

It's time for action to widen rail network



Ordinary people, not big business, should be reaping the rewards of transport investment, says **Derek Halden**

Railways have been much in the news recently, with the opening of the Borders railway coming hard on the heels of a debate about the merits of upgrading the Glasgow to Edinburgh railway and the start of a new ScotRail franchise. Should the rail network be extended further and how much should be electrified? What about the coverage of other networks? Who can answer these questions and deliver affordable solutions for them? Who will own Scotland's transport future?

The Borders Rail scheme was a triumph for the campaigners who had made the case for the new link. Too often the transport debate concentrates on locations with congestion, since these places already have a strong demand for travel. It is much riskier to change network coverage than to follow current demand. Cautious politicians often take on the safe choice, but bigger risks reap larger rewards.

The debate about the Borders Railway has brought into focus the difficult balance between meeting current demand and spreading transport benefits to new communities. Critics of the Borders railway investment highlighted the high public funding cost compared with the use being expected.

Supporters countered that Scotland's annual rail subsidy to existing lines is also large, as it is across Europe, and it was unfair to exclude the Borders from that benefit. CILT members reflect both perspectives in our debates, but what seems to matter most is that we all work together now to make the best of the opportunities available. Particularly when some people appear to be bene-

fitting more than others, we need transparency about who benefits from transport investment. Worryingly, the evidence about the distribution of transport spending in Scotland is limited. Governments have a duty to represent the whole population and ensure a fair distribution of resources. However, successive studies in many countries have shown that transport spending is often regressive, and there is widespread distrust about fat cats getting fatter. Following the money in transport investment often shows that the largest beneficiaries are the richest in society.

Given the lack of transparency about who benefits from transport spending, some argue that more social ownership of transport networks and services is needed. The railway is currently largely in public ownership, with Network Rail managing the track on behalf of the taxpayer, and the government agency Transport Scotland contracting the services. However, people don't seem to feel that this public stake in the railway secures their social interests. With large sums of money involved it is important that the biggest beneficiaries are the people and organisations that put the most into running the railway. There is actually very little evidence that rail is any worse than any other industry in the way value is distributed to the staff and companies delivering services. Nevertheless, public accountability would be better served with better procurement and greater openness to build trust that public money is being wisely spent.

The huge windfall gains from transport investment are not generally captured by the transport sector at all.



← Crowds at Newtongrange as the Queen opens the Borders Railway, which shows what local campaigners can do

Transport has a relatively large lobby industry and this is sometimes a front for those seeking windfall benefits if government can be persuaded to spend public money in ways that help particular organisations or individuals. For example, landowners can make very large land value gains when new roads and railways are built near their land. More could be done to capture these benefits for the taxpayer.

Community involvement in stations has been one of the big success stories of Scotland's railway in recent years, with local communities setting up shops, offices and flower displays to ensure local people own their railway where it connects with their communities.

Rail network coverage attracts the greatest public debate, but viewed from a social perspective gaps in network coverage are perhaps even more acute in our walking, bus and cycling networks. The development of physical, social, and business networks affects not just how and when people travel, but the value they gain from travel.

Public concern about the lack of social leadership is growing, including its expression through the debate about social ownership of railway, buses and ferries. In many parts of Europe, social ownership is managed by elected representatives and their agencies, but this is only one model of social ownership. More diversified social and business

networks can also enable social ownership, with communities contributing to more locally managed solutions. Both perspectives are well represented amongst CILT members, so there is unanimity that social involvement in transport can improve. There are thousands of hard-working people in Scottish transport and it is in all of our interests to ensure profits are distributed amongst those who help to deliver Scottish transport. No existing public body or social enterprise currently has the capability to run the trains.

One reason successive governments have ducked key debates about network coverage and followed demand,

is that they fear their social leadership role in transport but if government will not lead, who can? Common ownership is best served by creating a user-centric transport system, taking account of the potential for people to access opportunities, enabling all in society to achieve their goals.

Supporters of the Borders Rail scheme described the many lost opportunities to build flexibility into the scheme to enable social and economic benefits to be exploited. Rectifying some of these gaps could now be very expensive. The social leadership to build the railway came from the community. If the community can now build the social and business networks to complement the new physical assets, they will demonstrate the value of transport networks covering more people and places.

If the people of Scotland can take ownership of their transport systems more generally through their involvement, use and participation in delivering services, the networks will thrive and grow. What people want is quite simple: good value for money and a fair distribution of opportunities and resources in the way that public funds are spent.

That way, all people engage with and benefit from their transport networks.

● **Derek Halden, CILT Scotland**



Knowledge is power and Scotland has a chance to grab it



The Information Revolution has two faces, writes **Roddy Gow**

We have been reflecting on how much we do or do not know of events in the 21st century, the means by which we receive information, sometimes to saturation point, and the distribution of that knowledge around the world.

Two-hundred years ago, news of the victory at Waterloo in 1815 took days to reach London. It was claimed that the use of racing pigeons by the Rothschilds resulted in an almost legendary tale – it was put about that receiving the news first, they were purported to have started to sell shares; the market panicked for a while in the belief that they had news of Wellington's defeat.

As prices dropped they quietly began to buy back shares and exploited the premium that knowledge brought. As we watched the recent meltdown of Chinese equities and bonds and the attempt by market gurus to read the situation, we, too, might have wondered what the long term consequences might be. In recent and upcoming events at

the Asia Scotland Institute we have and will deal with this topic of knowledge, information and their dissemination.

INFORMATION INTEGRITY AND RESILIENCE

In late September, Edinburgh hosted a delegation from Vietnam, the second this year. Their focus was on Cyber Security, an area in which Scotland is widely acknowledged as a world leader.

After attending Dynamic Earth's Entrepreneurial Scotland event, addressed by Gareth Williams of Sky-scanner and Nigel Eccles of Fan-Duel, the following day they visited Dell Secureworks, had meetings with key figures at Victoria Quay and ended at Edinburgh Napier University.

For the Vietnamese, the protection of their key data assets and ensuring that data's resilience are high priorities. The exchange of information confirmed the importance to government and society of handling data effectively and protect-

ing a country's assets from hacking and cyber-attack.

INFORMATION SUPPRESSION

At the other end of the spectrum, there are parts of the world where preventing individuals and citizens from knowing what is going on is a conscious strategy of government. Last Thursday, 8 October, brought a detailed look at North Korea, the darkest region in the world, where information is suppressed and a totalitarian regime keeps its people ignorant and completely misinformed about world events.

Held in this cocoon they are largely unaware of world events and, worse still, fed a constant stream of misinformation. The highest profile defector from North Korea to visit Scotland shares his thoughts on that country, its roughly 25 million population (according to UN sources), its appalling record on human rights and the draconian measures adopted by the ruling regime. Jang Jin-Sung, the defector and

our Speaker, is the author of the book *Dear Leader*

INFORMATION SHARING AND THE POWER OF SOCIAL NETWORKS

In the West we take open networks and an ease in communicating as fundamental rights. The growth of social networks such as Facebook and LinkedIn have transformed not only the way we interact but, arguably, altered the political scene forever. The massive turnouts in both the Referendum last year and the general election have changed the electorate's engagement with issues and encouraged politicians to use this new means of connecting with their potential supporters. There is no going back on this aspect of the information revolution as Elizabeth Linder, a Trustee of our Institute, and a panel from Facebook will explain. Its impact not just in Scotland but globally is dramatic and she will explore the effect this will have in Asia and other developing parts of the world; Facebook has more

than 1.4 billion users. The panel will also consider the darker aspects of social networks for the spreading of propaganda as seen from the manipulations of Isis and explore what steps can be taken to control or counter this. What we know and how we know it in the Information Revolution throws up not just threats, but also opportunities for those experienced in this area. It looks as if Scotland may have a leading advantage and is about to learn more in the coming weeks.

● **Roddy Gow is chairman and founder of the Asia Scotland Institute**



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First census reveals the full impact of social enterprise

The sector is ever more vital, writes **Duncan Thorp**



As public awareness of social enterprise increases, so do the questions about what they actually contribute to Scotland's economy and society. What's been missing is hard statistics demonstrating the practical impact of Scotland's social enterprise businesses. We've now solved this issue with the launch of the results of Social Enterprise in Scotland: Census 2015.

Social enterprises are businesses set up to deliver a specific social and/or environmental mission. This could mean employing homeless people, providing social housing, recycling waste or something else that profits society. They aim to make money like any other business, but invest 100 per cent of it in their social purpose. Well-known examples include The Big Issue, The Wise Group, Social Bite, Divine Chocolate and the Homeless World Cup.

The powerful impact of four social enterprise businesses has now been revealed for the very first time, with the welcome publication of these census results. The research, commissioned by a range of public and social enterprise organisations, demonstrates the huge diversity and spread across every urban and rural community in Scotland.

The headline results show there are more than 5,000 social enterprises in Scotland, with over 200 new social enterprises being formed each year. The Highlands and Islands has 22 per cent of all social enterprises, with Edinburgh and Glasgow accounting for 26 per cent, Scotland-wide employ-

ing more than 112,000 people. Sixty-eight per cent of social enterprises deal directly with members of the public, so there is a route to raising awareness of the "brand" to bigger audiences.

Scotland's social enterprises have £1.15 billion in combined traded income, with net collective assets of £3.86bn and a Gross Value Added (GVA) figure of approximately £1.7bn. These strong figures compare well to other sectors of the economy. For example, social enterprises employ around the same number as Scotland's food and drink sector, more than the energy or creative industries sectors and well over half the numbers working in our financial sector. Seventy-five per cent of social enterprises employ more than half their workforce locally, too. As you might imagine, the size, growth and development of credit unions and housing associations, in particular, underpins the social enterprise community with solid foundations.

Social enterprises are also leading the way in terms of progressive business practices. An impressive 60 per cent have a woman as their most senior employee, with 68 per cent of social enterprises paying at least the authentic Living Wage.

● **Duncan Thorp, Policy and Communications Officer, Social Enterprise Scotland**



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