

Cabinet Secretary for Finance and Sustainable Growth  
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### **Follow up questions on Evidence Session with the Cabinet Secretary for Finance and Sustainable Growth**

I am writing in response to your letter following my evidence session with the Committee on 15 September, in which you seek further information on specific transport matters.

I will now respond in detail to the points raised by the Committee.

#### **Eurostar Franchise**

The Committee will be aware that services operating wholly within England and Wales are done so under franchises awarded by the Department for Transport (DfT). Scottish Ministers have no locus to advise on the re-letting of those franchises and therefore, we are not engaging with the Eurostar franchise retendering process.

However, Scottish Ministers can provide 'non-binding' recommendations to DfT in relation to service provision and timetabling on cross-border routes connecting Scotland and England – on the West and East Coast Main Lines.

Until such time as high speed rail extends to Scotland, our focus will be on ensuring the greatest levels of connectivity between Scotland and London on existing routes. In this context I note Charlie Gordon's point that the interchange between current services and Eurostar, or its replacement, is important as high-speed services to London are not likely to be delivered in the short-term.

You may be interested to know that Stewart Stevenson, Minister for Transport, Infrastructure and Climate Change recently met with Tony Collins, Chief Executive of Virgin Trains where St Andrew's House, Regent Road, Edinburgh EH1 3DG  
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he discussed improvement to Scotland–London Virgin services from the December 2009 timetable change and Virgin’s aspiration for faster and more frequent services on the WCML. We are supportive of Virgin’s proposals.

The Committee will also be aware that the passenger franchise for the East Coast Main Line will shortly be renewed. Although no discussions have taken place as yet on the re-tendering of the East Coast franchise, Scottish Ministers have been assured by Lord Adonis that this Government will be involved in future negotiations on the East Coast franchise, which DfT will re-tender by the end of 2010. Again, we will press for improved frequency and journey times on this route.

We will continue to work with train operating companies and DfT with regards to cross border service provision, and ensuring the greatest connectivity between Scotland and London, and onward travel opportunities such as those to Europe by high speed rail.

### **Forth Replacement Crossing**

Following my appearance before TICC, the Minister for Transport, Infrastructure and Climate Change has agreed with the South East of Scotland Transport Partnership (SEStran) and councillors to explore with them issues and opportunities regarding public transport, including park and choose facilities at Halbeath and Rosyth and possible bus priorities on the M90 and A90. The relevant parties are currently seeking a suitable date to discuss this matter in more detail.

### **Waverley (Borders) Railway Funding**

As regards the proposed funding framework for the Borders railway, the procurement strategy for the project is designed to achieve optimum balance of risk, control and funding. The railway will be designed, built, financed and maintained by a newly created, Transport Scotland-backed Single Purpose Vehicle (SPV), using a Design, Build, Finance and Maintenance contract.

The SPV is likely to be in the form of a private company of one or more major construction organisations and several funding organisations (e.g. banks), which will enter into a 30 year contract with Transport Scotland. Repayments will be made throughout the duration of the contract by the Scottish Government via a Not for Profit Distribution (NPD) financing model. Operating surpluses will not be distributed to shareholders in the SPV, but will be reinvested in the railway. Returns to investors will be capped as agreed with the SPV. In addition, there will be a capped financial contribution from the City of Edinburgh, Midlothian and the Scottish Borders Councils.

Payments will be based on the availability of the railway for operational services (i.e. the SPV is incentivised to ensure the railway is open for operational services, particularly during morning and evening peak times), and quality of infrastructure management undertaken by the Single Purpose Vehicle (assessed by quality management procedures such as the Service Quality Incentive Regime (SQUIRE) to measure the quality of services and facilities at stations and on trains).

The decision to take forward procurement using this approach was made as part of the project development and procurement strategy. A number of procurement routes were reviewed and this approach was shown to offer a reliable route to achieving value for money principles and delivery to the time and cost targets set. NPD procurement has been used by

the Scottish Government in other sectors, including school projects and in improvements for healthcare provision in Tayside.

## **A83**

Following the previous landslide in October 2007, remedial works, including the placement of 200 tons of rock on the roadside embankment, temporarily stabilised the road. Unstable material was removed from the landslip area above the road. Safety barriers were erected and temporary traffic signals introduced to protect road users and the carriageway. Regular monitoring was carried out as well as a topographical survey of the slopes. Ground investigations below and above the road have been carried out to allow the design of an improvement scheme.

## **Bus Action Plan**

The vast majority of the actions contained within the Bus Action Plan (BAP) have now been delivered. The Scottish Government has successfully worked together with key stakeholders to develop a suite of detailed guidance documents to help improve bus services in Scotland. The overall theme of the guidance is partnership working between local authorities, bus operators and Regional Transport Partnerships.

The guidance produced so far includes Progress Through Partnership, Bus Punctuality Improvement Performance (BPIP), Statutory Quality Partnerships (SQP), and a Park & Ride Framework for buses. Brief details of each of these published documents can be viewed at [www.scotland.gov.uk/publications/2009](http://www.scotland.gov.uk/publications/2009).

In the meantime, the Scottish Government will continue to progress with the remaining actions including, the development of Competition Guidance, to agree a Protocol between the Government and the Scottish Traffic Commissioner in relation to the devolved regulatory regime, and to amend the Bus Service Operators Grant (BSOG) scheme in order to incentivise investment in greener and higher quality vehicles.

## **Regional Transport Partnerships**

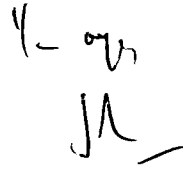
The Scottish Government see the Regional Transport Partnerships (RTPs) as playing a valuable part in improving Scotland's transport infrastructure as part of the local government family and have encouraged RTPs to work closely with their constituent councils as they develop their funding plans and Single Outcome Agreements (SOAs), and with Transport Scotland as they take forward plans contained within the Strategic Transport Projects Review (STPR).

As you know, the 7 RTPs currently receive revenue grant funding amounting to £4.75m per annum from the Scottish Government with core costs match funded by their constituent councils. The budgets of all previous schemes to fund local authorities' transport capital projects have been absorbed into the local government settlement, with ring-fencing only applying to the capital grants for Strathclyde Partnership for Transport. The responsibility for prioritising, progressing and funding regional transport projects rests with the constituent councils in partnership with the relevant RTP.

RTPs have been encouraged to examine new ways of attracting funding more broadly, including prudential borrowing and further funds from Europe. You may be interested to know that in recent years the South East of Scotland Transport Partnership (SEStran) and

the Highlands and Islands Transport Partnership (HITRANS) have been successful in attracting European Regional Development Funding (ERDF) for capital projects.

I hope this explains the position on the issues the Committee raised.

Handwritten signature of John Swinney in black ink.

**JOHN SWINNEY**