot of the projects will happen concurrently, but that is because that is the earliest that we can get started on them. We are looking to accelerate some of the work on the A9 if possible, but completing the dualling on the A9 within 11 years from now gives us a pretty tight timescale in which to do what we have to do, especially when the work is broken down into different phases. As members will know, we are going through the process of consultation, design, procurement and road orders, which, as we have seen, can be challenged legally. Nevertheless, although the timescale is quite tight, we expect to have at least 50 per cent of the dualling completed by 2022 and we are looking all the time at how we can bring the work forward.

Those things are happening progressively. By 2025 or 2030, every city in Scotland will be connected by a motorway or dual carriageway, which is a major change. The AWPR, with which I know you are familiar, convener, is absolutely crucial to the north-east's economy and has been talked about for more than 50 years. It should have been completed many years ago, but we will complete it by 2018. We would have liked to have completed it earlier, but there was legal action to deal with.

Instead of our looking at which trunk road projects are happening at the same time, we are ensuring that each of them is proceeding at the pace necessary for its completion.

The Convener: Thank you.

You mentioned various parts of the road network throughout Scotland that are undergoing major resurfacing and upgrading. However, a recent report has highlighted the deterioration of the lines on the roads. Is anything being done about that?

Keith Brown: Yes. On the A9, for example, we have looked at the additional safety impacts of signing and lining. I should point out that we control only trunk roads, which comprise 4 per cent of roads—the other 96 per cent are local roads—but the additional signage required on those roads is constantly looked at. The report that you have referred to, which comes out every year, is put together by people who are in the business of providing those services, and they have made this case before. Of course, it serves as a reminder to us to address the issue.

I do not know whether David Anderson wants to say more about that.

David Anderson (Transport Scotland): With regard to the minister's point about lining, it has been pointed out to us that on various parts of the network the white lines have either eroded or have been worn off. That happens naturally, and the lines are replaced on a progressive basis.

The Convener: Even when a road is resurfaced, you can wait months and months before the white lines are replaced. Can they not be replaced as part of the resurfacing?

Keith Brown: You should not have to wait months and months. As I have said, we control only 4 per cent of the roads. Nevertheless, that is still an awful lot of road; in fact, Scotland's roads network is the Scottish ministers' most valuable asset. If a road has been resurfaced, the replacement of the signing and lining should follow automatically, but we have to rely on other agencies and, sometimes, individuals to tell us if that does not happen. I use the M9 fairly regularly, and we recently heard from someone who told us that part of the road had been eroded. That sort of thing should prompt action from our contractors.

The Convener: Thank you. We will move on to active travel.

Jim Eadie (Edinburgh Southern) (SNP): Good morning, minister. Can you provide the committee with an update on the national walking strategy, the development of which was announced in May 2012? What progress has been made since that announcement and what specific resources have been committed to the strategy's rollout?

Keith Brown: One of the resources that we have committed is time. In the past month, we have met the people who are putting the strategy together on two or three occasions. The strategy is currently with the working group, which was established to support its development and covers a range of national partners, and it will be redrafted according to the responses of the different partners and submitted to the Minister for Commonwealth Games and Sport before going out to a targeted stakeholder consultation. It is due to be published in June.

The public opinion survey on walking that was carried out in 2009 by the Paths For All Partnership, which is a key partner in the walking strategy, and Living Streets Scotland, has also been rerun—or, if you prefer, re-walked—and it will provide a baseline that will be used along with the national statistics on walking. The various partners are putting a lot of resource into walking.

Jim Eadie: It is clear from what you have said that the consultation period has been quite extensive. In addition to the time resource that you have mentioned, has a budget been committed to the strategy?

Keith Brown: As I have said, we have increased the budget for active travel generally. It should not, as is sometimes the case, be assumed that the active travel budget is always for cycling; it often covers the improvement of footpaths, which can also be used for walking. For example, the new path between Alva and Tillicoultry in my area is for both cyclists and walkers.

The active travel budget supports walking as much as it supports cycling. Indeed, I felt able to commit the Government to putting £3.6 million into the Leith Walk route because, as I have made clear, I wanted to ensure that the design that the council eventually chooses recognises walkers' needs. That means not just providing decent surfaces but ensuring that someone who wants to walk from Waverley station down to, say, Victoria Quay or Ocean Terminal is able to do so safely. The resource that we provide for active travel, which we are always looking to increase, applies to walking as well as to cycling.

When I spoke to Ian Findlay from Paths For All about additional things that we can do for walking, he suggested that we use the local links process that we have used for some cycling routes. As I have said before, although such projects are of a smaller scale than some of the big projects that we have talked about, they can be very beneficial to the local economy, and if Paths For All comes forward with proposals for such projects, we will be willing to consider them.

I have fairly regular meetings with three other ministers—in sport, environment and education—

to see what we can do to enhance active travel, which includes walking. As I have said, the resources for walking are the same as those for active travel.

Jim Eadie: That is helpful, minister.

You will know from previous evidence sessions of my interest in cycling. The Government's ambition and target are for 10 per cent of all journeys to be made by bicycle by 2020 but, as their previous evidence to the committee made clear, the consensus of all the cycling organisations, including Sustrans, Cycling Scotland and Spokes was that the target could not be met without further additional investment in the cycling infrastructure. Since we heard that evidence, the Government has, as you mentioned in your opening remarks, made a number of positive announcements. Do you accept that cycling infrastructure is key, and are you on schedule to meet the target outlined in the cycling action plan for Scotland?

Keith Brown: First of all, it is not a target and, secondly, it is not for the Scottish Government alone to meet. What we are trying to achieve will be undertaken jointly with the different partners. That is what the cycling action plan is about. It is not just the Government's plan; it relies very much on different stakeholders, not least of which—and perhaps most obviously—is local government. We have never expressed it as a target in that way, and it is not the Government's target to meet or otherwise; it is for us all to achieve.

You are right to relate the concerns that have been expressed by some in the cycling world about our ability to fulfil the plan by 2020, especially given our current progress. That is why we have put additional money into active travel, why we have worked on the national cycling network and why the cross-portfolio group that I mentioned, which has been discussing these issues, is looking at how we can get more resource into the plan.

We understand the point that you have made about infrastructure, and the Dutch experience very much shows that these things should be done right first time. Although they are now leaders in the field, the Dutch made many mistakes on their way to where they are now. We are trying to ensure that things are done the right way, which is why the £3.6 million for the Leith Walk project, for example, is being allocated not just for its own benefit, but because it can act as an example to other parts of the country about how to make progress.

We understand the concerns that have been expressed, but we have taken a number of measures to increase the pace. In fact, that is not the end of story—we will continue to push for that.

Jim Eadie: That is helpful.

When the Scottish Government published the cycling action plan for Scotland, its shared ambition was to meet the target of 10 per cent of all journeys being made by bicycle by 2020. Are we on target to meet that?

Keith Brown: As you will know, we are sitting at 2 per cent at the moment. There have been quite dramatic improvements in some areas, but in others, and across the piece generally, there have not been as many improvements as we would have liked to have seen. If infrastructure is key to achieving the ambition—and we believe it to be vital—that will take time to follow through.

I have already mentioned that, in my area, two links are being put in that will almost complete the national cycle network; in fact, Clackmannanshire also has a more local cycle network. That is an example of what a small council can do, and there are many other such examples across the country. For example, Glasgow is doing some very interesting things on cycling.

The different partners are attacking the task with different degrees of alacrity and our intention is to reach that 10 per cent. Apart from the good that cycling does for individuals, it is a social good, and we are pushing as hard as we can to get there. We realise that we have started from a low base relative to countries such as Denmark and the Netherlands, but we are still trying to reach that level of cycling uptake.

Jim Eadie: I recognise your personal commitment to increasing investment in the cycling infrastructure, and I note your earlier comments about the disproportionate economic impact that such investments can have in local communities, particularly in rural areas, and the step change in behaviour that they can bring about.

When you spoke at last year's cycling conference in Glasgow, you said that once the Government had completed the major transport infrastructure investment projects to which it is currently committed, there would be further opportunities to look at what more could be done to invest in cycling. Can you say a bit more about that?

Keith Brown: That goes back to my earlier point that our transport infrastructure has suffered from decades of underinvestment. I have said as much, and the UK Government has said the same; in fact, the UK Government has made the same point about the wider UK network. I would not say that that is necessarily true of the south-east and London, but it is true of much of the rest of the UK. That is the base that we are starting from, and we have to try to catch up.

Connecting our cities with motorways and dual carriageways requires big projects. The work on the A9 should have been carried out decades ago—after all, we are talking about the country's economic spine—and we need to undertake it. I believe that the M74 was and the AWPR is essential. However, after those projects are completed, we cannot go looking for the next big project.

Moreover, I do not think that we will have to wait until those projects are completed. The transport budget should start to concentrate more and more on active travel, which is what we are starting to do, and then on maintaining the current network to the highest possible standard. As you will know, roads are very important for cyclists as well as for cars and buses and, in light of the roads maintenance backlog that Audit Scotland has highlighted, we need to get all of our roads into the correct condition.

My point is that, over time and once we have completed the projects that are vital to our economy, the budget will have to be much more reflective of those other two priorities—active travel and proper maintenance of the network to a very high standard—and less reflective of big projects. I do not think that I said that further investment would have to wait until those things had happened; I was simply pointing out that over time, active travel and roads and rail maintenance will start to take up a bigger share of the budget. It will not always be the bigger projects that will claim that share.

11:00

The Convener: You commissioned two ferries from Ferguson Shipbuilders on the Clyde. Has delivery been on time and on budget, and are there any proposals for further renewal of the ferries fleet?

Keith Brown: The ferries have not been delivered on time—the second one is still under construction. However, they are a very different type of ferry—they are hybrid ferries, which is quite a radical departure. The first one has been in service for some time and its reliability and the savings that it has made have proven to be even more attractive than we anticipated. It is powered partly by batteries and partly by traditional fuel. The second ferry is coming along behind, and some of the lessons from the first one have been learned.

However, we are doing more than that. The MV Loch Seaforth—the naming or launching ceremony for which either happened last week or is happening this week—is the replacement vessel for the Ullapool to Stornoway route. It will replace both the passenger vessel and the freight vessel

that currently run on that route and is much more fuel efficient.

In the ferries plan, we laid out a process for renewing capital investments over time. However, I have also said that to make such investment more attractive—whether it is made by the Government or by different companies—we really should have longer ferry contracts. You will know that the vessels that service the northern isles are leased from the Royal Bank of Scotland, so they are not owned by the Scottish Government.

Currently, there is a six-year contract. We do not have that for buses or trains so we have made representations to the European Commission on a number of occasions about extending the length of ferry contracts. I think that there is some likelihood of success and that we will see some loosening of the regulations around that. Obviously, it makes the contract more attractive to somebody who is thinking about investing in ferries if they know that the contract will last for 12 years rather than six years.

We need to replace our ferries, and we have made a big start on that. We are still looking at other sources of power—for example, I know of a hydrogen-powered ferry down south. Over and above that, work will be required on the existing ferry fleet to ensure that the ferries comply with the sulphur regulations, which will come in from next year.

There is a lot of work to be done in the area; it is not just a case of getting a new ferry. In the case of MV Loch Seaforth, for example, we have to carry out improvements and changes at the two ports that it will serve so that they can accommodate it. Those are the things that we are concentrating on just now.

Alex Johnstone: Would you like to give us an update on the tendering process for the Clyde and Hebridean ferries services? Is there a set timescale now? What other information is available at this early stage?

Keith Brown: We are at an early stage. I know that potential bidders—whoever they might be—are already starting to turn their minds to the process and that officials are starting to discuss and engage with it. You will know from previous discussions that it is not our intention to unbundle the services, so the contract will be for a more or less complete service. However, we have said that we are willing to consider small-scale, community-based services. Different councils might want the Government to take on board and include in the contract the services that they provide. As you say, we are at an early stage but discussions are on-going and the officials are working on the timetable for the process.

Alex Johnstone: When might we expect the process to be completed? Do we have a ballpark date?

Keith Brown: There was a three-year extension to the previous deadline, which was in 2012, I think. We are looking to see the new contract in place in 2015-16.

The Convener: We move to bus accessibility. When the committee was in Dumbarton for Parliament day, I met Douglas Gilroy of the Scottish Accessible Transport Alliance. He said that he had discussed with you the creation of a forum or group that could advise on bus accessibility policy issues. He made the very valid point that conversations with the likes of Alexander Dennis on bus accessibility issues are needed before buses are even built. What are your thoughts on that? Should there be a forum to consider bus accessibility issues?

Keith Brown: We have a forum that can do that, which is the bus stakeholder group. I need to check, but I think that it now includes a member of the Mobility and Access Committee Scotland whose specific remit is to ensure that accessibility issues for people with disabilities are taken into account. *[Interruption.]* I have been told that the convener of MACS is on the group. The group will meet today to discuss a range of issues to do with accessibility, including the provision of passenger information, on-and-off-bus wheelchair access, complaints handling and bus stop design.

As you know, accessibility issues in terms of the design of buses are reserved. However, disability groups have requested that we provide more audiovisual systems on buses. The legislation is reserved to Westminster but, as I said to MACS when I met it recently, we are happy to take on board the points that have been made and make representations on them to Westminster.

There has been a call to develop a basic disability awareness training package for drivers. Again, that is a reserved area. The Department for Transport currently makes use of a number of exemptions concerning the rights of passengers on bus and coach transport. However, although it is true that large operators already provide disability awareness training, MACS might be able to help to improve that training.

Of course, the remit of the bus stakeholder group goes wider than accessibility issues. The Confederation of Passenger Transport, which represents most bus providers, is on the group as well and the group is a good interface to take forward these issues. However, as things stand, bus design and the legal framework are reserved, so we can only make representations on them just now.

The Convener: Many thanks.

Alex Johnstone has some questions on high-speed rail and the east coast main line.

Alex Johnstone: Minister, you have already spoken at some length about the Edinburgh to Glasgow connection and the possibility of high-speed rail on that route. However, high-speed rail—in particular, the HS2 project—is becoming a bit of a political hot potato south of the border, not least in the parliamentary constituencies that the new line would have to go through. Although the project is becoming more accepted in terms of a direction of travel—if you will excuse the expression—it is becoming politically less predictable. Are you able to engage in that process? What communication do you have with the UK Government on its plans and expectations?

Keith Brown: We do engage. We have had a number of discussions at ministerial level and we have had agreement that we will have engagement with HS2 at official level—Aidan Grisewood and his team are taking that forward—to look at route, cost and so on.

Alex Johnstone makes a very good point about the more confused public perception of the politics. I mentioned the Stirling-Alloa-Kincardine line. Clackmannanshire Council, which I was a member of at the time, made a bid for that. At one stage, the costs went up substantially from £23 million to £37 million, I think. At that point, people said, “This is not worth the candle. We’re not going to get involved in it.” As a small council, we had to demonstrate a much wider economic benefit than had been demonstrated before, including, for example, the removal of freight from the Forth bridge. I know that that sounds a bit obscure, but the Stirling-Alloa-Kincardine line was going to free up a great deal of capacity for the wider Scottish economy. My point is that we had to make a bigger economic case to justify the expenditure. We did that, which is why we got the project back when it looked like it was not going to happen.

I think that the same is true of high-speed rail. We need to demonstrate a bigger case for high-speed rail to people in the Conservative Party and the parliamentary Labour Party, although not so much to those in the Labour Party in local government in Glasgow, Edinburgh and Birmingham, who are very strongly committed to the project.

To try to allay some of the fears and to ensure that we get some unity, given that the project will stretch over a number of Administrations, the strongest possible case has to be made. I am not just saying that; I think that we can back it up with evidence.

The strongest possible case is based on high-speed rail coming to Scotland. That would be

better in terms of modal shift, as the sub three-hour journey time would mean that people would go by train rather than by plane, so there would be environmental benefits. As the central belt of Scotland is the second most economically active part of the UK after the south-east, the economic benefits would be much greater if high-speed rail came to Scotland. Such arguments help to make a better case for high-speed rail and might allay the fears of some people in other parties. We have made that point repeatedly.

We are very encouraged that David Higgins, who has taken over at HS2, has also said that construction of high-speed rail does not have to start at point A and work to point B, so it could start in the north. We have said from the beginning that it could start from Scotland.

You mentioned some difficulties in relation to parliamentary constituencies. Given that we do not have anything like that level of contention, although I understand that we might have more when we fix on a route, we think that we could get a much quicker start to high-speed rail in Scotland going south. The Borders railway is being constructed along the length of the route; it is not starting in the Borders and heading towards Edinburgh.

Those are some of the issues that are being discussed.

We have a working process between Transport Scotland and the DfT. You have seen “Fast Track Scotland: Making the Case for High Speed Rail Connections with Scotland”, which calls for HS2’s remit to be extended to include the detailed planning for bringing high-speed rail to Scotland. We have pursued that with the UK Government.

I was pleased to welcome to Scotland Baroness Kramer, who was accompanied by Alistair Carmichael. I made the point to him that his job really should be to represent Scotland’s interests in the Cabinet and that he should be proposing and advocating very strongly that high-speed rail should come to Scotland. I told him that he should make an explicit statement that the UK Government supports high-speed rail coming to Scotland. The previous UK Government did not do that, and the current UK Government has still not done it, although we are grateful to be working with it on the matter.

Let us have an explicit commitment from the Government that high-speed rail should come to Scotland. In one sense, the constitutional set-up does not matter, because high-speed rail would be beneficial to both areas, so let us get on and do it.

Alex Johnstone: You said that the timescale for the development of high-speed rail between Edinburgh and Glasgow might be influenced to some extent by the pace of the development of

HS2. A recent proposal suggested that HS2 might be taken forward more quickly for a number of reasons, including the fact that doing so might reduce the cost. Would any advancement of the HS2 project give you difficulty in relation to the Edinburgh to Glasgow high-speed rail project?

Keith Brown: I do not think that I said that; I think that I said that the high-speed rail project between Edinburgh and Glasgow should be taken into account in relation to what we are doing with EGIP and other projects. I do not think that an advancement of HS2 would give us difficulty. Given the timescales that we have outlined for the project, its advancement would present opportunities. If you like, it is almost a statement of intent that we are serious about high-speed rail. If you end up with services splitting in a Y, with one line going to Edinburgh and another going to Glasgow, you have to make the part in the middle between Edinburgh and Glasgow work.

The high-speed Edinburgh to Glasgow rail project has its own merits, because it would free up a lot of capacity on that route, so services that were slower than high-speed rail could be used for points outwith Edinburgh and Glasgow. Nevertheless, it would be bolstered by the development of a high-speed rail link to Scotland, and it might encourage the development of such a link if people saw that we were serious about having a high-speed rail project linking Edinburgh and Glasgow and were doing it.

I do not think that we would have to hurry up and do the project even more quickly should there be a commitment to a high-speed rail link to Scotland—if, indeed, that was the suggestion behind your question. I do not know whether Aidan Grisewood wants to add anything.

Aidan Grisewood: What the minister said is absolutely right. The timescales that I think Alex Johnstone is referring to are in David Higgins's report. He proposes an accelerated timetable to take high-speed rail to Crewe by 2026 and to Manchester by 2030. Those dates are still a long way off, so there is nothing there that would put any undue pressure on the timescale for a high-speed link between Edinburgh and Glasgow or would impact on the technical feasibility of such a link. As the minister said, the economics would be worked out through the business case, but it stands to reason that the sooner high-speed rail comes to Scotland, the stronger the business case for the Edinburgh to Glasgow link is, given the opportunity of a north-south connection as well as an east-west connection.

11:15

Alex Johnstone: On a different but perhaps related subject, does the minister have a view on

Great North Eastern Railway's proposal to run an open-access service between London and Edinburgh? Such a service could, along with some signalling improvements, lead to a substantial reduction in the journey time and deliver such a reduction almost as effectively as the proposed high-speed rail service will do.

Keith Brown: On Alex Johnstone's last point, it is worth bearing in mind that although we often fall into the trap of talking about high-speed rail in the context of journey times, it is about much more than that. For example, capacity is vital. As I have said, if high-speed rail is not coming to Scotland, the Government will need to invest billions in the west coast main line even before the current HS2 proposals are completed, because the line will have reached capacity by 2024.

However, Alex Johnstone is right to point to journey times. We have discussed the proposal with GNER and we are pleased that stakeholders are seeking to improve journey times to Scotland. We have had initial discussions with all the bidders for the intercity east coast franchise, and we have outlined a requirement for faster journey times between Edinburgh and London.

It is good that the journey time requirement is getting more recognition, but there are some other interesting proposals for cross-border services from other parties. We will continue to talk to them without favour; I imagine that they will listen to us much more earnestly if, after 18 September, we have responsibility for those services, which are currently the responsibility of the Department for Transport. It has been a struggle for us even to be allowed to be consulted on the east coast main line, even though the services come straight into Scotland.

We will continue to have that dialogue, and we are pleased that there is an emphasis on journey times, not least because—as I have said—we can start to get real modal shift if we can drive journey times down.

Alex Johnstone: Are you comfortable with the idea of a company—admittedly one with a good track record—coming in on a strictly commercial basis and providing a service that will link London to Edinburgh in the way that is proposed?

Keith Brown: We have no choice in the matter as things stand. It is not for us to agree or disagree with the proposals, although we can make our views known. It is pretty much the same as franchising: it is sometimes not a cheap or cost-effective option, and it can be convoluted, but that is the current environment in which we work.

All I will say is that the proposal, taken on its merits, seems to concentrate on reducing journey times. We support that approach, and we have said so to GNER.

Alex Johnstone: I was nearly finished, but the minister's last answer has tempted me to come back in again.

Minister, you speculated about what might happen after 18 September. In the post-18 September environment, would you be inclined to support a purely commercial, open-access rail service between Edinburgh and London?

Keith Brown: As I have mentioned, our emphasis would be on trying to get high-speed rail and the infrastructure improvements that are required. There is a process to go through, and Alex Johnstone is right about the existing cross-border services. We would seek to discuss very early—from 19 September onwards—how we could properly maximise those services.

The Department for Transport takes some decisions that seem quite strange to us, and we are not even consulted on some of the decisions on cross-border services. We would see a very different approach after 18 September. In the very attractive scenario that Alex Johnstone mentioned, we will be committed to the franchise process, so the vast bulk—about 95 per cent—of the services that are provided in Scotland will be part of the bidding process for the two franchises. We will have to discuss the cross-border services with the UK Government.

Alex Johnstone: Thank you—I tried.

The Convener: We move on to seat belts in school buses, on which Adam Ingram has a question.

Adam Ingram: Minister, the UK Government has already agreed in principle to transfer powers on school bus safety to the Scottish Government. Will you outline the timetable for that and any plans to use the new powers to improve school bus safety in Scotland?

Keith Brown: We expect to have the agreement next year on the powers that are to be transferred. We have said that it will take time for us to implement the powers—we expect to complete that in 2018-19. Primary school buses will be first and secondary school services will follow.

We are taking that approach because we do not want to maximise the burden on local authorities by requiring them to end existing contracts and insist on new vehicles, at substantial expense. If we have a longer lead-in time, as in Wales, that will allow councils to organise their contracts and potential bidders to organise their stock of vehicles, so that they are ready to comply when implementation happens. That approach seems to have worked well in Wales, so that is the one we are following.

Adam Ingram: What elements are you keen to introduce to improve safety?

Keith Brown: The aim is to provide a seat belt for every child on dedicated school bus transport. Other issues, such as signage, have been before the Public Petitions Committee. We are not saying that we are unwilling to look at those, but the power that we have asked the UK Government for concerns the ability to prescribe in law that all dedicated school bus transport must have a seat belt for every child. Aberdeenshire Council has managed to achieve that already.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I will ask a number of questions about the Edinburgh tram project. At long last, it looks as if trams will be fully operational by May 2014.

Alex Johnstone: I saw a tram yesterday.

Gordon MacDonald: Will the minister provide an update on Transport Scotland's involvement in delivery of the tram project?

Keith Brown: As Gordon MacDonald knows, the Government is the principal funder—perhaps a reluctant funder—of the project. We committed £500 million to it. The committee might remember the mediation process that was gone through, in which Transport Scotland—and one or two individuals in Transport Scotland—played a productive part in getting the sides back together. That process was concluded last summer.

Transport Scotland has had a director on the project board and a small team of Transport Scotland staff has worked alongside City of Edinburgh Council staff in key senior roles. Transport Scotland staff have used their expertise from larger projects to help with—I would not want to say that they have been solely responsible for—getting the programme back to where it should be.

As has been said, we can see trams on the streets of Edinburgh now. They are empty, apart from the one that went to Murrayfield with the 1,000 folk who signed up to use it.

The Government hopes that the trams will be a big success. However, in 2007, our view was that the project was not the best way to dispense with £750 million, given the other priorities that we had.

The involvement of Transport Scotland and the Scottish Government in the project is reaching an end and Transport for Edinburgh, which is the vehicle—to use a pun—that the city council will use, will take over. We are in the process already, with driver training.

Gordon MacDonald: Councillors have announced recently that they intend to spend £1 million on additional works to take account of the possibility of the tram line being extended down to Leith. The legislation that was passed in 2006

required any work to commence within 15 years. What is your view on the possibility of extending the tram line to Leith in that timeframe?

Keith Brown: Fifteen years would take us through to around 2022; I have no idea whether I will be doing my current job then or whether the Scottish National Party will be in government. We made it clear that we would fund the existing line to the tune of £500 million and not a penny more, and we have stuck to that. We have no intention of being involved in further tram lines, although the council could take those forward if it wanted to, and I understand some of the attractions. Leith Walk is a long boulevard down which trams could go and provide access to businesses. However, the Scottish Government would not want to take that forward.

We have said the same thing about other tram proposals. We are willing to consider tram-trains for Glasgow—that would be a different light rail system—but we do not intend to be involved in funding future phases of the Edinburgh tram project.

Gordon MacDonald: My final question was about that. The Scottish Government has contributed £500 million to the £776 million that the project is costing. Are you saying that any extension down to Leith would depend on Edinburgh taxpayers picking up the tab?

Keith Brown: Councils have different ways of funding such things, as I know you are aware. The Government has no intention and no plans to make any contribution to further tram phases, and I have certainly not received a proposal on that from the City of Edinburgh Council. The Government does not have any intention of putting more resources into further tram phases.

Gordon MacDonald: I have a question on a slightly different topic. In your opening remarks, you mentioned the success of the community transport vehicle fund and highlighted the fact that it was oversubscribed, with 130 applications seeking a total of £4.1 million. Given the level of unmet demand, what plans, if any, do you have to replicate that fund in future years?

Keith Brown: We were very clear and honest about the fact that the deal was a one-year deal. We managed to find resources within that year to fund it. It was, I think, the committee's central recommendation on community transport and the thing on which it had the strongest representations from the different stakeholders, so we found the £1 million. Obviously, we would have to try to identify funds for it if we were able to have such a fund again in the future.

There are discussions about budgets and resources all the time. We continue to fund the Community Transport Association to a greater

extent than we did before—which, again, was one of the committee's recommendations—and that will help the association's capacity to access additional funds. We also continue to fund the local authorities.

We were very clear that the service should not be centralised in any way. Often, it is delivered by volunteers and, in many areas, it is organic. We do not want to impose any central control, but we will always look to see whether we can provide additional support. We will look at this year's budget to see whether there is anything further that we can do.

Obviously, there is a secondary benefit in that not only is the fleet of buses improved, which has happened, but the purchase of the buses helps the economy, especially if they are purchased in Scotland.

The Convener: Does any member have a final question?

Alex Johnstone: I never miss an opportunity.

What is the minister's current thinking on the A90 and A937 junction at Laurencekirk? The committee still has a petition open on that subject.

Keith Brown: As has been said before, design work is going on in conjunction with the north east of Scotland transport partnership to look at the optimal solution. We are aware of the feelings among many people, but we and Nestrans have worked together on the issue. I think that the member knows how complex the junction is and the different options that might exist. We are duty bound to consider what the best option would be, taking into account likely developments close by.

I regularly use that junction, as I have two children in Aberdeen and go up there quite regularly. The junction has a good safety record since the changes were made, but I am well aware of the concerns that have been expressed.

The best thing that I can do is to examine what the best option would be, but it might be worth hearing briefly from David Anderson, who has been heavily involved in that work.

David Anderson: The minister referred to the work that is currently going on that involves us, Nestrans and Aberdeenshire Council, which has responsibility for the roads that lead into the A90, not only those through Laurencekirk.

Over the past two or three weeks, there have been discussions and public meetings in and around Laurencekirk. On Monday this week, there was a discussion about options and objective setting that included Aberdeenshire Council, Angus Council and the regional transport partnerships to ensure that we understand how the junction should evolve so that, as the minister

says, we come to the right solution rather than just reacting.

We hope to report on the piece of work on which Nestrans is leading in the summer. Going out and talking to people in Laurencekirk and inviting them to say what the real issues are for them has been very well received in the local area, and that has been very helpful in framing our thinking.

Keith Brown: I should mention the good safety record since 2005, I think. I am not at all being dismissive of the concerns that there have been about the roads into that junction, where there have been some serious accidents—not at the junction, but on the roads—but they are not our roads to control.

We are aware of those tragic accidents, but the roads are the responsibility of the councils and we cannot get involved. However, we can look at the junctions of the local roads with the main road, and I think that we are proceeding in the right way on that.

The Convener: As there are no more questions, I thank the minister and his officials very much for their evidence. As previously agreed, we will now move into private session.

11:30

Meeting continued in private until 12:07.

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