



OFFICIAL REPORT
AITHISG OIFIGEIL

Net Zero, Energy and Transport Committee

Tuesday 1 November 2022

Session 6



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NET ZERO, ENERGY AND TRANSPORT COMMITTEE
28th Meeting 2022, Session 6

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Fiona Hyslop (Linlithgow) (SNP)

COMMITTEE MEMBERS

*Natalie Don (Renfrewshire North and West) (SNP)

*Jackie Dunbar (Aberdeen Donside) (SNP)

*Liam Kerr (North East Scotland) (Con)

*Monica Lennon (Central Scotland) (Lab)

*Mark Ruskell (Mid Scotland and Fife) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jenny Gilruth (Minister for Transport)

Helen Inkster (Pentland Ferries)

Michael Matheson (Cabinet Secretary for Net Zero, Energy and Transport)

Elise McIntyre (Scottish Government)

Donald Morrison (Transport Scotland)

Gordon Ross (Western Ferries)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

Committee Room 2

Scottish Parliament

Net Zero, Energy and Transport Committee

Tuesday 1 November 2022

[The Convener opened the meeting at 09:33]

Decision on Taking Business in Private

The Convener (Edward Mountain): Good morning, everyone, and welcome to the 28th meeting in 2022 of the Net Zero, Energy and Transport Committee.

Agenda item 1 is to decide whether to take agenda items 9 and 10 in private. Under agenda item 9, the committee will consider the evidence that it will hear under agenda item 6, and under agenda item 10, the committee will consider a draft letter to the Scottish Government on our pre-budget scrutiny.

Is the committee content to take those items in private?

Members *indicated agreement.*

Subordinate Legislation

Pavement Parking Prohibition (Exemption Orders Procedure) (Scotland) Regulations 2022 [Draft]

09:34

The Convener: Agenda item 2 is consideration of a draft Scottish statutory instrument. I welcome to the meeting Jenny Gilruth, the Minister for Transport—thank you for making yourself available, minister—and her officials: Elise McIntyre, principal legal officer, Scottish Government legal directorate, and Donald Morrison, head of asset management and procurement, Transport Scotland.

As the instrument has been laid under the affirmative procedure, the Parliament must approve—*[Interruption.]* It is very dangerous if somebody else can mute the convener, as just happened—it is not something that I want to continue in future.

Let me try that bit again. As the instrument has been laid under the affirmative procedure, the Parliament must approve it before it can come into force. Following this evidence-taking session, the committee will be invited under the next agenda item to consider a motion to approve the instrument. I remind everyone that officials can speak under this item but will not be able to speak in the debate that follows.

I invite the minister to make a short opening statement. Minister, I can mute your microphone if you go on too long—but, of course, I would not do that.

The Minister for Transport (Jenny Gilruth): Thank you for inviting me today to provide evidence on the draft Pavement Parking Prohibition (Exemption Orders Procedure) (Scotland) Regulations 2022.

As the committee will be aware, the Transport (Scotland) Act 2019 already gives local authorities the relevant powers to exempt areas of footway from the pavement parking prohibitions. It also confers powers on Scottish ministers to make detailed provisions for the process that local authorities should follow when making, amending or revoking such exemption orders.

In line with commitments that were made when Parliament approved the 2019 act, the regulations were laid in Parliament last month, and the SSI, which is technical in nature, sets out the framework that local authorities must follow. Putting the regulations in place will support local authorities' decision making by providing a consistent, fair and transparent process for all to

follow when making exemption orders, and they are needed to give local authorities a detailed procedure for putting such orders in place where they deem appropriate and in line with the powers in the 2019 act.

In setting out the procedures, my officials have consulted the parking standards stakeholder working group, which consists of all 32 local authorities and other interested parties, and the group's input has been really vital in shaping the regulations that are under discussion. As well as those views, we received 626 responses to the public consultation, the findings of which were published in June, and those comments have shaped the regulations, too.

It is important to stress that inconsistent, obstructive or dangerous parking can and does cause serious problems for everyone, and it puts the safety of pedestrians and, often, other motorists at risk. The pavement parking prohibitions, therefore, are aimed at promoting, supporting and advancing the rights of pedestrians to ensure that our pavements and roads are accessible to all.

Local authorities are best placed to make informed decisions on the management of their local road network, and the implementation of the regulations will allow them to complete their road assessment process and to determine appropriate exemptions to the ban that suit the needs of pedestrians and road users alike. There will be a period of around 12 months before the commencement of the enforcement regulations to give local authorities time to review any initial exemptions that they wish to put in place before they can undertake any enforcement action. Funding of £2.4 million has already been issued to local authorities over the past two years to allow the assessments to take place, and my officials will, of course, keep in touch with local authorities in order to gather information on the number of exemption orders that are likely to be promoted before they can start to issue penalty charge notices in late 2023.

It is also worth saying that Transport Scotland will be undertaking a significant awareness-raising campaign in the lead-up to the implementation of the new prohibitions and potential exemptions. The initial market research and design work for the campaign has already started, with the aim of going live in late 2023. That will ensure that the public are aware that they are permitted to park in areas where the local council has made an exemption order and that such areas will be clearly signed and lined.

I am happy to answer the committee's questions on the content of the regulations.

The Convener: Thank you very much, minister. Can you clarify something for me? I know that this is a bit procedural, but I sat on the committee that looked at the Transport (Scotland) Bill and we never quite bottomed out the definition of "pavement parking". We are giving councils the right to make exemptions, but are you satisfied that the definition of "pavement parking" is good enough?

Jenny Gilruth: I am satisfied. I might bring in my officials to talk about the history of the 2019 act, which you will appreciate pre-dates my time in office, but, as you know, the act introduced the national ban. What we are discussing today is the technical procedure that local authorities must follow. I will ask my officials to talk about the historical background of the definition that you have alluded to.

The Convener: Before you bring them in, minister, I will give you two specific examples. Some parking bays are marked on pavements and allow for more than 1.5m between the car bay and the edge of the walkway. It is my understanding that, although the car is parked on the pavement, that is not defined as pavement parking.

If a car is parked in a pavement parking slot and the front or rear of the car protrudes over the pavement, is that defined as something that will need an exemption? I would be happy to hear some clarity on the definition from Donald Morrison.

Donald Morrison (Transport Scotland): I am happy to take that. The definition of a pavement would normally be set out in design guidance, and the pavement would be physically delineated. That would be the normal convention to identify what a pavement is. It is defined as being separated from the carriageway, usually by a kerb, and is a paved or rough surface. There are complications where there are defined parking bays on pavements, which may require an exemption order. I would need to check that. If that was the case, the remainder of the footway would have to be a minimum of 1.5m wide, so that it would remain passable for pedestrians.

The Convener: It would be helpful to clarify that for councils.

There is also an issue with dropped kerbs. There are various types of dropped kerb: some are specifically designed for pedestrian access, and some are dropped to allow access to parking bays, perhaps from the back of a lorry. There are also private dropped kerbs to allow access to garages. Do all of those require exemptions? I am seeking some clarity for councils because I am confused, despite having done research into the Transport (Scotland) Bill to understand whether those aspects have been clarified.

Jenny Gilruth: That it is a fair question. Elise McIntyre will come in on the specifics, and I might speak about ministerial directions after that.

Elise McIntyre (Scottish Government): The exception does not apply to kerbs that have been lowered for the purpose of accessing a driveway or garage. Therefore, private access to someone's house would not be covered by the dropped kerb prohibition, but all other instances of a dropped kerb would be covered by that prohibition. Any other exemption would have to be covered by an exemption order.

The Convener: Is it right to say that a dropped kerb in a parking bay, which has been put there to allow lorries to unload in a loading bay, could never be blocked without an exemption order being put in place?

Elise McIntyre: Not unless it is covered by one of the exemptions that is already set out in the act.

Jenny Gilruth: Exemptions for goods delivery vehicles are already set out in the act. There is a 20-minute limit on the delivery of goods. There is also an exemption for emergency vehicles and I think that one other type of vehicle also falls into that category.

Elise McIntyre: That is right with regard to the pavement parking exemption.

The Convener: Minister, are you satisfied that all of those points are covered?

Jenny Gilruth: I am satisfied.

The Convener: The proof will be in the pudding. Mark Ruskell has some questions.

Mark Ruskell (Mid Scotland and Fife) (Green): It is good to see the instrument being presented to the committee and that progress being made.

My question is about how the hearings process for exemptions will work in practice. Would a council bring together all of its exemptions and all of the associated issues into one hearing, or would there be multiple hearings for different towns or different parts of a council area? I am trying to understand how that process might work.

Jenny Gilruth: I do not envisage there being multiple hearings, although that is a right that the local authority has through the regulations. Local authorities must also consult on any exemptions that they propose, which I discussed with my officials prior to the meeting. There is no statutory rate or level for the number of objections that might be received. Scottish ministers have the power to appoint a reporter and to conduct what would essentially be a hearing process. That would be a matter for the local authority to judge, because those are local roads. Local authorities should be trusted to do that and perhaps to

measure where they see the greatest number of objections to a suggested exemption. If there are limited numbers of objections, we might expect them not to go down that route.

The legislation does not dictate the process to local authorities per se, but a hearing is an option that is open to local authorities. It is important that they get it right for local communities, because we do not want to see vast swathes of exemptions in relation to the legislation.

09:45

Mark Ruskell: Okay. My other question is around associated work that councils might be thinking of doing as they implement the regulations. One area might be around the designation of loading bays, where there might have been calls from the community for a long time to put a loading bay in place. This legislation brings that to a head, because the ability to pay and park will be taken away, quite rightly. I am wondering where councils are up to with that. Is there a need to push through a lot of traffic regulation orders on loading bays at the moment, or is there other associated work that councils are having to think through when they consider how to make communities work?

Jenny Gilruth: Some local authorities are further ahead on that than others. Some are obviously waiting for the regulations to come into force, as I hope they will following our discussion. That is why we have built in that 12-month period to allow local authorities to get it right.

The second point is that we have already provided £2.4 million of funding to local authorities in relation to signing and lining. I hope that that will help with regard to the specifics of Mark Ruskell's point, but that is obviously a matter for local authorities to determine, recognising that they will be the best people to decide what is right for their local communities. Donald Morrison may want to say more; I see that he is indicating that.

Donald Morrison: I was going to say exactly the same thing. Because local authorities are currently assessing their streets, and will be for the next 12 months, for the purpose of exemption orders, I am sure that they will take the opportunity to look at how else they can take advantage in terms of defining their streets.

Jenny Gilruth: The other thing to say is that, although we will be running a national campaign, local authorities have a responsibility to ensure that their local communities know that the changes are coming into force. Bluntly, there will have to be a sea change in parking behaviour and local authorities and Government need to be part of driving that. The market research behind our publicity campaign at national level is already

under way, and we hope to bring that forward, further into 2023, to get the public ready for the changes.

Mark Ruskell: Good. It is an important entry point to have that discussion within communities.

The Convener: Sorry, minister, can I push slightly on that? Are you thinking that, if there need to be hearings, those will be done locally by councils? I am just thinking about the Highland Council area. The council could, for example, put in an exemption order to cover the whole thing, which covers Wick to Skye to Inverness to Aviemore.

Jenny Gilruth: I take on board your point, convener; that is a vast area of Scotland. In the regulations, there is the power for local authorities to decide for themselves how to administer any hearings process; it is not for Government to dictate.

Elise McIntyre: It is not a mandatory hearing, obviously. It is one that the council or local authority could choose to hold if it felt that there were enough objections and things like that. It would depend how many there were. I think that it is unlikely that the council would make one exemption order covering the whole of that area. That would obviously be a huge hearing and a vast administrative burden. It might be more likely to be parcelled up into smaller areas—I do not know. That would be a matter for the local authority.

Jenny Gilruth: The local authority would have to judge. If it had a certain number of objections in a certain area and identified that there was a real challenge, you would expect the local authority to respond accordingly. It is very dependent on the level of interest in the exemptions at local level. However, as I mentioned in response to Mr Ruskell, in terms of driving the behaviour change that we need to see, we do not want to see vast swathes of exemptions. The regulations give local authorities a power, but there is, nonetheless, still a national pavement parking ban.

The Convener: Okay. I am sure that there is guidance in there somewhere, minister.

Jenny Gilruth: There is, yes.

Monica Lennon (Central Scotland) (Lab): Good morning, minister. My question picks up on behaviour change, which you have mentioned a couple of times. We all recognise that that will be key to the success of the legislation. I want a bit more information about the national information campaign. What is the budget for that campaign and what will be its duration? You also talked about the importance of local messaging, so will there be assistance for local authorities to do the sort of hyper-local messaging that will make sure

that we can get people on board as much as possible?

Jenny Gilruth: In relation to the national marketing campaign, I discussed that with officials yesterday. I have mentioned that the market research behind that is already under way. I do not have the budget line in front of me, but I am more than happy to write to the committee, if it would like to have evidence on the budget line that is associated with the campaign. The campaign is under way, so there will be an associated budget line.

On messaging, local authorities have a responsibility to consult their local communities and to carry out an equalities impact assessment. They can also use social media to promote the changes through different forums. No budget is associated with that per se, but I mentioned in my response to Mark Ruskell that there is £2.4 million-worth of funding to support local authorities with the assessment and implementation of the changes.

Monica Lennon: Thank you. It would be helpful if the minister could keep us up to date about the national information campaign.

Jenny Gilruth: I am happy to do so. It is worth saying that more regulations are coming forward on the parking ban. This instrument is the first part of the jigsaw.

Monica Lennon: We will see you soon, then.

Jenny Gilruth: Indeed.

Liam Kerr (North East Scotland) (Con): I have a question arising from Monica Lennon's questions. In the current financial situation, local authorities will be concerned about incurring further costs. What does the Scottish Government believe to be the additional cost to local authorities of bringing in the process if it runs as fully as Elise McIntyre mentioned earlier?

Jenny Gilruth: At this time, it is quite difficult for us to say what the future cost will be. Donald Morrison and I mentioned, I think in response to Ms Lennon's question, that some local authorities are further down the road than others, while some are waiting and holding back their consultation and assessment processes until the regulations come into force. Therefore, we do not yet know where they are in their planning or what the associated costs with that would be.

We would certainly want to continue working with local authority partners. They have been part of the working group to develop the parking guidance for example. That has been pivotal. They have helped to shape and change the guidance as officials have worked with them during the past year and a bit.

We as a Government recognise the need to listen and respond to changes accordingly. I take Mr Kerr's point seriously, because I recognise some of the financial challenges that local authorities and, it should be said, the Scottish Government face at this time.

We have provided funding of £2.4 million, and we will continue to work with local authority partners on those costs. However, at this time, it is not possible to give a quantifiable amount for each local authority, because some are further down the road with their assessments than others and others have yet to start the process and therefore will not have a cost associated with the work itself.

Liam Kerr: I understand that answer. Incidentally, I am not quite clear whether the £2.4 million is for publicity and awareness raising as well as for the process. One would have thought that the Scottish Government would be able to project the cost that is associated with the publication of proposals, consultation, the handling of representations, appointing a reporter and a process to hold a hearing. It should be able to come up with at least a ballpark figure for that. Local authorities should also be able to say that, when the measures come in, what the costs would roughly be if they had to run a full process. Am I missing something, minister?

Jenny Gilruth: No, I understand your point. However, I think that the position is different because, as I have said, certain local authorities are further down the line, while others have not yet started the process. We do not expect there to be exemptions to the national parking ban across vast swathes of the country. As I have mentioned, officials will continue to work with local authorities through the working group to monitor those costs.

Mr Kerr asked whether the £2.4 million-worth of funding is for marketing. The funding is to help local authorities with signing and lining, and changes to the procedure locally. There are a vast number of ways in which that funding is helping to support local authorities. Some will need that more than others, such as those that are looking to have exemptions or those that might have more streets that require exemptions. That gives us a mixed picture nationally in terms of the implementation of policy.

I am more than happy to continue to monitor the implementation of the procedure in relation to the assessment that local authorities will now be undertaking in the next 12 months and to give the committee interim updates as we progress towards the full ban coming into force at the end of 2023, if that would be helpful.

Liam Kerr: I think that that might be helpful.

The Convener: As there are no other questions, we move to item 3, which is formal

consideration of motion S6M-06081. I remind members that only the minister and members can speak in the debate. I ask the minister to speak to and move the motion.

Jenny Gilruth: I have probably said enough already this morning, convener.

Motion moved,

That the Net Zero, Energy and Transport Committee recommends that the Pavement Parking Prohibition (Exemption Orders Procedure) (Scotland) Regulations 2022 [draft] be approved.

The Convener: I see that there are no contributions from members.

Minister, there have been various commitments made prior to this point, with which I hope you will agree.

Jenny Gilruth: Yes.

The Convener: The question is, that motion S6M-06081, in the name of Jenny Gilruth, be approved.

Motion agreed to.

The Convener: As we will be reporting on the outcome of the instrument, I seek the committee's authority to delegate to me, as convener, the authority to approve the draft and report on its publication to the Parliament. Are members content with that?

Members indicated agreement.

The Convener: Perfect. I thank the minister and her officials for their time.

09:56

Meeting suspended.

09:58

On resuming—

Greenhouse Gas Emissions Trading Scheme (Amendment) (No 3) Order 2022 [Draft]

The Convener: Item 4 is consideration of another draft statutory instrument. I welcome Michael Matheson, the Cabinet Secretary for Net Zero, Energy and Transport, to the meeting. I also welcome his officials: Mariana Cover, who is senior policy adviser for carbon markets and the emissions trading system, and Lucy Geoghegan—I hope that I have got the pronunciation right; I practised beforehand to make sure that I did—who is head of carbon pricing and the ETS unit.

The instrument is laid under the affirmative procedure, which means that the Parliament must approve it before it comes into force.

Following this evidence session, the committee will be invited at the next item to consider a motion to approve the instrument. I remind everyone that the officials can speak under this item but not in the debate that follows.

I invite the cabinet secretary to make a short opening statement.

10:00

The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson): I am pleased to give evidence to the committee in support of the draft affirmative instrument to amend the Greenhouse Gas Emissions Trading Order 2020. This spring, the United Kingdom emissions trading scheme authority, which is formed of the four UK Administrations, consulted on proposals to further develop the UK ETS, aligning the scheme with our ambitious net zero targets. The authority is still considering the consultation responses regarding proposals on tightening the cap and expanding the scope. We will publish a joint Government response in due course.

However, some of the operational and technical changes to the UK ETS need to come into force by 2023 and therefore the authority published an early joint Government response covering those amendments to the scheme. Together, the amendments will support the proper function of the ETS.

The amendments are contained in the draft affirmative instrument that the committee is considering today and in a negative instrument to be laid later in November. Today's affirmative instrument will allow flights from Great Britain to Switzerland to be in scope of the UK ETS. That expansion of the scope will be extended to include Northern Ireland at a later date. Switzerland has already amended its ETS to include flights from Switzerland to the UK. The affirmative instrument will ensure a fully reciprocal arrangement that supports our climate objectives.

The instrument also makes minor amendments to the allocation of free allowances in the ETS to reflect the inclusion of the flights within the scheme. The other members of the authority are also going through a similar scrutiny process in their respective Parliaments to ensure that the legislation is consistent across all Administrations.

Ahead of publishing the final Government response to the consultation, we expect the UK ETS authority to publish the common framework agreement setting out how the four Administrations work together to deliver the UK ETS. I will be happy to provide more details on those issues once those have been published.

I am happy to respond to any questions on the affirmative instrument that the committee may have.

The Convener: Thank you, cabinet secretary. Are there any questions?

Mark Ruskell: What have been the practical impacts of the exclusion of those flights up to this point? How has that affected the functioning of the ETS, its effectiveness or revenue raising?

Michael Matheson: The effects have been very small. To some extent it will not make a significant difference. It is worth keeping in mind that, when we were covered by the European Union ETS, those flights were included. The order is simply covering a gap that was left when the UK ETS was introduced. Given that there are only a small number of flights between Scotland and Switzerland, and indeed between Switzerland and the UK as a whole, the overall impact is very small. However, I cannot give you specific data on that.

Mark Ruskell: Okay.

The Convener: As there are no other questions we will move on to the next item, which is formal consideration of motion S6M-06005.

Motion moved,

That the Net Zero, Energy and Transport Committee recommends that the Greenhouse Gas Emissions Trading Scheme (Amendment) (No. 3) Order 2022 [draft] be approved.—[Michael Matheson]

Motion agreed to.

The Convener: The committee will report on the outcome of the instrument in due course. I invite the committee to delegate authority to me, as convener, to approve the draft of the report for publication. Is that agreed?

Members indicated agreement.

The Convener: Thank you, cabinet secretary, for attending what has probably been your shortest meeting at a committee for a long time, with as few questions as you could probably hope for.

10:04

Meeting suspended.

10:08

On resuming—

Ferry Services Inquiry

The Convener: Our next item is evidence as part of our inquiry into a modern and sustainable ferry service for Scotland. I refer members to the papers for this item from the clerk and the Scottish Parliament information centre.

This is the second day of taking evidence in our inquiry into Scotland's ferry services. The inquiry aims to find out how best to secure ferry services that are future proofed and able to meet the needs of service users across our island communities. On 28 June, the committee discussed the issues with representatives from island communities. The committee also launched a call for views, which closed on 26 August.

Today we are joined by two of Scotland's independent ferry operators, to hear their experiences of operating a commercially viable service without public subsidy. I welcome our witnesses: Helen Inkster, managing director, Pentland Ferries; and Gordon Ross, managing director, Western Ferries. Thank you both for accepting our invitation to attend the committee.

We have a series of questions for you. I will ask the easy question to put you at ease and to start us off. What do you think that ferry users want from a well-run ferry service?

Helen Inkster (Pentland Ferries): Good morning. I believe that ferry users look for reliability, flexibility and capacity to meet the needs of each community. In my view, all those factors, combined with efficiency and safety, deliver an effective ferry service.

Gordon Ross (Western Ferries): I agree completely with that. I add that a ferry service has to be flexible and has to change to meet the changing needs of island communities.

The Convener: Do you believe that private sector ferry operators will play a role in the future provision of ferry services in Scotland? Obviously, you would not be here if you did not believe that, but could the provision be expanded? What are your views on the future?

I will bring in Gordon Ross and give Helen Inkster a rest, as she answered the previous question first.

Gordon Ross: I would certainly like to think that Western Ferries and Pentland Ferries will continue to operate. There is very much a place for private sector operators on our existing routes, and I believe that commercial services could be provided on other routes, but the Scottish ministers and Transport Scotland have maintained

the tender and specification of a bundle. That is not to say that additional services could not be placed on top of the Caledonian MacBrayne bundle.

Western Ferries looked at providing a freight service to Islay in order to meet the growing needs of the whisky industry, but that option was knocked back into touch following the recent announcement that two new boats for Islay will be constructed in Turkey. If the whisky industry continues to grow on Islay and if Islay's tourist numbers continue to increase, the provision of two new ferries might not be sufficient, so I would like to explore whether we could come in on a commercial basis or through a separate contract with Transport Scotland and the Scottish ministers.

The Convener: That is interesting.

Helen Inkster: I think that there is a place for private operators in the future. Pentland Ferries has been in operation for more than 20 years on the route between Caithness and Orkney, over the Pentland Firth. I second what Gordon Ross said: I believe that there are commercially viable routes throughout Scotland. Some routes are not commercially viable because of the size of the community and its needs, but I agree that there is potential for privatisation on some routes or for services to be offered on top of the subsidised routes that already exist.

Liam Kerr: You talked about the possibility of privatisation on some routes, and my question relates to the contracts that are offered. Given the current Clyde and Hebrides and northern isles contract structures, do you believe that services in future tenders should be unbundled into individual lots? Would that give better value to the taxpayer and the end user?

Helen Inkster: Yes, I absolutely agree with the unbundling of routes. That would dramatically improve service provision in smaller pockets and areas where some routes could be commercially viable, so it would be achievable for private operators to run those routes, perhaps alongside other ones. The routes should be unbundled.

Gordon Ross: Transport Scotland and the Scottish ministers have been absolutely clear that they will continue with the bundle. Unbundling would provide opportunities, and some communities would even want to run their own services. Unbundling has been ruled out, but I think that it should be considered. There are merits, advantages and disadvantages when it comes to that option and, to date, the answer has been no. The clear steer from the authorities is that the CalMac bundle will remain in place, but communities should have input and some say in

how best they want their communities to be served.

10:15

Liam Kerr: I am very grateful to you both.

My understanding is that there is a requirement under the current tendering and contract system to use vessels that are owned by Caledonian Maritime Assets Ltd. If that is right, should that continue if the current tendering process continues as it is?

Helen Inkster: Pentland Ferries is an owner and an operator. Therefore, we operate the vessels that we have built for the route. It can be very difficult for a new operator to come in and operate vessels if they are not built to an efficient spec that a private operator, which I can speak for, could provide on the route. I think that it would be quite difficult for somebody other than CalMac—a new operator—to come in and operate vessels that have been designed for that route. It would be difficult for somebody to come in and operate vessels that have been designed years before rather than being able to operate their own vessels on the route.

Liam Kerr: I understand.

Gordon Ross: The other issue to look at is the length of the tender. The current tenders are limited to six years, I think, with a two-year extension. That is a very short payback time for another operator to bring in new vessels. The vessels that CalMac operates are bespoke; they are designed for the route and so on. As I say, the resale of a vessel that has only been used for five or six years and is specifically designed to operate on the west coast of Scotland could be limited.

Liam Kerr: This is my final question at this stage. In your experience of the contracts that are being put out for consideration, do you think that there is sufficient scope in them for innovation to drive both commercial imperatives and the product for the end user?

Gordon Ross: Is that in respect of vessels or the service?

Liam Kerr: In respect of the package.

Gordon Ross: Again, there is an issue of the time to develop services outwith the current service specification. I reiterate my point about the vessels that are supplied by CMAL. Western Ferries is always looking at other opportunities and has been looking for many years. Next year is our 50th year of service on the Gourock to Dunoon route and we have looked at other opportunities on the west coast. However, given the special nature of the subsidised competition, to do things

commercially against a subsidised operator is very difficult.

Helen Inkster: Yes, I think that that is true. To look at running a commercial operation against a subsidised operation is very difficult. A commercial operation always has to look forward and think about what the user needs, meet those needs and be very flexible in that approach. We operate catamarans on the Pentland Firth route, which has proved to be very successful for us. We now have our second vessel on the route and we look to do a rebuild programme every 10 years in order to maintain that. Flexibility is key, and forward thinking about how you meet your users' needs is very important.

Liam Kerr: I am very grateful.

Mark Ruskell: Has either of your businesses ever bid for a Scottish Government-supported ferry route?

Helen Inkster: Not that I am aware.

Gordon Ross: We looked at one of the previous CalMac tenders—I do not know whether it was in 2006 or 2007—but we were kicked out of it at a very early stage.

Mark Ruskell: Could you explain a bit more about your experience of being involved in that tender process?

Gordon Ross: I think that the issue has always been that the service specification is very prescriptive with regard to the vessels to be used, the timetables, the level of service and so on—for good reason—so the ability to bring in additional services or innovation is limited with regard to both the service level of the vessels and the time period of the tender.

Mark Ruskell: Helen, is there a reason why your business has not bid so far?

Helen Inkster: I am not aware of the reasons, to be honest. I can speak only for my term with Pentland Ferries, but I think that it would be similar to what Gordon Ross explained. I can feed back some of that information once I have checked.

Mark Ruskell: If there is that wider experience, it would be useful to understand the reasons.

Helen Inkster: Certainly.

Fiona Hyslop (Linlithgow) (SNP): Good morning. I will ask a basic question about Scottish ferry services. Obviously, some of those are lifeline services; do you agree that there is a need for subsidy of ferry services in Scotland?

Helen Inkster: Yes, I believe that there is a need for subsidy for ferry services in Scotland. I do not believe that all routes would necessarily qualify for that, because some of them could be

commercially viable—for example, the route that we operate to Orkney is a commercially viable route, but there is a place for subsidy in the system.

Gordon Ross: Absolutely. Some routes will always need to be subsidised. The question is whether the quantum going forward has to be what it is just now. That feeds into vessel designs and whether the existing fleet and the proposed new vessels deliver value for money. The through-life costs of 801, 802 and the four new boats will probably be higher than those of the boats that they will replace, although they should be more fuel efficient.

Subsidy is also a factor of revenue. The usage on some routes would never generate a commercial return, but the road equivalent tariff scheme that was introduced had a massive impact. Fare-box revenue is shifted into taxpayer subsidy, so there will absolutely be a need for subsidised services.

Fiona Hyslop: This is also about the balance of cross-subsidies, because you may want to use the commercial profits from one service to subsidise other services, which is the issue around bundling. I am very keen to understand a bit more about the routes that you think could be commercially operated.

Gordon, you talked about the Islay route. If you have a bundled cross-subsidised system and a profitable whisky industry that benefits from that subsidy, but it does not have the capacity or frequency of service that it needs, is that an example of where there could be addition? Instead of unbundling, could additional services be provided on a more commercial basis?

Gordon Ross: It is an all-encompassing question. First and foremost, what is that community's needs? The second step is to ask whether the current service meets those needs. If there is a gap between demand and supply, there is the opportunity for additional services. As far as I know, all CalMac's routes are subsidised, but the line in its annual accounts is one large amount. It would be very interesting to see that broken down on a route-by-route basis, so that you can get a value-for-money understanding. Would that identify the value of taxpayers' money that goes into supporting those routes?

Fiona Hyslop: That was my next question. Are you aware of any routes that are currently subsidised and supported by the Scottish Government that could operate at a commercial profit?

Gordon Ross: Again, that is not a simple question. The contract specifies the requirements of CalMac's vessels, which is a huge cost driver in relation to staff, fuel, maintenance, insurance and

so on. Helen Inkster's vessels and our vessels are very simple vessels that minimise those operational costs, but if you are using CalMac vessels, they will need to be supported. The proposed Western Ferries commercial service to Islay was based on a simple operation, a simple vessel design and the right number of staff operating at the right speed.

If you are transporting whisky, it has already sat in a warehouse for a number of years, so if it takes a couple of hours to get from Islay to the mainland, that is not a huge issue, but if you are transporting supplies for the Co-op, that is completely different, because it is about just-in-time delivery.

I think that there are opportunities to have additional services over and above the bundle. I think that the book is closed on whether the routes will be debundled. However, I still think that those opportunities should be investigated, especially if operators are given flexibility on a debundled basis to look at different tonnages, with smaller or larger boats. Western Ferries provides 32,000 sailings a year. We provide capacity through frequency, whereas CalMac delivers capacity through size of vessel.

Fiona Hyslop: The committee is taking a fresh look at the needs of communities and businesses. The Government has been quite clear about its view, but that does not prevent the committee from investigating the subject. Helen, do you want to reflect on the points that I put to Gordon Ross?

Helen Inkster: Absolutely. If an operator was to use the CMAL vessels that are on the route at the moment, it would most likely need to be subsidised because of the costs that are involved in operating those vessels, which relate to both crewing and fuel efficiency. With a change of strategy to focus on smaller vessels that operated more frequent services to and from communities in order to deliver capacity, flexibility and reliability, an operator could start to make changes. There could be less crew on each vessel and the operator could provide more efficiency as far as fuel is concerned, with new, modern vessels. For me, that is where the difference really lies. It is about the vessels that are operated.

Touching on what Gordon Ross said, I think that there is a real call on the part of the islanders for more frequency. That approach would also assist commercial businesses on the islands by providing more flexibility.

There is an important point about operating two vessels. In the peak summer season, operators are very busy with tourism, but that tends to drop back in the winter. With two vessels, an operator could reduce its running costs over the winter by not operating so many sailings per day, and the approach would also provide for redundancy in dry

docking and refit periods. If an operator has vessels that are interchangeable over a number of routes, that gives it huge reliability and also capacity where it needs it.

Fiona Hyslop: You both operate routes in competition with services that are supported by the Scottish Government. I am interested in hearing what impact that has on your businesses and on future possible expansion. For example, you have touched on the length of tenders and investment in vessels.

Helen Inkster: Operating in what we could say is direct competition with a subsidised route to Orkney has had an impact on how our business operates. We have to ensure that our fares are in the region of what both the islanders and visitors are willing to pay, so that we are neither grossly overpriced nor grossly underpriced. That is a challenge. Obviously, our operating costs have risen significantly over the past year with the fuel cost rise, and that is something that we are bearing in mind as well.

In order to be competitive, we have to look at how we operate our service as far as fares are concerned, but also our timetables, our operating day and our crewing arrangements. That is not necessarily a bad thing. In fact, it is a positive thing for businesses to try to remain competitive, because in that case they strive to be better. It gives us that encouragement to look for opportunities.

Gordon Ross: Unlike the Pentland Firth services, the CalMac service is passenger only between Gourock and Dunoon. I believe that that is very important for those people who want to travel as foot passengers from Dunoon town centre to the railhead in Gourock. My position has always been that that service has to be suitable for the needs. We are waiting for a needs-based assessment on the Gourock to Dunoon route from Transport Scotland.

The situation is slightly different in that there is a need for a passenger-only service. I reiterate the point about fares and the fact that we do not have the subsidy to protect the level of fares beyond the retail prices index but we are exposed to the same cost base.

10:30

I will go back a little bit and talk about frequency. We have four boats that operate between Gourock and Dunoon. During the day, the timetable starts with one boat or two an hour, goes up to three and then goes up to four. The ability to have four boats operating means that we have the ability to accelerate the service, so we can provide 12 sailings an hour in peak demand times.

That is the benefit of having a fleet of four vessels. If there are foreseen or unforeseen events, it gives us a great deal of flexibility whereas, if you look at other routes that CalMac operates with, for example, just one large vessel, if there is an issue with that vessel, it causes problems on that route as well as the other routes in the west of Scotland as the vessels are cascaded to keep the service going.

When CalMac was looking at the replacement vessel for the Stornoway to Ullapool service, the community very much wanted two vessels as opposed to one large vessel. We need to resolve the issue of what role the communities have in determining what ferry services they get and how those are flexed over the period of the contract. The vessels that CalMac is building now probably have a useful economic life of about 25 to 30 years, but the demands in the islands can change within five years, so the question is how the subsidised service and the state provision flex to meet the communities' needs.

Fiona Hyslop: Thank you very much.

Liam Kerr: I pose this question straight to Gordon Ross. You have both talked about the frequency and reliability of the services being important for the communities. Gordon, you talked about a decision to use what you called "simple vessels". You have mentioned what I understand to be an almost direct competitor route next to where you operate. Will you help the committee to understand how Western Ferries' offering compares with that of your direct competitor in terms of ability to sail in particular conditions and to deal with things such as breakdowns?

Gordon Ross: I point out that my technical director would say that our vessels are not simple but have an optimised design.

Reliability is affected by wind speed, wind direction, waves, fetch, visibility and, on top of that, how the weather impacts on the sailing and berthing. All those factors come together in periods of inclement weather.

Western Ferries has two linkspans at McInroy's Point in Gourock and two at Hunter's Quay in Dunoon. That enables us to have alternatives in periods of bad weather. Our vessel design is different from CalMac's. Our route characteristics are also slightly different. The CalMac service goes right up the middle of the Clyde, whereas we skirt the coastlines and use the lee.

When services are cancelled, it is done on the grounds of passenger safety and passenger comfort. I have no doubt that CalMac applies that discipline across its fleet. Our reliability is better for a number of reasons, but no operators take chances with regard to weather conditions and passenger safety.

Liam Kerr: Is there a substantive difference in the figures on numbers of sailings and numbers of cancellations or is it not material?

Gordon Ross: I think that it was last year that one of CalMac's Gourock to Dunoon vessels was out for almost a year, which cut its service down by 50 per cent.

In general, I do not worry about CalMac's reliability figures. It is not my company. The reliability figure for Western Ferries is up to about 99.6 per cent, on 32,000 sailings. We are very proud of that. However, at the same time, we do not take risks with customer safety. We do not sail when it is inclement and unsafe to do so.

Liam Kerr: I do not doubt that.

The Convener: I have just remembered what Monica Lennon wanted to ask you, so I will defer my question so as not to tread on her toes, until I see whether she has asked it.

Monica Lennon: I may have changed my mind, but we will see what happens. My initial question is about procurement. Will each of you tell us how your organisations go about specifying and procuring new vessels, and how that differs from the approach of CMAL, which, as we know, procures vessels for Scottish Government-supported ferry services?

Gordon Ross: We delivered two new boats in 2013. Part of the design brief for those was to optimise the design in order to minimise our fuel use and carbon footprint but, more importantly, it was to ensure that they fitted the shoreside infrastructure.

Monica Lennon: Is it as simple as that?

Gordon Ross: It is as simple as that.

The Convener: You cannot make such a comment without explaining why that is different from CMAL's approach to design. It is such a throwaway line that I must push you on that.

Gordon Ross: I believe that CalMac is trying to future proof its service for the vessels' operational life. Some of its shoreside infrastructure needs to be renewed anyway; it is age limited. I am speaking for CalMac and I may be wrong, but once an operator has understood the needs of the community, from which a vessel's size derives, if that size is greater than the existing shore infrastructure, the company has to reinvest in that as well. CalMac is looking at bringing in a new boat and new infrastructure. There is nothing wrong with that, except that it costs a fortune.

Monica Lennon: Thank you for elaborating. Obviously, the inquiry is looking at what a modern sustainable ferry service will look like in the future, but we cannot detach that from the shoreside infrastructure that you mentioned. Before I move

to Helen Inkster, do you want to add anything about that wider infrastructure?

Gordon Ross: I fully appreciate that CMAL and CalMac have a different mindset from that of Western Ferries. We are a commercial company. We have to pay for our new boats. We also have to pay for our own shoreside infrastructure. That is a strong discipline when it comes to costs.

CMAL and CalMac look at things differently, and that is absolutely fine, but there is a cost associated with that. All that CalMac, CMAL, Transport Scotland and the transport minister want to do is deliver a ferry service that meets the needs of the community.

Monica Lennon: Is it correct to say that you also have to think about the interests of shareholders? I think that the company makes a decent profit.

Gordon Ross: Yes, Western Ferries is a commercial, unsubsidised company. I have been managing director for 18 years. Since 2001—that is a period of about 21 years—we have invested more than £20 million in new vessels, shoreside infrastructure and linkspans. That is tiny in comparison with the amounts that CMAL has to spend. It is correct to say that we do not get any subsidy for our vessels.

Monica Lennon: Yes, but in terms of viability and profitability, going back to 2011-12, Western Ferries has made more than £17 million in profit after tax and has paid out more than £5 million in dividends to shareholders. Is that correct?

Gordon Ross: I will take your word on that.

Monica Lennon: If I have got that wrong, you can let us know afterwards. I come to Helen Inkster.

Helen Inkster: From the perspective of Pentland Ferries, vessel procurement is very much driven by the statistics on what we are carrying and where improvements can be made. We built the Pentalina in 2008, and the Alfred came online in 2019.

In that time, you get to know your vessel and where you need to make improvements, and you see where your business is going and the clientele that you are attracting or would like to attract. You also look at your carbon emissions and your fuel economy. That is a huge factor.

As Gordon Ross said, you also look at your shoreside infrastructure. When the Alfred came into service in 2019, it fitted the same shoreside infrastructure that the Pentalina did. It was built deliberately for that reason. However, in our businesses, we always have to look at the statistics and the numbers to see where we need

the capacity to expand, not just to meet current needs but looking towards the next 10 years.

I second what Gordon Ross said about shoreside infrastructure. When you make amendments to shoreside infrastructure, which takes considerable spend, you have to be very careful that you meet not only the current needs but the long-term needs. You do not make significant changes for the next five to 10 years; it is necessary to look further ahead in order to be efficient and viable.

Making changes to shoreside infrastructure to accommodate larger ferries may work just now, but we have to consider whether that is something that we are looking for in relation to the next ferry replacement. You will add on spend at the next ferry replacement if you change your thought process significantly. It is about future proofing and not just considering the short term, but looking forward to the medium and long term.

Monica Lennon: That is helpful. You have both mentioned safety. Helen Inkster, I do not want to get into this too much, but it is probably fair to say that, last summer, there was a bit of a safety scandal. You mentioned procurement and getting to know the vessel and understanding it, so could you explain what happened with the Pentalina and what lessons have been learned? I think that the issue relates back to an attempt to sell that vessel on to CMAL. I do not want to get that wrong, so I would like to hear your understanding.

Helen Inkster: Just so that I am clear about what you are asking, are you asking about a safety scandal on the Pentalina?

Monica Lennon: Yes. At the start of the meeting, in response to my colleagues, you said that safety is paramount. There was a bit of a safety scandal last year, and I am wondering what lessons were learned from that. Did the company learn any lessons?

Helen Inkster: Absolutely. We are always learning lessons. What happened in that event with the Pentalina was overemphasised in the media, shall we say. We take safety very seriously, as all ferry operators do, not just because that is mandatory but because it is our responsibility to ensure that our passengers and crew are kept in the safest manner at all times. In short, we are always learning from our experiences.

Monica Lennon: Okay.

I declare that I am a member of the National Union of Rail, Maritime and Transport Workers parliamentary group and I am proud to be a trade unionist. I understand that the safety deficiencies were detected as a result of information that the RMT brought to the attention of the Maritime and

Coastguard Agency. What is your company's culture and attitude towards trade unions? We talked about procurement, and the fair work agenda is clearly important in Scotland. What is your relationship with the RMT?

Helen Inkster: I am fairly new in the role of managing director—I came into the role only in June—so I cannot really discuss what went on in the past from that perspective. I mean no disrespect, but I am not sure what the relevance of the question is to what the committee is considering.

Monica Lennon: I will briefly clarify that. I asked the question because we are talking about safety and the future provision of ferry services, so issues around engagement with trade unions, the workforce and the wider community are important. However, I think that Ms Inkster has given her answer.

The Convener: It is difficult, Monica. We are talking about the design and construction of ferries. If you want to put that question to Pentland Ferries, I suggest that this particular session might not be the place to do so.

Helen Inkster and Gordon Ross have made it clear that safety will be designed into their boats as a prerequisite, because their passengers are important. I am happy to let you develop the point outwith this session, but I think that you are pushing on an area that I am not sure is relevant to this part.

10:45

Monica Lennon: For the record, I disagree with the convener, which happens from time to time. In the interests of time, I will not pursue the matter further just now, but I think that it is crucial that the workforce and the trade unions are involved in issues around procurement and design. We might have differing views around the table, but I am glad to have had the chance to put that on record—thank you, convener.

The Convener: Thank you, Monica. I hope that our disagreements will be limited and short in duration.

I go back to some of the points on design. This question is to Gordon Ross. When you identify the requirement for a new boat, as you did, what is the process for that? Do you work out what the passenger needs are and then get a simple spec? How does that work in your company? I ask Helen Inkster the same question.

Gordon Ross: We had two boats built at Ferguson's from 2001 to 2003. Back then, that design represented a step change with regard to the layout of our vessels, including passenger accommodation, the engine room and so on.

When we looked at the boats in 2013, we were looking at updating that design to meet changes in regulations.

The Western Ferries methodology has always been to provide additional capacity through frequency. Just now, we can meet an increase in demand. The four vessels are not used as much as they could be, so we have the ability to increase our delivery with the existing vessels in the future. If we were to look at the vessels again, we would look at the vessel design, and the engines, fuel efficiency and safety requirements would all feed into that. The last time that we looked at the boats was in 2013. We had an existing design that, in effect, had to be updated within the confines of our shoreside infrastructure, given that the boats must be able to use the existing infrastructure from day 1.

The Convener: Helen, do you want to explain how your designs are different from other standard designs and comment on their suitability? How did you go about the process of choosing a design?

Helen Inkster: When the Pentalina was designed, her fuel efficiency was one of the biggest driving factors, along with her stability, as a catamaran, for the route. That initiated the catamaran process for Pentland Ferries; we then moved on to the Alfred. It was clear that the vessel type worked for the route and provided the fuel efficiency and crew efficiency that assisted us in operating an efficient service.

The real change in moving from the Pentalina to the Alfred was that the Alfred was a bigger and improved version in order to meet the needs of our passengers and crew by providing more space, better catering facilities and crew accommodation and other such aspects.

The Convener: So, having identified the passenger need and the demand for the service, you both went ahead and designed a boat. The reason that I am pushing slightly on this issue is that I watched the design process for 801 and 802; it was done by CalMac, and then it went up to CMAL and then to Transport Scotland. Those bodies have all had a measure of involvement in the process and they have all changed the demands slightly, so we have ended up with a ferry that has more capacity for passengers than has ever been used on that route previously and a demand for vehicles on one particular service that probably exists for only 10 per cent of the year. Meanwhile, you have gone for smaller, more flexible designs that can be ramped up or down as required.

Do you think that the Government procurement process for ferries is cumbersome? Is that the way in which ferries in Scotland should be built in the future?

Gordon Ross: I honestly cannot express an opinion on that. It is very much for Transport Scotland, CMAL and CalMac to look after their routes and do the best by their customers and the taxpayer.

The Convener: Helen Inkster, will you plead the fifth on that as well?

Helen Inkster: Yes.

The Convener: The term “simple vessels” has been mentioned, but I think that we are talking about complex vessels that have been made simple to operate.

Gordon Ross, do you like having more vessels, which gives you incredible flexibility to ramp services up and down? Is that the way forward? Should we be looking to provide services in that way across Scotland?

Gordon Ross: That model very much works for our route. I would not imagine three ferries going back and forth from Oban to Barra or South Uist.

The benefit of our having four boats is that we are able to deal with unforeseen and foreseen events and unplanned and planned maintenance. Having four linkspans is exactly the same. That gives us alternative berthing options, depending on the weather, and it means that we can do our maintenance without it affecting the service.

You mentioned the ability to ramp up services. You will all be aware of the issues with the Rest and Be Thankful. When there is an issue with that route, an influx of people come down to use the ferry service as opposed to the alternative route. We can very quickly respond to that. Our crews are shore based—they all live in Dunoon—so we can call in extra men to provide additional services.

I think that the previous closure of the Rest and Be Thankful was in 2021. We were just coming out of one of the Covid lockdowns and we were providing 32 sailings a day. When the problem with the Rest and Be Thankful arose, we provided 131 sailings the next day. That is the benefit of the smaller vessels.

Helen Inkster: I second what Gordon Ross has said. Vessel size and type will depend on what routes you are looking at. An additional two smaller vessels are more beneficial than one larger vessel. It comes down to the route.

I go back to the issue of reliability, because that is part of it, too; Liam Kerr asked about that as well. The Pentalina and the Alfred both have four engines. Potentially, two of those engines could be out of service, but we could still provide a service.

That is an important aspect. If you build a vessel that has redundancy built in, you would not necessarily have to pull it out of service for

technical reasons. You can maintain the service and have your technical teams go in overnight or work on board at the time of the issue, depending on the fault. Having that redundancy built into each vessel has worked really well for Pentland Ferries.

The Convener: Gordon, you commented on freight. It is interesting that, in the peak period over the summer, getting lorries on and off at the required times to meet deadlines is difficult when there is an influx of passengers. Is there scope to look at providing a freight service within the existing service to provide relief at peak times on key routes?

Gordon Ross: On Islay, the peak whisky season is in the winter. On the Islay service, we have visitors and islanders from the community moving backwards and forwards during the summer, and during the winter the distilleries are on full production. A new distillery has been completed, the Port Ellen distillery is being demothballed—if that is the correct terminology—and there are plans for two more distilleries.

Personally, I do not think that there will be sufficient capacity for all of that, even with the two new boats coming in. I have not seen anything in relation to that, but that is certainly the feedback that I am getting from hauliers. Despite the fact that two new boats are coming in, I still think that there will be an issue with deck space for freight. Having a freight service to Islay would therefore be attractive to the distilleries and the hauliers. I would be happy to look again at whether that can be done on a purely commercial basis.

CalMac has its winter dry dock programme so, even with the two new boats, there will be two to three months every year during the winter when those boats will not be available because of dry docking. Having additional freight boats would take that issue away and open up deck space for the communities. Islay's tourist season is growing all the time. Having that service on top of the two new boats would meet the needs of the community and of the whisky industry on Islay.

The Convener: Helen, do you want to add anything to that?

Helen Inkster: Yes. I do not know each of the Clyde and Hebrides routes well enough to answer the question fully, but freight services should be looked at if there are already pinch points for passenger capacity. They could certainly be of benefit if the statistics are there.

The Convener: Okay. Gordon, I want to push you on a comment that you made about crewing and the fact that the crews live locally. A lot of the CMAL boats have crews that live on board. I remember hearing some good reasons and some bad reasons for that. You suggested that there is

more flexibility to call crews in if they are not tied to a specific boat. Is that your opinion in respect of the smaller boats? Is there a stage at which a boat is big enough for living-on crewing to be justified?

Gordon Ross: One of the benefits of the bundle was the ability of the CalMac vessels to cascade on to other routes for unseen and foreseen events. If the crew is based on the boat, that cascading is much easier. Perhaps there is no need for crew accommodation on the shorter crossings. However, given the lifeline nature of CalMac services and the cascading nature of the vessels, which will come back in 2026, with the shore-side infrastructure, crewing on the vessels will be the way forward.

The bigger question is whether the vessels have to be crewed to the current levels. The crewing and the muster list very much depend on the design, safe evacuation requirements and the timetable. There might be possibilities to reduce the number of crew members who live on board if the vessel design is different.

The Convener: If vessels are limited to the harbour and the infrastructure that the harbour goes into, they cannot be cascaded down on to other routes, so you would question crewing on those vessels, which are limited by infrastructure to certain ports. Is that what you are saying, or is that a step too far?

Gordon Ross: I am not saying that at all. One of the reasons why the bundle is the bundle is its lifeline nature. Vessels are mechanical items and they break down. To keep the services going, the boats have to be able to move from one route to another. It is hoped that, by 2026, with the 801, the 802 and the four new vessels that have been ordered, the cascading will be back to the shore infrastructure across the network. Those vessels could relieve one other.

Helen Inkster: The crew accommodation on board very much depends on the size of the vessel and the crew certification requirement. The best intention would be local employment on the islands or employment that is local to the ferry ports and within commutable distance. However, from my experience with Pentland Ferries and outwith that, it was a benefit to have crew accommodation during the Covid periods. Operations could continue, and the crew lived on board as a family, so to speak, without going home at night. That ensured that a freight service could be maintained.

On the larger vessels, there are more certification needs, and bigger tickets for the crew are looked for. Ideally, the crew would be local, but if that is not the case and people have to look for accommodation on the shoreside, that can complicate how things are done. Where crews can

be sourced locally for smaller ferries, that is a great benefit, and accommodation is therefore not necessarily required.

I would be reluctant to rule out accommodation entirely for my operation. We increased the crew accommodation when we moved from the Pentalina to the Alfred, just to ensure that we could keep all the crew on board, regardless of where they were from. We employ a huge number of local crew, but they are not always available. We need to be open minded about it: crew accommodation is important, but it depends on the vessel size and the certification requirements.

11:00

Natalie Don (Renfrewshire North and West) (SNP): Thank you for coming this morning. We have spoken quite a lot about passengers' needs for reliable and frequent services, and about the size of vessels. Thinking about the service as a whole, do you think that commercial ferry operators are better attuned to passenger needs than state-supported services are? If so, will you explain why? Can you give any relevant examples of times when your companies have reacted to a change in circumstances in a way that a state-supported service could or would not react?

Helen Inkster: I would not go so far as to say that we are more attuned to passenger needs. I am not aware of how publicly funded operators monitor those needs. From a commercial perspective, we have to be on the ball, because we have to ensure that passenger numbers do not drop and, if they do, we have to find out the reasons for that. I would not say that we are more attuned to passenger needs, but we have to be very switched on about that.

We have the benefit of flexibility. We can change our timetables for passenger services or other aspects on board without a huge amount of notice being required. However, I cannot give you an example of a case where there was a difference between a subsidised service and us, as far as passenger needs go.

Gordon Ross: I agree. I do not think that we are any more or less attuned to passenger needs than CalMac or NorthLink Ferries are. We are more dependent on passengers because we are a commercial firm and we are not subsidised. The best people to put that question to are the passengers.

Natalie Don: Okay.

Gordon Ross: I am not being in any way facetious. As an example, I note that, up until 2011, Dunoon residents had a choice between the Western Ferries vehicle service and the CalMac vehicle service, which had been withdrawn in

2001. Even then, we had roughly 90 per cent of the market, because we would do things such as our tickets not being assigned to a particular vehicle—they could be used for any vehicle—and never becoming out of date, whereas CalMac tickets had time restrictions and they had to be used for an identified vehicle. We differentiated ourselves from CalMac with things such as that.

Natalie Don: Over the course of our inquiry, we will speak to all relevant parties, so we will seek such information. However, it is important to get your view and hear how you go about understanding customers' needs and how you act on that. Your answers have been helpful, so I thank you—unless you have anything else to add.

Gordon Ross: I live in Dunoon, I shop in Dunoon and I walk around Dunoon, so I get direct feedback. Because I live in Dunoon, I am as dependent on Western Ferries services as everybody else in the community is. It is a valuable lesson. I am visible and people know who I am. People in Dunoon are not shy about coming forward to raise their concerns or to thank us, which is a good part of living in the community.

We provide an out-of-hours ambulance service that is free to the national health service. Our timetable is quite extensive as it runs until about half past 10 on Mondays to Thursdays and half past 12 on the other days. However, if the local hospital phones us up out of hours and says, "Can you come and do a sailing for us?", we have a standby crew that will come out to take the ambulance across. That is greatly appreciated by the community and, again, it is free of charge.

The Convener: I have another question but, as I have already asked a lot, does anyone else have a question that they want to ask first? Jackie Dunbar does.

Jackie Dunbar (Aberdeen Donside) (SNP): You probably asked half of the question that I was going to ask, convener.

The Convener: I apologise profusely.

Jackie Dunbar: When the committee put out its call for views on the ferry services, some folk raised concerns about the crewing arrangements of the private sector operators. Do you employ folk locally? I think that I know the answer to that from what was said earlier—Helen Inkster said that that is desirable—but I am giving you a chance to put your position on the record. Do you employ folk locally? Are your working conditions as good, if not better, than those in other companies? Do you pay the living wage? Do you believe that the concerns that have been raised are misplaced?

Helen Inkster: We employ locally—we strive to do that if we can. Our current vessel, the MV Alfred, is equipped with enough cabins to house

the full seagoing crew complement if it needs to, but many of our crew members live within walking distance of where the vessel ties up at night. We have a few officers from Europe who have been members of our crew for more than 15 years. We have a variety of crew, but local employment is what we are looking for. We are a living wage employer, too.

Gordon Ross: I agree with everything that Helen Inkster said. We employ 70 people, of whom 90 per cent live in Dunoon and the other 10 per cent live in Inverclyde, so I would say that 100 per cent of our crew are local.

Jackie Dunbar: Grand. Finally, I will give you a chance to say whether there is anything else that the committee should be thinking about in relation to the inquiry and how the Scottish Government can best support a modern and sustainable network of ferry services. If you had a magic wand, what would you like us to consider?

Helen Inkster: I would like each route to be considered individually. I mentioned unbundling, and I think that that would be a good step forward for each of the communities. After all, what we are striving to achieve is the creation of good, effective links to those remote communities. The issues of reliability and frequency are what we should be considering in relation to a modern ferry service.

Gordon Ross: Like the Pentland Firth, the Gourock-Dunoon route is not yet part of the road equivalent tariff scheme. I suggest that you consider that, especially given the cost of living situation that we are in.

I mentioned additionality and the need to think about services beyond the bundle, such as a freight service to Islay.

There is also a need to think about how the consultation process can be developed in a way that gives the islanders a say in the ferry services. I know that CMAL, Transport Scotland and CalMac do a lot of consultation on fares, services and frequencies, but I think that the islanders always lose out if there is a disagreement with regard to what they want their ferry service to be and what they see as having been dictated to them.

The lifeline ferry services are critical to the economic wellbeing of the communities, so they have to flex. Like Pentland Ferries, Western Ferries can flex our service. We have continually added sailings as people have wanted to get to Glasgow airport or the centre of Glasgow earlier. The communities are becoming more and more vocal about the limitations of their ferry services.

It is good news that vessels 801 and 802 will come on stream, and the fact that four new boats will be added to the CalMac fleet will do a lot for

the resilience of the west coast of Scotland. That is positive. However, there must be flexibility. The islanders must have the ability to make changes to their ferry services.

Helen Inkster: I agree with Gordon Ross. I agree that islanders and island communities must have that input, but it is very important that the operator has significant input, too. By “the operator”, I mean the crew, the shoreside staff and the managers who look after those aspects. As the boots on the ground, they are the ones who see what works and what does not. Their involvement in decision making is invaluable, because they are local to the service and they see it. That is incredibly important.

Jackie Dunbar: Absolutely. Thank you.

The Convener: Thank you, Jackie. I put on the record the fact that I took part of your question, for which I apologise profusely. I will try to improve at the next meeting.

Liam Kerr: One issue that the committee is looking at is future ferry provision in Scotland. The deputy convener’s question about whether you have any plans to expand your routes was a good one. I might be wrong, but I am not sure that I heard an answer to that. Does Pentland Ferries have any plans to expand on the routes that it currently provides?

Helen Inkster: We are always looking for opportunities to expand on the routes that we provide at the moment and elsewhere. That process is active all the time.

Liam Kerr: What about Western Ferries?

Gordon Ross: Likewise.

Monica Lennon: I want to pick up the issue of affordability. As you will be aware, the Scottish Government’s on-going fair fares review is looking at the prospect of travel discounts, including the possibility of publicly funded free travel for transport services such as ferry services. I understand that, at the moment, a limited number of islanders are entitled to free ferry travel. I am keen to hear your views on that. Would you welcome a scheme to expand discounted travel?

Helen Inkster: Given that it is inevitable that fares will rise because of fuel costs and so on for private operators, it is probably time to look at how we can expand discounted fares for island residents. To give an Orkney perspective, although we do not have RET on the Pentland Firth route, free ferry travel is now provided on the interisland routes for under-22s.

It would be helpful to look at such a scheme, and we would welcome further investigation of that.

Gordon Ross: Similarly, we are happy to talk to anybody, but the issue with free bus and rail travel is what comes back to the operator. That is a big issue.

As you have raised the subject, I would like to raise the issue of the Strathclyde Partnership for Transport concessionary cards, the funding for which is being cut. I think that the discounted fare was to treble for those people who have reached that special age at which they qualify for the concessionary card. That is an SPT issue. The funding for that is drying up. If the subject of the affordability of fares and free fares is being looked at, I ask that the way in which the SPT concessionary fares scheme is run be looked at. I hope that that scheme will be continued and that it will be funded in future.

Monica Lennon: Thank you for raising that. Our theme is the sustainability of services, so we must think about funding and what the situation will look like not just in the short term but in the longer term.

The Convener: Gordon, you talked about having unrestricted tickets and laying on additional ferries for ambulances. How do you cover that financially? Is that just a beneficial service that you provide?

Gordon Ross: We have always provided the out-of-hours service, and our crews are delighted to provide that. Yes, there is a cost to it, but we are part of the community, and we have to reflect that. We are very involved with local sponsorship, local events and so on. The out-of-hours ambulance service is just part of that connection with the community.

11:15

The Convener: Okay. You mentioned that, and I am interested in it. I know that CalMac is looking to charge islanders for delivering parcels from third parties such as Amazon to islands with a low number of inhabitants. CalMac suggests that it would cost it a quarter of a million pounds every year to provide that service to islanders on islands such as Raasay, rather than making a lorry go across with one package. Are you saying that you would view that as part of being in the community?

Gordon Ross: Raasay is slightly different from Dunoon and Gourock. The Amazon or Royal Mail deliveries come as part of their existing business.

The Convener: I am just interested in the fact that you are saying that there are some responsibilities about being part of the community. I welcome your comments on that.

As there are no other questions, we have come to the end of this part of the meeting. I thank both of you for coming and sharing your views and

expertise. The committee will continue its look at ferries over the next few months.

I will suspend the meeting briefly to allow the witnesses to leave.

11:16

Meeting suspended.

11:20

On resuming—

Subordinate Legislation

Financial Assistance for Environmental Purposes (Scotland) (No 2) Order 2022 (SSI 2022/278)

The Convener: Agenda item 7 is consideration of a negative instrument. As the instrument has been laid under the negative procedure, its provisions will come into force unless the Parliament agrees a motion to annul them. No such motion has been lodged.

Do members have any comments?

Mark Ruskell: I will make a brief comment. I think that, to make progress in the area, we will need community approaches, and it is important that funding mechanisms are available to registered social landlords and the public sector in order to establish heat networks. Understandably, a lot of the focus at the moment is on individual households getting assistance and applying for finance, but I think that it will be some of the broader, community-wide approaches that will crack the nut with regard to retrofitting and decarbonisation. I do not have any specific comments on the SSI beyond saying that we need to accelerate the work.

The Convener: Just to clarify, Mark, I think that the point that you have made is about the need to accelerate the work and to look globally across the whole sector. You do not wish to object to or make criticisms of the order—you have just made some observations.

Mark Ruskell: Yes. Community-wide approaches are needed in this particular area, and it is important that RSLs, councils and others have the ability to drive this in order to get the scale of roll-out that we need in our communities. The mechanisms in question will enable funding to come in and achieve that.

The Convener: So can we make those comments on the order? I am looking at the clerks. *[Interruption.]* The clerks have told me that the comments have already been made.

Mark Ruskell: I am happy for what I have said to sit as a comment.

The Convener: The point is that that is on the record. We do not need to take things any further than that, if everyone is happy.

Okay. That concludes that item, unless anyone has any other comments.

The next agenda item—*[Interruption.]* I have to formally invite members to agree that the

committee does not wish to make any further recommendations on the order. Apparently, that is the procedure. Does the committee agree on that?

Members *indicated agreement.*

Public Petitions

Wheelchair Users (Improvements to Bus Travel) (PE1866)

11:23

The Convener: Agenda item 8 is consideration of a petition. PE1866 is on introducing legislation to improve bus travel for wheelchair users.

I refer members to paper 6, which provides some background information and outlines possible options.

The petition, which was submitted by Daryl Cooper in May 2021, calls on the Scottish Parliament to urge the Scottish Government to introduce legislation to ensure that wheelchair users are able to face frontwards when travelling on a bus.

I invite views and comments from committee members on the petition and the options that have been set out in paragraph 13 of paper 6.

Fiona Hyslop: We should look at the issue. It was not one that I was necessarily familiar with, but it is quite clear from the petition that it impacts on a number of people.

There might well be understandable explanations for the situation, but I do not think that things are entirely clear. Although the background paper that we have received has been very helpful, I do not want the petition to be readily dismissed, simply because we do not fully understand the reasons for the current requirements. I recognise the reserved nature of some of this matter, but that should not prevent us taking a closer look at it.

The Convener: Once we have heard from other members, I will make a couple of suggestions.

Monica Lennon: I agree with the deputy convener. We do not know the answers to some questions, some of which might be technical in nature in relation to design, so we should definitely ask those questions.

I pay tribute to Daryl Cooper for lodging the petition in Parliament. It was really good that the Citizen Participation and Public Petitions Committee—I hope that I have the title correct now—reached out to our MSP colleague Pam Duncan-Glancy, who is a wheelchair user. She was able to share her lived experience in relation to the front-facing issue and the limit of only one wheelchair user being able to use any given service. She gave the example of her and her husband not being able to travel together, which got me thinking about people with caring

responsibilities and people with children not being able to travel together.

We could write to the Convention of Scottish Local Authorities to understand how local authorities intend to use the powers that are available to them under the Transport (Scotland) Act 2019. There are therefore things that we could pursue.

This is a voluntary interest of mine, but I should say that I am patron of Disability Equality Scotland. The committee can therefore understand why I am keen for us to do what we can to get some answers and, I hope, some progress for people.

The Convener: When I read the paper, I struggled, as all committee members probably did, to understand whether there is an industry norm in how buses are laid out for wheelchair users. I do not know whether the lay-out allows them to face forwards or whether they have to face the rear or sideways. I would like to know whether there are safety implications to how buses are laid out, so it would be useful to find out more information on that.

As Monica Lennon suggested, it would be helpful to write to COSLA to find out how local authorities might wish to use their new powers under the 2019 act regarding bus service improvement partnerships. We could see whether they have any plans in that regard.

Given that the United Kingdom Government has confirmed that it will complete a review of the Public Service Vehicles Accessibility Regulations 2000 by 2023, we could write to the Department for Transport to highlight the concerns that the petitioner has raised about the rules. We could ask it to bear those concerns in mind and to be clear about whether there are regulations that relate to the issue.

Once we have that information, we could consider the petition in more depth, with more knowledge and understanding than we have at the moment.

Are members content for the clerks and me to work through that and for us to come back to the committee in due course?

Members indicated agreement.

The Convener: That will be useful. I thank the petitioner for bringing the issue to our attention.

That concludes the public part of the meeting.

11:28

Meeting continued in private until 12:22.

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