



OFFICIAL REPORT
AITHISG OIFIGEIL

Rural Economy and Connectivity Committee

Wednesday 8 November 2017

Session 5



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Wednesday 8 November 2017

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
ISLANDS (SCOTLAND) BILL: STAGE 1	2
RAIL SERVICES.....	31

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

31st Meeting 2017, Session 5

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Gail Ross (Caithness, Sutherland and Ross) (SNP)

COMMITTEE MEMBERS

*Peter Chapman (North East Scotland) (Con)

*John Finnie (Highlands and Islands) (Green)

*Rhoda Grant (Highlands and Islands) (Lab)

*Jamie Greene (West Scotland) (Con)

*Richard Lyle (Uddingston and Bellshill) (SNP)

*Fulton MacGregor (Coatbridge and Chryston) (SNP)

*John Mason (Glasgow Shettleston) (SNP)

*Mike Rumbles (North East Scotland) (LD)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

David Dickson (ScotRail Alliance)

Alex Hynes (ScotRail Alliance)

Liam McArthur (Orkney Islands) (LD)

Angus Thom (ScotRail Alliance)

Ian Turner (Scottish Government)

Humza Yousaf (Minister for Transport and the Islands)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Rural Economy and Connectivity Committee

Wednesday 8 November 2017

[The Convener opened the meeting at 10:01]

Decision on Taking Business in Private

The Convener (Edward Mountain): Good morning, everyone, and welcome to the 31st meeting in 2017 of the Rural Economy and Connectivity Committee. I ask you all to ensure that your mobile phones are on silent. No apologies have been received.

Agenda item 1 is a decision on whether to take in private item 4, which is to review the evidence that the committee has heard on the Islands (Scotland) Bill. Do members agree to take item 4 in private?

Members *indicated agreement.*

Islands (Scotland) Bill: Stage 1

10:02

The Convener: Agenda item 2 is the final evidence session on the Islands (Scotland) Bill. I welcome Liam McArthur, who is joining the committee for the evidence session; Humza Yousaf, the Minister for Transport and the Islands; Ian Turner and Darren Dickson, who are from the Scottish Government's Islands (Scotland) Bill team; and Heike Gading, who is a Scottish Government solicitor.

Would you like to make a brief opening statement, minister?

The Minister for Transport and the Islands (Humza Yousaf): Yes, please. Good morning.

I thank the committee for the opportunity to speak to the Islands (Scotland) Bill at stage 1. I will, of course, be happy to answer members' questions about its measures.

The bill is the Parliament's first-ever islands bill, and I am extremely proud to be leading the bill process. I welcome the committee's close and careful scrutiny of the bill at stage 1. It has engaged with the communities themselves and heard the views of a wide range of stakeholders. I have listened to and carefully considered all the evidence that has been presented and am encouraged to have heard witnesses' general agreement on the broad direction of the bill and its measures. I appreciate the consensual and very thoughtful approach that committee members have taken to date, and I hope that that will continue as the bill progresses through the Parliament.

At its very heart, the bill seeks to improve outcomes for our island communities. Our islands make a significant and unique contribution to Scotland's culture, heritage and economy and, of course, to society as a whole. Our aim is to create the right statutory environment to underpin the economic and social wellbeing of our islands, to enable sustainable economic growth, and to empower island communities.

Through working with island communities and other partners, we are, of course, already addressing many of the challenges that our islands face. That is evident from a wide range of policy initiatives, including those on ferry services, affordable transport, air travel, housing, digital connectivity, economic development, infrastructure and, of course, the Gaelic language. The bill seeks to amplify that work and ensure that there is a sustained focus by all key parties, including the Government, to meet the needs of island

communities and create the right conditions for growth.

I want to highlight briefly some of the bill's key measures. The proposal to develop a national islands plan sits at the very heart of the bill. The plan will set out an agreed strategic direction for the Government and the wider public sector to adopt and implement in the future.

My initial thinking has been to create the space and the opportunity for island communities and other relevant stakeholders to be involved collaboratively in contributing to the content of the plan. The duty to consult in the bill is serious and meaningful. It would seem to be somewhat premature to put more provision relating to the plan in the bill at this stage, before that consultation has been undertaken. However, I understand why committee members and others might want us to provide more content on the plan, and I am happy to consider and discuss that matter.

Island proofing is another key element of the bill. I want all areas of Government and, indeed, the public sector, to be required to consider the specific needs of islands in relevant policy and decision making. I am determined to ensure that island proofing is approached seriously and undertaken meaningfully. To do so requires an element of flexibility. Many island communities share common challenges, although they do not always happen at the same time and they are not always treated with the same priority. Furthermore, some issues are specific to some island communities and not to others.

Public sector bodies clearly have a wide range of functions, roles and responsibilities, too. Being overly prescriptive on how island proofing should be undertaken in the bill could undermine its effectiveness, which is something that all of us wish to avoid. Although I am open to discussion on the matter, I am keen that we get the balance right between the sufficiency of direction in the bill provisions and the appropriate autonomy and space for innovation by public bodies and how they involve and work with island communities, with the practical detail on how they achieve that in the statutory guidance.

The protection of the Scottish parliamentary boundary for the Western Isles has been welcome, as has the flexibility to create one or two-member wards for islands, although I acknowledge that some may want the bill to go further in that regard.

The marine licensing provisions, which are generally seen as positive, create a step-by-step process for any new licensing regime. That recognises the opportunities, but also the risks, because we need to integrate any new regime into

the current marine planning and licensing landscape.

I consider that the measures in the bill will provide the right statutory framework and underpinning to enable our shared ambition for Scotland's islands to be realised. Although I hope that the committee will support the general principles of the bill, I remain open to suggestions that will improve it and, ultimately, the outcomes for our island communities.

I am happy to take questions.

John Finnie (Highlands and Islands) (Green): Good morning, minister. You have provided a brief summary of the overall intent of the bill and touched on its high-level objectives. Perhaps you could reassure me about and reaffirm your position on that issue. Is there any merit in having high-level objectives in the bill?

Humza Yousaf: The bill's high-level objective, which I mentioned at the start and the end of my opening statement, is to ensure that Government and public bodies place a sustained focus on island communities and to improve the outcomes for them. The bill would be a success if those things were to happen. However, on top of that, the high-level outcome is to have a national islands plan. I have travelled to a number of islands around Scotland and there is tangible interest in what the national islands plan will be able to deliver.

That is a clear statement that the main purpose—the high-level objective—of the bill is to create a sustained focus on island communities, while better improving outcomes for them across Scotland.

The second part of your question was whether it would be beneficial to include that high-level objective in the bill. I am always open minded on such things, so long as doing so would not restrict us in any way. Perhaps it would be better to include that in guidance or in policy memorandums.

As I said, the high-level objective is to create that sustained focus on island communities by Government and to improve the outcomes for them.

Rhoda Grant (Highlands and Islands) (Lab): I will push you a little bit more on that, minister. When we took evidence, people told us that what they really wanted to see as an outcome from the bill was population growth and economic development, which they thought were lacking. They want the bill to make a tangible difference in those areas, rather than for them to be the focus of it. Would you consider putting such things in the bill so that those aims are foremost in people's minds as they carry out island proofing?

Humza Yousaf: Rhoda Grant makes a good point. I have travelled to more than 30 islands around Scotland and touched on each of the local authorities that have inhabited islands in their area. Depopulation and how to overcome it is at the top of their list. Some islands are overcoming depopulation well, but most islands are struggling with the issue.

I would be wary of being prescriptive by putting that in the bill because I do not want to exclude certain items from discussion. That is why the national islands plan will be important. Again, I do not want to be prescriptive, but in order for it to be meaningful, the national islands plan would have to consider issues such as depopulation, which is linked to health, housing, economic opportunity, jobs, education, digital connectivity, transport and so on. You and I understand that all those things would have to be included in the islands plan in some shape or form because otherwise the document would not be meaningful, but I would be wary of putting that in the bill. I am not saying that my mind is closed on it entirely—I am willing to hear the committee's view. However, I would not want to be so prescriptive as to tie future Governments into those issues because that might be counterproductive. We can talk about timescales and so on later.

Rhoda Grant: I will turn the question on its head slightly. What would success look like to you? How would you measure the success of the bill? Where would the tangible differences be?

Humza Yousaf: That is a really good question. Even before the bill has been passed, I have seen some evidence of success in the sense that my colleagues in the social security team have carried out island proofing on the Social Security (Scotland) Bill. They have chosen to go down that route, largely following the model of other impact assessments that we already use. In that way, we have already seen some success.

To answer your question more directly, the eventual publication of the national islands plan would be a marker of success, as would seeing Government legislation and policies from relevant authorities and public bodies being island proofed. A potential success of the bill would be local authorities wanting to have their own marine licensing powers and possibly generating revenue from that. If the Local Government Boundary Commission for Scotland makes proposals for one or two-member wards and those are accepted by ministers and others through the relevant process, that would be another success of the bill.

The bill's success can take many forms. Some of that will rest on the work that we take forward as a result of the bill, such as the national islands plan.

The Convener: Jamie Greene will ask a brief question and then we will move on to questions from the deputy convener.

Jamie Greene (West Scotland) (Con): Good morning, minister. I want to follow on from Rhoda Grant's point. I take your point about not wanting to be too prescriptive around the elements that you expect to be in the plan and not putting them in the bill and I am sure that we will discuss that further. However, much of the feedback that the committee has had is around the absence of a high-level mission statement. You have said that a successful outcome would be the islands plan, but you also said that you would expect the bill to ensure that there is a sustained focus on islands by the Government and improved outcomes for islands. Given that you have said that to the committee, is there any reason why it could not be in the bill?

Humza Yousaf: I am looking to my officials on whether that is the usual practice for bills, but I do not think that there is any reason why we could not. I am not fundamentally opposed to it. If the committee feels very strongly about putting a mission statement in the bill, I am sure that we can consider it.

Gail Ross (Caithness, Sutherland and Ross) (SNP): Quite a few of the witnesses that we spoke to raised concerns that remote and rural areas on the mainland face many of the same issues as the islands, and they emphasised that care must be taken to not disadvantage such communities. What does the Scottish Government intend to do to acknowledge and mitigate any impacts that the bill might have on remote and rural mainland communities?

10:15

Humza Yousaf: I, too, saw that come out strongly from the evidence to the committee in many of the areas that you travelled to. The issue has been raised with me at the strategic group for local authorities. As members know, I expanded that group from the initial three wholly island communities to include the other three local authorities that have islands. Margaret Davidson from Highland Council made that point very robustly at several meetings. The point is not lost on me by any stretch of the imagination and I have a great deal of sympathy for that view. There is a very good argument to be made around some areas of the periphery of the mainland that face many of the same challenges as island communities.

The Government has taken sustained action with a focus on rural Scotland and its economy. I will not list everything, but that includes the rural poverty task force, the rural parliament, the rural

housing fund and the rural and island tourism structure fund—tourism is an issue for rural Scotland as much as for the Scottish islands.

Rural communities should consider island proofing as a great opportunity. If the Islands (Scotland) Bill is passed, as I hope that it will be, and island proofing is successful in its implementation—as I hope and imagine that it will be—there is no reason why the Government should not look at that success and consider whether we want to explore that approach for rural Scotland as well. I have had conversations about that with my colleague, the Cabinet Secretary for Rural Economy and Connectivity, although I cannot give a commitment on it because we will have to wait to see how things pan out. I have sympathy for the general argument coming from certain areas of rural Scotland and we have to be cognisant of that. However, I would say that it is not a matter for the Islands (Scotland) Bill, which is specific to island communities.

Gail Ross: Yes, we should bear in mind that it is a bill on the islands. Liam McArthur and I have had conversations with a bus company that made a decision on the mainland that affected islands because of ferry connections and so on. How do we mitigate decisions that are made on the mainland that might affect island communities?

Humza Yousaf: The situation with buses is tricky—I know the service that you refer to because one or perhaps both of you have raised the issue with me. It is a bit more difficult when it comes to private companies. The schedule to the bill, which is on relevant authorities, contains quite a long list of about 60-odd organisations—my officials will correct me if I am wrong—that have an impact on island communities. Some of those organisations have a remit that stretches to the mainland communities, too. They will also have a duty to island proof. That is one way of mitigating such effects.

I take your point about the bus service example—it is more difficult when a commercial operator is involved.

The Convener: One of the points that was raised on one of our visits was that Transport Scotland is not mentioned in the list of consultees at the end of the bill.

Humza Yousaf: Transport Scotland would be included because it comes under the Scottish Government.

The Convener: However, it is not mentioned specifically. It would be helpful if you could assure us that Transport Scotland is adequately covered.

Humza Yousaf: Yes. It is absolutely covered, because it comes under the Scottish Government. If there were a reason to specifically mention

Transport Scotland and our doing so would be a comfort to the committee, I am sure that we could state that it comes under the Scottish Government. We can consider that.

John Mason (Glasgow Shettleston) (SNP): Everyone we met thought that there should be an islands plan, so that is a good starting point. However, people's idea of what the plan would be was very varied, because there is nothing in the bill about it. For example, one issue that has been raised is whether the islands plan would make statements purely about all the islands, or whether there would be a bit about, for example, the Western Isles. Would the plan go even further down and mention individual islands, such as Barra? Is it the case that we will do the national stuff in the islands plan and it will be up to Western Isles Council to have its own plan—I think that some islands already have—for its island group and for individual islands? How will that fit together?

Humza Yousaf: I had a good discussion on the national islands plan at the last strategic islands group meeting that I held, which I think was in July. I took my cue and some guidance from the local authorities that were represented around the table. As you might have heard at your evidence session, some of them pointed towards the national Gaelic plan as a good example. That is, of course, a fairly high-level document, and I think that the national islands plan should also be high level. I do not envisage going right down to the level of islands. Parts of the national islands plan might refer to certain geographies—that is almost inevitable—but I do not expect us to take a focused geographic approach in that sense; rather, we would deal with a high level.

That being said, there would be nothing to stop local authorities developing their own plans on the back of the national islands plan. Doing so would not be an instruction of the national islands plan unless we chose to make it one, which would happen only in collaboration with this committee, the Parliament and other stakeholders.

The national islands plan would most certainly be high level so that we could seek to focus resource where necessary and provide targets for key areas of activity, some of which we have already talked through. The national islands plan would also have to work alongside other local and national plans, some of which I have already mentioned, such as the national marine plan and local outcome improvement plans. However, there would be nothing to stop local authorities developing their own individual island plans on the back of taking the steer and direction of the national islands plan.

John Mason: So individual islands are not your focus, as you are looking at a higher level—that is

fair enough. On the particular subjects that would be included in the national islands plan, population, transport, housing, health and digital connectivity have been suggested to us. Would such things be in the plan?

Humza Yousaf: Exactly. When I travel to the islands, I make a point of trying to get to as many islands, big and small, as I can. I have been to islands with a population of 30 or fewer, right the way through to our larger islands. I have tried to hear from the island communities directly about what concerns them.

There are some very common themes—you have touched on a lot of them already—but particular issues are of priority to particular islands. I could give many examples in which there is a certain issue on one island but on the neighbouring island that issue is not such a high priority. That is one reason why it might be more sensible to have an overarching national islands plan and for local authorities perhaps to delve into the issues that are important to their island communities, where they can do that, bearing in mind that many local authorities have a number of islands and, as I said, neighbouring islands can have very different priorities.

John Mason: When the bill refers to the islands plan, it talks about

“improving outcomes for island communities”.

That suggests that islands with no people would not appear at all in the islands plan or be covered by it. The obvious case is St Kilda, which is hugely important from an environmental and historical point of view but does not have a community. Would the islands plan cover such situations?

Humza Yousaf: I read the evidence on that and it gave us food for thought. St Kilda, as you said, is the obvious example and has been spoken about during your deliberations. I would not be close minded about how to cover uninhabited islands such as St Kilda. I do not think that many more uninhabited islands would necessarily be within the scope of the national islands plan that would not be covered by other pieces of legislation, such as those on heritage and forestry, but I am happy to look at the issue. Again, if committee members felt strongly about that, I would not be close minded to it.

John Mason: Thank you very much.

The Convener: At a couple of evidence sessions that the committee held on islands, it was clear that some community groups aspire to coming up with their own plans. It appears that you are suggesting a strategic plan into which can be fed island plans, down to community-level plans, that respond to your strategic plan. Is that what you are suggesting? That seems to be a

strange way of doing things—to have a strategic plan that islands build their plans around, rather than having community and island plans that develop into the strategic plan. Can you explain the plans? I am sure that the question will be asked.

Humza Yousaf: The national islands plan will be a fully collaborative and engaging process. We have already started the engagement; I mentioned the islands strategic group. My visits to 30 islands were not for the sake of going to 30 islands, but to hear from island communities what they want in the national islands plan, and to hear their priorities and needs. The plan has featured in many discussions on the 30-plus island visits.

If it would be helpful, perhaps we can consider producing for the committee a timeline of how we see the engagement process and what will be the milestones on the way to developing the national islands plan. I am getting a sense of where the committee is going with this. We will develop such a timeline internally anyway, so perhaps we could share it with the committee. It will have the feed-in from the bottom up that the convener suggests, which is the right way, whether it is for a national performance framework or for any other Government plan or strategy document. I am conducting a review of the national transport strategy that takes the bottom up, from the community, approach; the islands plan will have that focus.

The plan has to have a high-level focus—I know that the committee will understand that. Scotland has 93 inhabited islands, so to get to every nook and cranny, and to discuss every nuanced issue with the detail that we want for every single island, will be difficult for a national islands plan. We would leave it to the desire of local authorities and the wishes of communities, but we can see local authorities and communities creating their own local plans based on the direction of the national plan, into which they will have already fed. The process is circular, in one sense.

The Convener: The road map to getting to the national plan would be helpful for some of the community groups to which we have spoken.

Fulton MacGregor (Coatbridge and Chryston) (SNP): Good morning, minister. I will pick up from what John Mason and the convener have said. What do you see as the priority areas? You have already reflected islands' views. The committee has visited islands, as well. Have you got a sense of what the overall priority areas are for the future?

Humza Yousaf: For the islands plan, depopulation is one of the key challenges, as Rhoda Grant said. Anybody who has spoken to island communities knows that there is no magic

bullet to tackle that issue. It is related to job opportunities, affordable housing, education opportunities, health and transport links, and digital connectivity. Those themes keep coming up, regardless of the size of the island, from small to large.

Some islands have done well and have found unique solutions: Eigg and HebNet CIC have come up with a solution on digital connectivity. Many islands have a few units of affordable housing: on Iona, for example, four or five units of housing have made a real difference. Other islands have made a big difference in relation to education, using unique and innovative approaches. I do not want to be prescriptive, because, as we engage in the consultation on the national islands plan, many island communities will want us to focus on other issues, as well.

10:30

Fulton MacGregor: You mentioned a couple of times that there are good examples on islands. Could the islands plan act as a framework that might help islands to learn from good practice?

Humza Yousaf: Island communities are very good at speaking to other island communities. I give credit to the “Our islands—our future” campaign that was led by the councils for Shetland, Orkney and the Western Isles, which showed that, through collaboration, shared learning can mean that each gets a bigger slice of the pie and gets their priority areas higher up the agenda of Government and into public discourse. They did that by learning good practice from one another. For a model of collaboration and shared practice, you do not need to look much further than that campaign.

Individual islands also have a lot of shared learning, and the national islands plan could perhaps pick up some examples and extract from them, so that others could learn from them.

Fulton MacGregor: Are you open to the six relevant island authorities being named in the bill as statutory consultees, in order to share collaborative practice?

Humza Yousaf: I would probably prefer to keep the obligation to consult in the guidance, as it is now. Those six authorities are obvious consultees—I do not have the exact wording to hand, but the guidance says clearly that we should consult those who have an interest in island communities. There is no doubt that local authorities will be part of that, as will others. If we start being prescriptive in the bill about who should be consulted, we will inevitably end up being non-exhaustive and the chances of excluding someone could be fairly high. I do not want to be too prescriptive.

Jamie Greene: On our visit to Mull, the feedback in the session that I attended was that islanders want to be consulted, which is relevant to Fulton MacGregor’s point. The obvious difficulty is about which group on an island to consult: councillors, community councils or local authorities? Some people feel that the local authority does not always represent the full variety of views on islands. In the bill, the wording in section 4(1)(a)(ii) is this:

“such persons as they consider likely to be affected by the proposals”.

Could that be strengthened to state specifically that islanders must be consulted?

Humza Yousaf: Such wording would be difficult; how could we consult thousands of individual islanders? We can give them the opportunity to contribute in an open consultation, but if the bill were to be so prescriptive and we then did not consult a particular islander, we could be in difficulty if that person were to complain and object to the fact that we had not lived up to the letter of the words in the bill.

We are learning from other legislation and guidance that we have passed. As Jamie Greene mentioned, section 4(1)(a)(ii) says

“such persons as they consider likely to be affected by the proposals contained in the plan”.

If the committee feels that we can strengthen that, I am not closed minded. I am just wary about being too prescriptive: we do not want to exclude relevant bodies and stakeholders, and we want to be mindful of the fact that we do not want to slow down the legislative process or the process of developing a national islands plan, completion of which has a fairly ambitious timescale.

Jamie Greene’s very salient point has been made to me on a number of occasions when I have travelled to island communities. Some people feel that their local authority can be just as remote as Edinburgh or London. We have to be cognisant of that. It is not just about consulting local authorities and having a good relationship with them; it has to go much deeper than that. We can reflect on strengthening the language in the bill in a way that is non-prescriptive, and which gives the committee confidence that we are talking about island communities, as opposed to just local authorities and so on.

Mike Rumbles (North East Scotland) (LD): How can we ensure that the impact assessments are not simply tick-box exercises?

Humza Yousaf: That is a good question, and “tick-box exercise” is the phrase that I have used as I have travelled to island communities all around the country. I am aware of the fear in island communities that the assessments will be

just tick-box exercises, so we are working hard to make sure that they are not. To do that, meaningful engagement with and consultation of island communities have to be at the heart of the impact assessments.

There are a couple of examples that we can look at. I did a bit of research into the equality impact assessment and found that it goes through five stages. One of the stages is evidence gathering through involvement with and consultation of communities: we seek to engage and consult when it comes to island impact assessments, too. The bill provides for statutory guidance, which will contain the practical details of how the process will work.

On the theme of being too prescriptive, we will try to leave it a little bit open for local authorities and the relevant public sector bodies, because they are of different sizes and scales and have different resources. In order to avoid the tick-box exercise that Mike Rumbles mentioned, consultation has to be a key and meaningful part of an island impact assessment.

Mike Rumbles: I will turn the focus the other way around, if you see what I mean. In the bill, 66 public bodies are mentioned and there is a requirement to have an impact assessment, but how will islanders and island communities be made aware of the performance of the public bodies in terms of island proofing? We cannot expect people to read the annual reports of 66 bodies. I am interested in what will be the process to satisfy the communities on the islands that the 66 bodies are doing it properly.

Humza Yousaf: That is a sensible and fair question. To avoid people having to read 66 reports, we will produce an annual progress report on the national islands plan that will include information on the progress of the 66 bodies. If people have an interest in a particular public body, they will be able just to go that body's report for more detail, so there will be transparency. However, we have already committed to including information every time we publish the annual progress report on how island proofing is being taken forward by each of the bodies.

Mike Rumbles: You will therefore want to ensure that all 66 bodies do the island proofing—the impact assessments—correctly and as you want them to. Will the guidance that you will issue be statutory, so that you can tell them what you want them to do, or will it be advisory?

Humza Yousaf: It will be statutory guidance. However, I repeat the point that I made in my previous answer to Mike Rumbles: we do not want to be prescriptive about how public sector bodies do that, because they are of different sizes and scales. The member is absolutely right that island

communities want to have confidence that island proofing is being done. Often, decisions that are made by public bodies are more relevant than, for example, decisions that are made nationally. We will have to monitor that closely. If, in the committee's view, there is a need to tighten up the guidance, we will be open minded about that.

Peter Chapman (North East Scotland) (Con): There is currently no formal requirement for public bodies to consult when conducting an island impact assessment. Should that be included in the bill?

Humza Yousaf: That will have to be necessary as part of the guidance. We can reflect on that. Organisations already have a range of formal and informal mechanisms for engaging with and consulting communities. It is essential that communities are not engaged after a decision has been made, which is too late. Rather, they must be genuinely engaged as early as possible in the process. That is what the Government wants, but we also want to avoid additional unnecessary bureaucratic procedures that would hamper the legislative process. I welcome the committee's thoughts on how we can make it clear that consultation of island communities and others is an essential part of the process. That will be necessary as part of the guidance, but I give Peter Chapman the same answer that I gave Mike Rumbles, which is that if the committee thinks that we should go further, I am not closed to that suggestion.

Peter Chapman: On a completely different issue, there are concerns that some of the language in the bill is subjective and not particularly clear. There have been criticisms of vague language and a lack of proper explanation of important terms in debates on other recent bills, including the Wild Animals in Travelling Circuses (Scotland) Bill and the Forestry and Land Management (Scotland) Bill, which Parliament debated yesterday. Do you recognise that criticism and is it something that you might need to consider?

Humza Yousaf: If Peter Chapman or the committee have specific examples, I will be happy to take them away for reflection. That concern has not been raised with me directly. If the issue came up in the committee's evidence or deliberations and you have a specific example of where we could strengthen the wording in the bill, I will not be precious about doing so. It is important that we get the balance right, that we are not too prescriptive and inflexible, and that we do not add to the bureaucratic process.

Liam McArthur (Orkney Islands) (LD): Rhoda Grant mentioned what island proofing might mean in practice. I appreciate the limitations or downsides of being overly prescriptive in the bill,

but the committee and I have heard many examples of things that would benefit from island proofing—things that do not fit island circumstances. What consideration has the Government given, alongside the scrutiny of the bill, to demonstrating what island proofing would mean by applying it to such areas? The minister and I have corresponded on several of those matters in recent months. Can you illustrate what ministers expect the process to deliver and how it would operate?

Humza Yousaf: I thank Liam McArthur for his question and for his guidance, which has helped to focus our direction in some elements of drafting the bill. He and I had a good conversation at the very early stages—before the bill was drafted—in which he mentioned, for example, house building regulations and many other regulations that he considers have adverse impacts on island communities.

Although the bill is still going through the parliamentary process, the Government is already attempting to island proof as best we can. The Social Security (Scotland) Bill is an example of that: it includes a chapter and several paragraphs on island proofing. The Minister for Social Security, with whom I work closely, is very aware of island proofing. Although the Islands (Scotland) Bill has not been passed, we are in some respects already island proofing, just to get us into that mode of thinking in anticipation of the bill's being passed. I do not want to be presumptuous.

I do not know whether this is the direction in which Liam McArthur's question was pointing, but I would be wary of retrospectively island proofing legislation, which would be a difficult and bureaucratic process. However, where he and many others who represent islands have raised specific examples of problematic legislation, the Government and I will be open minded in trying to find solutions, where we can.

10:45

Liam McArthur: I welcome that response to an extent, although I think that there will be some disappointment. People do not expect automatic retrospective application of the legislation as soon as the bill receives royal assent, but there are a number of examples in which island proofing would have had a beneficial effect on the framing of legislation and policy development. There will be a legitimate expectation that those areas will be looked at again, given that the Government and Parliament will have backed the principle of island proofing. Those decisions and that legislation continue to have effects now, including population decline. People will expect the Government to apply the principles respectively where there are negative impacts.

Humza Yousaf: I accept that it is better to go through island proofing early, rather than to fix a problem that has been created because island proofing did not exist. I repeat my offer to have conversations with Liam McArthur on specific issues that he feels are having a damaging impact on island communities, and which he thinks the Government should examine. I cannot promise that we will be able to take the action that he wants, but my door is always open for such conversations, and I know that my ministerial colleagues would say the same.

That said, I am sure that Liam McArthur understands the challenge, the bureaucracy and the impact on the legislative timetable that would be involved in retrospectively examining all legislation—I know that he is not suggesting that, but I would be wary of such issues. I am happy to engage with Liam McArthur in an attempt to find a compromise.

Liam McArthur: I will take the minister up on the offer, and suggest that the impact assessment that has been done for the ferries plan has shown the shortcomings around Orkney's internal ferry services. I encourage the Government to look at that as a priority. That would enable the minister to give an early example of demonstrating the willingness that he has expressed.

The Convener: I have allowed you to ask that question from your constituency perspective, Mr McArthur, but I tactfully remind members and the minister that time is of the essence and that, in order to allow everyone to ask questions, it would be much appreciated if we could have short questions and short answers, without losing the meat of either.

Mike Rumbles: I will attempt to be useful and not use the word "retrospective". I suggest that it might be the case that the compromise is already in the bill, in section 8(2), which says:

"Subsection (1) applies to the development, delivery and redevelopment of the policy, strategy or service".

In other words, if one of those 66 organisations develops or redevelops a policy, there must be an island-proofing impact assessment. I am trying to be helpful.

Humza Yousaf: You are always helpful, Mr Rumbles. In order to respect the convener's wishes for brevity, I will simply say yes—redevelopment of policy would certainly have to be island proofed.

Richard Lyle (Uddingston and Bellshill) (SNP): You touched on this issue in response to an earlier question. Under the bill, an island community impact assessment will need to be prepared when a new or revised policy strategy or service is likely to have a significant different effect

on an island community. How will the monitoring and review of impact assessments work? Will there be an appeals process to cover the decision not to undertake an impact assessment and to cover the outcomes of an assessment? Where will the responsibility for that lie?

Humza Yousaf: Again, it will be for each public body to perform its duties under the bill, as set out in the guidance. As I have already said, any public body that failed to comply with its legal duty would be held accountable for that under the normal accountability arrangements—ministers are accountable to Parliament and the electorate, local authorities are accountable to councillors and the communities, and so on.

It is also worth mentioning that, as I said to Mr Rumbles, when it comes to national islands plans, annual progress reports on island proofing and how public bodies have taken island proofing forward will be available and transparent.

With regard to the review of any decision that is taken by relevant authorities, we might want to examine how the equality impact assessment is done. Hopefully, because of the collaborative approach to engagement that is taken at the evidence-gathering stage of the process—generally, that is stage 2—the right decisions will end up being made. However, I freely admit that, from the evidence that you have taken, there is some concern about the reviewing of island impact assessments. We will give consideration to that issue.

Richard Lyle: What is your view on adding further public bodies to the list of those that are covered by the bill and having the duties applied to contractors or other subsidiaries of relevant public bodies? Does the duty on Scottish ministers extend to public agencies for which they are responsible?

Humza Yousaf: I will take the convener's cue and say yes. There is a mechanism in the bill to add further public bodies if needed. If, before the bill is passed, the committee feels strongly that a particular public body should be included in the schedule, we would be happy to consider that.

The Convener: Jamie Greene has a particular point on that last question.

Jamie Greene: I want to push that a bit further, minister. The only reference to the Government and its directorates and agencies is in the schedule where, under "Scottish Administration", it says "Scottish Ministers". Is that the place to be more prescriptive by saying that it also covers all Government agencies and bodies, or could it be added to part 1 of the bill, as a defined term, for example? It is not made explicit that all Scottish Government agencies are affected by the bill.

To take that a step further, the other question that Richard Lyle asked was why subsidiaries and contractors of Scottish Government agencies are not included. I am thinking, for example, of a bus operator that receives public subsidy and reports to Transport Scotland but would not be required to island proof. How far down the chain does the bill apply?

Humza Yousaf: There were a few questions in there. If it would give the committee more confidence that the Scottish ministers and their public agencies are included, we can find a form of words to clarify that and make the committee more comfortable. Several committee members have mentioned that, so we will give consideration to a wording that will make Jamie Greene and other members more comfortable that the bill includes public agencies—as I think it does. That is not an unreasonable request.

On Government contracts, I look to my officials for some guidance. My understanding is that, if the contract is being awarded by the Government, we would have a duty to island proof it. It is more difficult with commercial operators. As I said in answer to Gail Ross, I do not know whether we would have the legislative competence to impose a duty on a commercial operator. Again, I will seek guidance from our legal officials on that.

That is not to dismiss the frustration that island communities and others might experience if they feel that they are getting a lack of service from a commercial operation. My officials might want to add to that.

Ian Turner (Scottish Government): The duty to island proof would fall on the public body that was doing the contracting, rather than the operator. That is the background basis on which the body must draw up the contract—the duty falls on the public body specifically.

We would have some concerns about legislative competence, particularly in respect of utility companies, company law and similar issues, which are reserved matters. It might be difficult to impose island proofing on such companies directly, rather than through contracts with public bodies. We would have to look at the matter more closely, but it is likely that there would be competence issues.

Rhoda Grant: I have a question about enforcement. If an authority says that it has island proofed something but it is obvious to people on islands or to the Scottish ministers that there are negative impacts on islands, what comeback or enforcement is available? Given that the bill says that island proofing must be done when "in the authority's opinion" something would have an impact, the authority almost has a "Get out of jail free" card on the matter.

Humza Yousaf: If it is a local authority, it will be held accountable by its electorate and councillors. It is for each public body to perform its duties under the bill and in legislation, as set out in guidance.

I will reflect on the idea of a review process. It may be difficult. Much as I said to Liam McArthur, local authorities, public bodies and the Government should get island proofing right from the beginning as opposed to having to fix the issue retrospectively. If the process is designed to be collaborative, engaging and consultative from the beginning, that should reduce the need for a review. However, I take the member's point that that might not always be the case, so I will reflect on whether we are able to incorporate any kind of review.

There are other impact assessments in Government towards which we can look. I am impressed by the thoroughness of the equality impact assessment. Perhaps we can learn from that.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I have a wee comment on what Scottish ministers are. I hope that the minister and his team will carefully consider those Scottish ministers who are the law officers, who, in certain respects, are both ministers and independent; and the judiciary, who are Scottish public bodies but who should not necessarily be subject to the bill. It has been practice in the past to put "the Scottish Ministers" into a bill. It is a well-understood term and I am a bit reluctant to open it up and define it, because I see difficulties with that. I have given the matter only two minutes' thought, so I will not have bottomed it out.

The Convener: Minister, that may be something to take away and consider with the earlier requests.

Humza Yousaf: Yes.

Gail Ross: We asked about the proposal to protect the Scottish parliamentary constituency of the Western Isles from change and it was largely agreed that that was a good idea. I come from one of the biggest constituencies on the mainland. Do you envisage that protection ever being applied to remote and rural mainland constituencies? Would that pose a problem? We certainly do not want them to get any bigger, but would it prevent them from getting any smaller, which would be welcome?

Humza Yousaf: I am wary of stepping on my Government colleagues' toes on such issues. It would be a matter for the Local Government Boundary Commission for Scotland and then the decision would be for the Minister for Parliamentary Business, as the member knows. It will not be for the bill, which is what we are

considering today. Constituency boundary protection exists for other wholly island local authorities. The measure is simply about equalising that for the Western Isles. Any proposal to change the boundaries or protect other local authority areas would have to be considered on its own merits. I would not like to comment on that any further.

The Convener: That was deftly dealt with, minister.

Mike Rumbles: I will focus on the number of members in a ward. We have been going around the islands. In Mull, for example, people thought that it was a good idea for the island to have its own councillor, so they welcomed the proposal. However, there are problems with designing one and two-member wards to fit into the population. What will your role be in reviewing the island ward structure at any consultation you might have? Will it be entirely the responsibility of the independent boundary commission to do all that?

Humza Yousaf: I could try to give Mr Rumbles chapter and verse on the matter, but the statutory process and responsibilities are set out in the relevant legislation. I concur that, as he said, many island communities consider reviewing island ward structures to be a good thing. However, ultimately, most of them understand that it is the boundary commission's responsibility.

Once that review has been completed, the Local Government Boundary Commission will make recommendations to ministers. That is the stage at which ministers are involved. Ultimately, the decision is still for the Minister for Parliamentary Business. However—I had better be careful with what I say here—I imagine that if the issue particularly affected island communities, that minister might want to take the view of the islands minister into account.

11:00

Mike Rumbles: What I am getting at is that the process will be for the independent Local Government Boundary Commission until it reports to ministers.

John Mason: I would like to pursue that a little further. If we allow a four-member ward that is partly island and partly mainland to be subdivided so that the island has one or two seats, that would leave the mainland part of the ward with only three or two seats, potentially. There would be a knock-on effect on the mainland. How would that be dealt with? Would we allow one or two-member wards on the mainland, or would the whole authority—Highland or North Ayrshire, say—have to be rejigged?

Humza Yousaf: It would apply only to islands, and a knock-on effect of that could be that you could increase the number of councillors in the entire local authority jurisdictional area. However, for the purposes of ward sizes, we are talking about having one or two-member wards only in island communities.

John Mason: I was not thinking of increasing the number of councillors in total—I was assuming that the number would stay the same. I am saying that, if a ward were split, you could end up with a ward on the mainland that was too small. How would that be dealt with?

Humza Yousaf: It would be for the Local Government Boundary Commission to make those recommendations. On what the implications would be for the mainland if there were, for example, a one or two-member ward, I do not want to give the member incomplete information, so I will reflect on the issue and give him a written response.

The Convener: That is welcome. If you submit it in the normal way to the clerks, we will ensure that it is distributed.

John Finnie: I have a couple of questions on marine development. The local authorities all start from a different place in that regard—indeed, each island authority starts from a different place. Is having the licensing power at local authority level the correct approach? There are, of course, community groups that could contribute.

Humza Yousaf: I believe that it is the correct approach. We want to provide an opportunity for local authorities and their communities to have more control of development in the seas around the islands. I believe that you heard from some local authorities that would like provisions to be included in the bill that would make it easier for them to manage and use any revenues. I am sympathetic to that approach, and we will work with authorities.

As I said in response to some of the questions earlier, there is no doubt that there is a desire for engagement on the part of local communities. Local authorities that I have spoken to understand that and are willing to work closely with them on the issue of development that could benefit their islands. I do not see that that will be restricted or limited at all by the provisions in the marine development part of the bill.

John Finnie: What are the intentions with regard to the revenue that is generated by the power?

Humza Yousaf: Again, we would like to see provisions in the bill that would make it easier for any revenues to be used for development. You will know that, in relation to licensing, the mechanisms

in the bill enable revenue to be used to cover those costs.

The revenues that are generated from development depend on the type of development that takes place. There are some legislative hurdles that might have to be gone through but, ultimately, it should be easier for revenues to be managed and used for purposes that can include community purposes. Indeed, many local authorities and communities that I speak to say that the reason they want to undertake marine developments is to benefit communities.

John Finnie: I will cite two of the suggestions that we have received for changes and additions to the bill. One says:

“It should be made clearer that ‘any form of dredging’ does not refer to fishing activity.”

Another says:

“Scallop dredging and demersal trawling should be added to the definition of dredging.”

I am more sympathetic to the second one. This is a complicated area. How will the provisions interact with existing legislation? Why are there differences between the activities that are covered by the proposed licensing scheme and those that are covered by the Marine (Scotland) Act 2010?

Humza Yousaf: We have a couple of good examples of how it might work, because we have expanded upon the Zetland County Council Act 1974 and the Orkney County Council Act 1974, which provide examples of how a local authority might work alongside Marine Scotland and within the current national framework and licensing regime.

To give further comfort, the bill requires that the Scottish ministers must consult widely before laying draft regulations before the Parliament. Any issues of concern that stakeholders might have will inform the development of the regulations as they go through the process. Those regulations will need to be agreed to and approved by Parliament, ultimately, which gives further comfort.

Ian Turner has more detail on the specifics of dredging, so I will bring him in on that point.

Ian Turner: With regard to the question about section 16(1)(b), “development activity” includes dredging. We did not anticipate that it would include fishing, so we would probably want to be clear that dredging does not include fishing.

Like you, I have seen two people on different sides of the same issue, so I would like to explore that a bit more before we think about a change in the terms in the bill. We will welcome the views of the committee on that matter.

John Finnie: Could we hear back from the minister on that issue?

Humza Yousaf: Sure.

John Finnie: Thank you very much.

The Convener: Before we leave that matter, I will follow up John Finnie's point on devolving powers as far down as we can, to councils and communities.

There is a method of appeal under marine regulations; if a decision was passed down to a community, it might not be able to fund any defence of an appeal against that decision. What is the Government's view on that? With responsibility comes liability, and I am worried about whether you have considered the costs that may be passed on if the power to make decisions is devolved. How would you cope with such situations?

Humza Yousaf: I will look into that issue in a bit more detail, which is the whole point of our deliberations at stage 1. We have heard from a number of island communities and they have not raised any concerns about liability with me. I accept that it can be true that communities often see opportunities without considering fully the risks and liabilities.

I go back to my previous answer to John Finnie. We have two good examples that already work, with the Zetland County Council Act 1974 and the Orkney County Council Act 1974. In essence, we are expanding those provisions, but they give us practical examples that work. Although the issue has not been raised, I am not dismissing the fact that it is important and salient, and we will reflect on it.

The Convener: It will be useful to make sure that we are not burdening communities with costs that they might not be able to manage.

Stewart Stevenson: My question is about section 18, on island licensing areas, and is a bit technical.

The first point is that Scottish ministers have to be satisfied that an area "includes an inhabited island." What does "includes" mean? An area that is licensed is sea, not land. Does it mean that the sea area has to go round the entire boundary of the island, or that the island needs to be adjacent to it? Let me illustrate the point. With a big island such as Mull, someone might want to do something in the north-west that they do not necessarily want to do in the south-east.

Humza Yousaf: I will hand over to the bill team to give you an exact definition of "includes", if I may. Ian Turner will want to come in on that point.

The Convener: I am sure that Ian Turner looks forward to answering the question. I will give him a moment to gather his thoughts.

Ian Turner: I think that I know where Stewart Stevenson is coming from. Sections 17 and 18 work together. Section 17 says that the island marine area must be "adjacent to an island" and "up to 12 nautical miles from that island".

In order to apply for a designation, the local authority must have an inhabited island within its area—it does not matter which, just as long as it has an inhabited island within its area. That means that the authority must be one of the six local authorities with inhabited islands in Scotland. Once it is worked out that it is a local authority that can do it, the 12 nautical miles can apply. That is what the regulations will deal with in relation to what the boundary might be.

A boundary might stretch to the coast or between different local authorities, and there are different ways that that can be done. Last year's regional marine planning order had a particular way approach—there are different mechanisms or different boundaries that can be used. That is what the consultation, the regulations and the process would do.

Stewart Stevenson: I understand perfectly that it has to be within the Scottish island marine area, but you are almost leading me to the point that it is coterminous with that area's boundaries, rather than being a subset. Is that correct?

Ian Turner: Yes. The Scottish island marine area is determined by section 17 of the bill—

Stewart Stevenson: Yes, but I am talking about the island licensing area, which is what has to—

Ian Turner: Which goes to the limit of 12 nautical miles.

Stewart Stevenson: No—I am not interested in that; I am not talking about the limit. Does an island licensing area have to include an inhabited island? What I am saying is—

Ian Turner: No. The bill says that it must be adjacent to "an island", but not necessarily an inhabited island.

Stewart Stevenson: I am sorry, but no. That is in section 17; section 18 says of an island licensing area that, under the regulations, an area may be designated

"only if ... Scottish Ministers are satisfied that the area includes an inhabited island."

The definition is different from that of the Scottish island marine area, and properly so.

Ian Turner: I will need to look at that in a bit more detail just to make sure of the wording.

Stewart Stevenson: If you are going to look at it in detail, that is fine, but let me give you another example. Bute and Arran are in two different local

authority areas. You might want to create an island licensing area that is between or within those two areas, and therefore two local authorities would be involved. Would you create two areas that abut each other, or would you create one area and give the responsibility to one local authority?

Ian Turner: The bill would anticipate that the application to designate the area would have to come from both authorities. It might then be possible to construct regulations that would work around that, but it would need to be done in that way.

Stewart Stevenson: Okay—you are alert to what I am saying.

Ian Turner: Yes.

Stewart Stevenson: My next question is broader. Why is marine licensing being addressed in the bill rather than in amendments to the Marine (Scotland) Act 2010 or the Community Empowerment (Scotland) Act 2015?

Humza Yousaf: The bill provides a clear approach to the development of any new licensing scheme and will work alongside existing legislation. Many island communities that I have travelled to want a licensing scheme—having spoken to my predecessor, I know that they have wanted one since before my time as minister. They would like more powers over marine licensing, just as Shetland and Orkney have those powers, and they would like to develop the system there.

I think that the bill is the correct place to deal with marine licensing because of its historic nature and because it takes cognisance of the need to work alongside the existing frameworks, such as the marine regions orders.

Stewart Stevenson: Finally, given that the provision can create a benefit for a community, but that it does so by potentially restricting the activities of developers, what consultation will you do to make sure that we get the right balance between the various interests that might be affected by the creation of an island licensing area?

Humza Yousaf: Again, we have to find that balance between the things that we want to do. We want to empower island communities by enabling those that want a marine licensing remit to have that remit, but we do not want to hamper or inhibit development. To go back to my previous answer, in Shetland and Orkney we have good examples that work.

The consultation would be very open. It would involve organisations—crucially, businesses—as well as communities. It is important that those who will be impacted by the provisions have the

opportunity to feed into the process at a very early stage. To give you an assurance, although we are very aware that island communities and local authorities want those powers, they must ensure that they do not create bureaucratic challenges or hurdles, as that would be counterproductive.

Richard Lyle: Mr Stevenson touched on a point that I was going to make. It concerns me that, with 12 nautical miles, two local authorities could have a power or there could be a sea grab of the seabed or whatever by an authority. We had better set it out fairly, Mr Turner, so that everyone knows where they are coming from.

11:15

Humza Yousaf: I want to make one point on the idea of boundaries. Boundaries may well overlap—that is a reasonable point—and island boundaries may touch mainland boundaries. I was given a helpful illustrative map that shows the demarcation of boundaries agreed through consultation and conversation between local authorities under the Scottish Marine Regions Order 2015. That shows that we can get to a point where the local authorities all agree on where those various boundaries go; we have done that in that fairly recent piece of legislation. The problem is not insurmountable, and I am not convinced that we will get to the stage of land grabs. I am sure that that will not happen.

Peter Chapman: We realise that the powers are fairly limited, but we have heard from several witnesses who think that fish farming should come under these licensing rules, so that the local communities can have some input into fish farming issues. Are you sympathetic to that?

Humza Yousaf: Yes. I will hand over to Ian Turner, because he has had conversations on that specific issue.

Ian Turner: Under section 16(2)(d), fish farming is not included as a development activity. It is already included in the planning regime and, therefore, that is where legislation would bite in terms of fish farming. Fish farming is also excluded as a development activity in the Zetland and Orkney acts. Under planning legislation, communities and local authorities can be involved. That is therefore where we see fish farming sitting, rather than having another regime on top for the local authority to have to deal with. There would be quite a lot of issues with the same thing being done in two different ways—under marine licensing and under planning—and we did not think that that was appropriate.

Rhoda Grant: Some island communities are really keen to take on marine designations and to manage the designations themselves. However, the evidence that we received from Scottish

Natural Heritage was that it was not keen to devolve any of those powers to island communities. Can we move forward with that ambition?

Humza Yousaf: Yes. I can take marine designation forward as an issue, although not necessarily in the bill. If there is a specific issue that you would like to raise with me or the Cabinet Secretary for Environment, Climate Change and Land Reform, we can take it back and have a conversation with SNH. The issue has also been raised on some of my island visits. The specific issue that you raise is outside the scope of the conversation that we are having today, but it is on the record and I will have a look at it.

John Mason: We understand that the figures in the financial memorandum are to do with admin, consulting and so on; we are not talking about building new hospitals, for example. I would like your thoughts on some of the figures. For example, under “Representation of island communities”, the financial memorandum talks about £30,000 per authority and, under “Development in the Scottish island marine area”, it talks about £25,000 for each consultation. Are those intended to be average figures? If so, how will that work? The six authorities will face quite different situations.

Humza Yousaf: The language tries to mirror and reflect the fact that, depending on the size of the islands in the local authority area, different local authorities will face different associated costs. For example, under “Representation of island communities”, the financial memorandum says:

“Local authorities estimated costs up to £30,000 for each local authority”

The financial memorandum uses that language on purpose. The costs might well be less for some authorities, but we do not envisage that they will be any more than £30,000.

The costs have been done in conjunction and in consultation with local authorities. We also looked at the costs involved in other consultations that the Government has done, and we tried to reflect costs that we think are reasonable.

The Convener: I have a final question for you, minister. First, however, Jamie Greene has a question.

Jamie Greene: Thank you, convener. My point, which follows on nicely from the previous question, is worth pushing. The financial memorandum talks about the administrative costs of delivering the bill, which is fine. My concern is about the duties in part 3

“to have regard to island communities”.

That applies not just to the preparation of island impact assessments, but to the consequences of those impacts. For example, if any of the 66 bodies that are listed in the schedule were to make a decision that had a detrimental effect on an island, surely finances would be required to counteract any impact. I am thinking of a decision to close a general practitioner’s surgery or a school, reduce ambulance services or change a bus route—any decision by any of the bodies included in the comprehensive list in the schedule. Funding would be required to combat the impact of such decisions and to ensure that there would be no negative effect on an island. How can we balance that? There is a need to prepare impact assessments and identify the negative effect of a policy decision or redevelopment, but the missing element is that we are not backing that up with Government funding to ensure that there is no negative effect.

Humza Yousaf: If we went down that route, there would have to be a blank cheque. The purpose of the financial memorandum is to support the bill and to cost the provisions in it. The process of carrying out an island impact assessment and the consequences of carrying one out must be separated. For example, if a local authority conducts an impact assessment, it would have the option of continuing with the status quo, despite the fact that doing so might have a negative impact. It would also have the option of changing whatever process or strategy it wanted to progress so that it took cognisance of the impact assessment, or the option of dropping what it had intended to do in the first place. Whatever option it took would potentially have financial consequences, but it would be for the local authority—or another listed public body or the Government—to take on and shoulder those financial consequences.

The Government is undertaking a massive amount of work on a range of policy areas to tackle the many challenges that island communities face. That includes investment in housing and ferry services, and that funding will continue. Clearly, however, the consequences of an island impact assessment will be for the public body, the local authority or the Government to take a decision on; it will be for them to take cognisance of the financial resource that is available to them.

Jamie Greene: Let me be clear: under the bill, relevant bodies must identify the impact that the decision will have on an island, but they do not necessarily have to mitigate the impact.

Humza Yousaf: Effectively, it would be a choice for the Government, the local authority or the public sector body—whoever is carrying out the impact assessment—whether to mitigate the

impact. That is the point of an impact assessment—it is that body's choice.

I imagine that it would go down like a lead balloon if the impact assessment clearly showed that a proposal would have a negative impact on island communities and a public sector body or a local authority chose to ignore that. It would have to answer for its decision. As I said in an answer to Mike Rumbles, annual progress reports will be included in the national islands plan, so such decisions will be transparent.

The Convener: I will allow John Finnie to come in. Please keep your question as short as possible, so that there is time for me to get my question in.

John Finnie: Absolutely. To follow-on from Jamie Greene's point, not every decision will have an impact on islands. You could argue that the implication of any downside would be more applicable to the three authorities that exclusively serve islands. Is there an opportunity to reflect that in the budget decisions for local government and other public bodies? I am loth to mention the Convention of Scottish Local Authorities. An element of that could be taken into account in the overall budget settlements.

Humza Yousaf: I am looking to my officials to answer that, but the budget includes a special islands needs allowance for those three island authorities.

John Finnie: If that is already catered for, why do we have the bill?

Humza Yousaf: I thought that you meant the financial implications—

John Finnie: Yes.

Humza Yousaf: The bill is not only about the financial implications but about island proofing measures. I agree with you: do the wholly island authorities effectively island proof already? I suspect that they do, but we must understand that we are talking about more than just the three wholly island authorities.

Orkney and Shetland have marine licensing powers, but other local authorities do not have those powers. There is also the opportunity to create one or two-member wards. There are many good things that even wholly island communities can get out of the bill.

I thought that the question was about the budget and finance. Given the unique nature of island communities, I would say that they are already catered for in the special islands needs allowance.

The Convener: The national islands plan must be produced within a year of the bill being passed. It sounds as though you have visited a lot of islands, and that you have a few more to go. Are

you confident that you can deliver the plan in a year, having spoken to all the bodies that need to be spoken to?

Humza Yousaf: Yes. The deadline is ambitious but achievable. It will be challenging, but we are not starting with a blank canvas. As you allude to, my officials and I have done a lot of work in that regard. We are not starting with a blank piece of paper, but if the issue concerns or worries the committee, we could reflect on the timescale, although I think that it is absolutely achievable.

Despite the fact that I have visited 30 islands, I do not think that I will get around the other 63 within that 12-month timeframe, so that should not be an expectation. I will certainly do my best to get to many more of them, when I can.

The Convener: I thank the minister and his team for giving evidence to the committee. I suspend the meeting for five minutes to allow a changeover of witnesses.

11:26

Meeting suspended.

11:34

On resuming—

Rail Services

The Convener: Item 3 is the latest in our regular update sessions on rail services and rail network issues in Scotland. With us from the ScotRail Alliance we have Alex Hynes, David Dickson and Angus Thom.

Before we take evidence, I invite committee members to declare any relevant interests.

Stewart Stevenson: I refer members to my entry in the register of members' interests. I am the honorary president of the Scottish Association for Public Transport and honorary vice-president of Railfuture UK.

Rhoda Grant: I refer members to my entry in the register of members' interests. I am an honorary vice-president of the Friends of the Far North Line.

John Mason: I co-convene the cross-party group on rail.

Gail Ross: I refer members to my entry in the register of members' interests. Like Rhoda Grant, I am an honorary vice-president of the Friends of the Far North Line.

John Finnie: I am a member of the cross-party group on rail and a member of the National Union of Rail, Maritime and Transport Workers parliamentary group.

The Convener: Stewart Stevenson will ask the first question.

Stewart Stevenson: Can you give us an update on how the Edinburgh to Glasgow rail improvement programme is going and say, in particular, how the apparent delays in the delivery of the class 385 rolling stock might impact on progress?

Alex Hynes (ScotRail Alliance): Good morning. I am pleased to say that the electrification of the Edinburgh to Glasgow line is now complete, and that that infrastructure is now in use. We have the brand-new Hitachi state-of-the-art class 385 trains on test between Edinburgh and Glasgow. That testing is going well. In fact, just last night, a test run delivered a journey time of 42 minutes with four stops, which was pleasing to see.

As we know—the committee is well-versed on this—the electrification of the line is being delivered 10 months late. Clearly, we are not going to allow the delivery of the new trains to customers to be 10 months late, which is why we are working with Hitachi, the operator, the infrastructure manager and the Office of Rail and

Road to ensure that we can introduce the 385s into traffic as early as we can in the new year. I am pleased to say that we will be introducing our modern class 380s on two passenger services at the December timetable change, so customers can begin to benefit from faster, greener and longer trains.

Stewart Stevenson: At the risk of moving away from the subject of EGIP, where do the 380s come from? Presumably they are being used somewhere at the moment.

Alex Hynes: A big cascade of the fleet is happening across the network—it is like a three-dimensional jigsaw puzzle. We have some spare 380s that we can deploy on to the electrified route, which enables us to free up diesels, and that, in turn, enables us to deliver service introductions starting in December between, for example, Dumfries and Carlisle. From December, on that route, we will operate a near-hourly service, which involves an extra 1,500 seats a day. That benefit to customers in that part of Scotland is being delivered because of electrification and the subsequent cascade of diesel rolling stock.

Jamie Greene: I have a question on the changes that we expect to see in December. You have partially answered it, but perhaps you can expand on what you have said. Are there any other benefits or changes that passengers between Glasgow and Edinburgh might see after the December 2017 timetable change? Do you have any estimates or guarantees in relation to when we might see eight-car trains and 42-minute journeys on that line?

Alex Hynes: As you know, we are in the process of building the best railway that Scotland has ever had. Every bit of the network will benefit from brand-new trains, refurbished trains, faster journeys, more seats and more services. That process starts next month, and there will be a gradual introduction of those benefits to customers across the country's rail network between now and December 2019. I have highlighted some of the benefits that customers will see this December. Next May, we begin the reintroduction of a genuine inter-city network for Scotland, connecting the seven cities using high-speed rail, which involves replacing three-car diesel trains with four and five-car inter-city trains.

We hope to operate the brand-new eight-car Hitachi trains between Edinburgh and Glasgow with the 42-minute journey time in December next year. There has been a lot of focus on the electrification of the Edinburgh to Glasgow line, but we are actually electrifying pretty much the whole central belt. We are electrifying the route via Falkirk Grahamston up to Stirling, Dunblane and Alloa and the combination of that electrification with the core Edinburgh to Glasgow route enables

us to move slower diesel services out of the way so that we can deliver the 42-minute journey time.

An eight-car electric train has 44 per cent more seats than the six-car diesel trains that we operate in the peak today, and we are slashing the journey times. There are lots of benefits for customers in the pipeline and they will start to see them in December.

Jamie Greene: Thank you for that update. To clarify, am I correct that we should expect to see the eight-car 42-minute service on the Glasgow to Edinburgh line in December 2018?

Alex Hynes: That is correct.

Jamie Greene: At one point, before my time in the Parliament and perhaps before your time at ScotRail, there was talk about a non-stop 30-minute journey between our two cities. Has any further exploratory work been done on that and could it be a realistic prospect for some point in the future?

Alex Hynes: No—to the best of my knowledge, that has not been done. Obviously, if the trains do not stop, we can deliver a journey time that is rather better than 42 minutes. However, that route provides a vital commuter service into Glasgow and Edinburgh at both ends in both directions. In relation to the movement of customers, the current balance between capacity and journey time is probably right for the route, but we keep that under review.

Jamie Greene: Have you done any exploratory work on the percentage of passengers who get on at Glasgow and off at Edinburgh or vice versa? I am talking not about reducing services that are currently provided on the multiple stops but about the potential to provide additional services for which there could be non-stop capability.

Alex Hynes: One of the challenges of operating the Edinburgh to Glasgow route is that it is not a traditional rail route, for which one would expect there to be a peak direction. On the Edinburgh to Glasgow route, there is no peak direction because customers travel both ways, which makes our job slightly harder than it would ordinarily be. The eight-car electric trains that we will deliver in December next year with the 42-minute journey time will provide the right balance for customers going into Edinburgh and Glasgow—either commuters into those locations or people who are making the city-to-city connection.

The Convener: You said that there is a delay with the 385s. We know about and understand that. When will they be delivered?

Alex Hynes: Some of them will be delivered today. The trains are on test between Edinburgh and Glasgow.

The Convener: Okay, but those are the test ones. Once they have gone through testing and you are happy that they provide what you want, when will the rest be delivered and rolled out?

Alex Hynes: That will be after they finish their testing programme, of which I am not in total control. Those trains each need to be accepted on to the network and tested. They need what is called type approval and they have to do a number of fault-free miles before we can reliably introduce them into traffic. We expect 21 trains to be with us and available for service for February.

The Convener: For February?

Alex Hynes: Yes.

The Convener: So you hope that they will be here in February ready to go and delivering a service.

Alex Hynes: We already have trains on test in Scotland.

The Convener: Do you mean 385s?

Alex Hynes: Yes. We expect further deliveries this month, but it is not only a question of having them built and in Scotland, as we have to test and accept them.

The Convener: Do you test and accept each one individually?

Alex Hynes: We type accept the class 385, as it has to be accepted on to the United Kingdom rail network, but we test each train individually to ensure that it is correctly built and reliable. Each unit has to do a number of fault-free miles before we are prepared to introduce it into traffic.

The service between Edinburgh and Glasgow is very good. I commute on it every day. It is a reliable service and the last thing that our customers would want is for us to rush those trains into traffic and for there to be a dip in reliability. I have decided that I would rather have a more gradual phased introduction to service to maintain our punctuality standards on the route.

11:45

The Convener: I do not think that I got the terminology right before, so I will see whether I can get it right this time. The 385s will be introduced into traffic in February. Is that your plan?

Alex Hynes: I cannot guarantee that, because—

The Convener: That is your plan.

Alex Hynes: No. I cannot guarantee that. The service introduction programme will deliver the 385s into traffic early next year, we hope, but I am not wholly in control of that process. Hitachi, the

rail regulator, the operator and Network Rail all need to work together to make sure that the train is accepted and tested before we can introduce it into traffic. As it stands, I am not yet prepared to make a commitment on when that will happen, because of the complexity of what we are trying to achieve.

The Convener: I think that I have got that. I will bring Rhoda Grant in and perhaps come back to that when I have thought it through.

Rhoda Grant: My question is on exactly the same issue, as I want to drill down to find out when we can expect people to be using those trains. You initially said that that would be at the beginning of the year, but then you said that you would have them for testing in February, if I am correct. When do you expect them to be in service and carrying passengers?

Alex Hynes: Customers will benefit from faster, greener, longer trains from December this year, which is next month.

The answer to your question with regard to the 385s is that I expect them to be in service as soon as possible in the new year. I cannot give you a cast-iron guarantee, because I am not wholly responsible for that process. We will introduce those services into passenger traffic as soon as we possibly can, as long as it is sensible to do so.

Rhoda Grant: I am really keen to know—

Stewart Stevenson: I will try to be helpful. In December, class 380 electric trains will run the service until we can get the 385s on.

Alex Hynes: Exactly.

Stewart Stevenson: The class 380 trains are roughly four or five years old.

Alex Hynes: They are quite modern.

Rhoda Grant: What is your ambition for getting the 385s on?

The Convener: Given a fair wind.

Rhoda Grant: I accept that you have given us caveats.

Alex Hynes: Yes. My ambition is not to make promises that I cannot keep. [*Laughter.*] My ambition is also to keep the customer at the heart of the decision making, which is why we will introduce the 380s into traffic in December. We will operate seven-car electric trains with faster journey times next month. The introduction of 385s will be as soon as possible in the new year, but I cannot give a cast-iron guarantee, because what we are doing is complicated. We are talking about brand new trains and a brand new type of train on brand new infrastructure, so we need to make sure that we get it right.

Richard Lyle: It is quite simple. I was talking to an operator in Mossend in my area and I was told that the trains come up from England and run about on our track all night, a bit like with a train set. It is like when we used to get new cars, we had to run them in—

Stewart Stevenson: No, we do not.

Richard Lyle: Let me finish. We do not have to do that now with cars, but the trains that we are now getting have to be run in to make sure that they work and that everything is okay before we put them out for people to play on. Is that right?

Alex Hynes: Exactly. We have to do it at night, because there is not enough track capacity in the day due to the services that we provide.

Richard Lyle: They come to Scotland because there is plenty of track to run about on. It is mainly in the central belt. Is that correct?

Alex Hynes: Because the electrification between Edinburgh and Glasgow has only recently been delivered, we have been doing a testing programme on the east coast main line, as well as some testing in Germany, in order to short circuit the testing so that we can operate the trains into service as soon as possible. Obviously, the infrastructure has been delivered 10 months late and we do not want the service introduction to be 10 months late, too. We have therefore been working around the issue to see what testing we can do where, in this country and abroad, to get the trains into traffic as soon as we can.

Richard Lyle: Hitachi complained that it could not get access to the system, and said that that is why there was a delay. Is that true? Whose fault was it that there has been a delay—Hitachi's or yours?

Alex Hynes: That has been a factor. As well as testing the infrastructure and testing the train, we also have to test the compatibility of the train with the infrastructure. Obviously, that element of the testing cannot be done until the infrastructure is available. It is true that the late delivery of electrification has contributed to the delays with Hitachi.

Richard Lyle: It is simple, when you think about it. It is nice to get it right. I will now move on to the questions that were allocated to me.

The Holytown junction is behind where I stay—I am 100 yards away from the station. How are you doing on the electrification of the line between the Holytown junction and the Midcalder junction? Can you give us an update on the Shotts line electrification project? I know that a couple of bridges had to be raised over the past couple of years.

Alex Hynes: The whole investment programme across Scotland's railway network, including the electrification of the Stirling-Dunblane-Alloa line and the Shotts line upgrade is all proceeding to time and within the overall funding envelope. We expect to deliver an electrified Shotts line and an electrified Stirling-Dunblane-Alloa line next year. The work is proceeding to programme and within the overall borrowing headroom. David Dickson might want to add to that.

David Dickson (ScotRail Alliance): The programme is actually marginally ahead of target just now. It is being delivered extremely well, as is the rest of the electrification programme. As Alex Hynes has said, the work is proceeding to programme and is on budget, and we do not anticipate that changing. It is progressing extremely well.

Richard Lyle: I look forward to the completion of the project. It seems to me that electric trains have more carriages than diesel trains.

You touched on the Stirling-Dunblane-Alloa line. Can you give us an update on that? I noticed that the ORR commissioned an independent report from Nichols to review whether Network Rail was doing everything reasonably practical to deliver the milestones for the project. I am very impressed with Network Rail. My colleague Fulton MacGregor and I were at the Cutty Sark bridge last Friday, and it is amazing what is being done there. However, why has that report not been made public?

Alex Hynes: Before we address the Stirling-Dunblane-Alloa line, let me talk about the issue of train carriages that you mentioned. The number of train carriages at our disposal will go from 800 to 1,000 between now and December 2019. That is a 25 per cent increase in the number of carriages that are available, and we will operate them more intensively, which means that the actual number of seat miles will rise by 45 per cent in that period. That is an extraordinary increase in the quality and capacity of Scotland's railway.

Richard Lyle: So you are going to guarantee me a seat every time I go on a train.

Alex Hynes: Sadly not, but that expansion will address crowding levels and will create room for growth. We have seen extraordinary growth in the use of Scotland's railway, which we should be proud of. By increasing the quality and capacity of Scotland's rail network, we will be able to do more to provide jobs and growth for the people who work and live here.

David Dickson can talk about the Nichols report on the SDA line.

David Dickson: I cannot tell you anything about its publication or otherwise, but I can say that the

SDA programme is going extremely well. Our first major milestone—section A—is scheduled for next May. It accommodates an awful lot of the stuff that is to happen in relation to the Edinburgh to Glasgow line. It is wrong to look at that work entirely in isolation. In many ways, the work on the SDA line facilitates a lot of the things that will need to happen for the main Edinburgh to Glasgow electrification. Section A is on target for May 2018. It is progressing well as a project; everything is to programme and pretty well to budget. It takes us just short of but not into Stirling station. That will facilitate some of the things that we want to see for the May timetable.

The key after that is going up to Dunblane, but not across to Alloa. Dunblane is for delivery in December 2018, and then we go through to the Alloa branch for March 2019. All of that is progressing well. There are some issues around Stirling station and the approaches to Stirling. We have had protracted planning issues, but we are making our way through them. We have planning permissions for Kerse Road, which looked to be an issue that might hold up the project, but we are making good progress on that. A lot of the potential obstacles are moving out of the way, and we are progressing well.

We have learnt a lot of lessons from what went on with EGIP, and the delivery programme for getting the wires in the air is going exceptionally well. With SDA, we are confident about where we are going and we are managing the programme to budget as well as to the timescales that we have been set. There is good progress on SDA, which we are very happy with.

It ties very much into the Edinburgh to Glasgow electrification. For instance, to facilitate the 42-minute journey time, we need to deliver the programme up to Dunblane for December 2018. That will facilitate getting everything out of the way and allowing fast enough train interactions to facilitate the steady 42-minute service in December 2018.

John Finnie: I want to talk about some of the other projects, if I may. My colleague Richard Lyle mentioned the Cutty Sark bridge, which is another high-profile piece of good work. The Findhorn viaduct, which I have visited, is tremendous, and I commend the work by everyone involved—the contractors and all of your people. Forres, which saw its station open in October, is a really good example of community engagement in all sorts of ways.

However, I am afraid that I must come to a negative. The ORR's annual efficiency and financial assessment of Network Rail for 2016-17 says:

“There was a £83m deferral on the Highland Mainline project for the three years to the end of 2016-17, due to re-profiling work to later years and delays in awarding contracts.”

Can you give us an update on that and outline the key milestones for that project and the ultimate delivery date?

David Dickson: The Highland main line has been quite an evolving project. It started off looking very much like an infrastructure programme, but Transport Scotland was keen to see whether, as part of the franchise bidding project, there were any alternative solutions instead of solutions that just followed the traditional mindset of putting more things in the ground and making changes there. For example, might a solution to improving journey times lie with, say, rolling stock?

An awful lot can be achieved with the high-speed trains that are being referred to. What actually started off as a big infrastructure programme on the Highland main line is now 90 per cent a signalling scheme. That will facilitate greater capacity on that line and further benefits in journey time. It will benefit freight, too, through the things that are being done to increase standage, speeds through stations and so on.

The project has reduced in scope; it started with us as a project of about £117 million, and it is now about £51 million. It represents very good value for money for the taxpayer, because what started as an infrastructure-focused scheme to achieve journey-time improvements on the Highland main line has actually become a better industry solution that achieves the same outcomes.

As for the issue of deferment, the project's scope has very much changed. However, I would call it a success for the overall industry in that it is resulting in better value for money for the taxpayer.

John Finnie: Solutions that do not require money or infrastructure are good. Can you comment on the key milestones and how they will impact on the proposed hourly service?

David Dickson: I think that we will achieve them. I must admit, though, that I am not entirely sure what the ORR assessment is referring to in that regard, so it is hard for me to comment.

12:00

John Finnie: Will there be an hourly service between Inverness and the central belt and between Inverness and Perth?

David Dickson: Yes.

Alex Hynes: I believe so, yes.

John Finnie: And that journey time will be unaffected by the different route that is being taken, which I presume is due to the passing loop improvements that are being undertaken at Aviemore and elsewhere.

Alex Hynes: It is important to recognise that the timetable that we offer to customers is a function of the rolling stock and the infrastructure. If we can deliver a customer benefit more efficiently in alliance with one another—that is, through the operator and those responsible for infrastructure working together—we would be foolish not to take that opportunity, because we could spend the money on other things. The creation of the intercity network between Scotland's seven cities will improve journey times, frequency, capacity and comfort, and it will revolutionise the service that we offer our customers on the longer-distance routes.

David Dickson: Although I believe that the overall aspiration will be met, a finalised timetable is still being developed, and there will be much greater clarity in the first quarter of next year as we work through the timetabling. At that point, we will know what services will be able to run on the Highland main line.

John Finnie: What about the view that the line is at capacity? Will the proposed changes increase capacity?

David Dickson: Yes. The signalling will facilitate more capacity and more trains will be able to arrive at the same time at stations where that is not possible at the moment. The loop extensions will also give greater capacity for trains to pass one another; indeed, that is the real function of those lines.

Mike Rumbles: I want to focus on the north-east. We have had previous discussions on this issue but, for the benefit of the committee, can you provide an update on the delivery of the Aberdeen to Inverness project? When do you expect key milestones such as enhanced commuting into Aberdeen, particularly from Inverurie, and Inverness to be delivered? Finally, when might Kintore station be delivered?

Alex Hynes: In big-picture terms, we are spending £330 million on upgrading the railway between Aberdeen and Inverness. Earlier on, we heard about the brand-new, fully accessible station at Forres, which I was very pleased to open last month. That work is clearly at the west end of the route; we are now moving to the east end of the route, where we will increase track capacity, and that will enable us not only to improve journey times between Aberdeen and Inverness but to introduce more commuter-type services into those cities. The work is due for completion in December 2019, but there will be a

progressive introduction of service enhancements as we deliver the infrastructure and have the trains to exploit it.

David Dickson might have some more detail to share.

David Dickson: A lot of work has been done on the west end of the route. People tend to focus on the station, but we have also upgraded to modern state-of-the-art signalling, have shut and upgraded level crossings and have carried out extensions through loop capacity work. The benefit for the customer—the hourly service enhancement to Inverness—will come when the rolling stock is cascaded from the central belt.

At the other end of the route, there will be, by December 2019, a half-hourly peak service between Inverurie and Aberdeen, which will make a significant difference. At that point, there will also be an hourly service between Aberdeen and Inverness. That will be transformational compared with the services that people are seeing in the area at the moment.

Some of the timing is infrastructure-related. As I have said, the limiting factor to exploiting the west-end benefits that we have built in is the fleet cascade, but those benefits will be released once the developments in the central belt are completed and the new fleet comes in.

Mike Rumbles: I am sure that the half-hourly service in two years' time in and out of Aberdeen will be very welcome to commuters. When will the Kintore station stop be ready?

David Dickson: There are two new stations—Dalcross and Kintore. Both lie outside the scope of the project, but we expect both to be built in early control period 6—in other words, going into 2020. That is probably the best estimate. We have recently been instructed by TS with regard to Dalcross, and a compulsory purchase order has just gone through for the Kintore land, so we expect instruction on that, too. I cannot advise members of the exact timescale, but everything is lining up for that to take place.

Rhoda Grant: I have some questions about the performance figures. The public performance measure for period 7 was 88.3 per cent, which was lower than the figure for the same period last year. Why was that, and what steps are being taken to improve performance?

Alex Hynes: It is clear that punctuality and reliability lie at the top of our agenda. When I last appeared in front of the committee, our moving annual average for performance was 90.6 per cent; at the end of the last period, it was 91.1 per cent. Therefore, we are continuing to move in the right direction, and it is clear that the performance improvement plan is working. We are now the

UK's most punctual large operator, and other operators are seeing the benefits of improved reliability. For example, the Caledonian sleeper is delivering some of the best punctuality on record.

We had an early autumn; it came about a month earlier than normal, so we saw more autumn impact over the period. Autumn is, of course, a hugely challenging period for us operationally, which is why we are spending £3 million on ensuring that we can operate the trains safely and reliably during it.

We also had a little bit of bad luck. The single biggest incident that we experienced in Scotland was also the single biggest incident anywhere across the UK network: another operator's service went through a red light in the Haymarket area, damaging a set of points and resulting in a loss of service for an entire day in the Edinburgh area. The main line was also affected by cable thefts on a disused branch line in the Fife area. We guarded that site in the short term, and we have just signed off infrastructure changes that will insulate the signalling system between the disused freight branch and the main line.

Therefore, there was a combination of external factors and an earlier autumn. However, because we came into autumn a month early, we will exit it quicker. As of today, 80 per cent of the leaves are down, and we are looking forward to seeing the end of autumn so that we can get back to the performance levels that customers enjoyed earlier in the year.

Rhoda Grant: So you hope that, as we go forward, performance will be better than it was last year.

Alex Hynes: A lot of it is to do with the timing of autumn. Clearly, the purpose of the performance improvement plan—which has delivered improvement—is to ensure that we continually improve performance and that performance is better than it was in the same period last year. Because we entered autumn earlier, we expect to leave it earlier and therefore get back to the higher level of performance. However, improving on last year's period is always the name of the game—that is what we try to do in every single period.

Jamie Greene: My question is relevant to PPMs and your approach to hitting those targets. I do not know about other members, but my inbox is full of complaints about continuous skip-stopping. It particularly affects a number of stations in my part of the world such as Cardross, those in East Dunbartonshire and busy hubs around Glasgow. I understand the reasons for it, and we have heard evidence on it in committee, but it is a real concern for some of my constituents, particularly when two consecutive services skip stations. Can you give us some reassurance on that?

Alex Hynes: We measure every incidence of skip-stopping. We look at that closely every day—there are twice-daily performance calls across the ScotRail Alliance to manage performance. Contrary to popular belief, we do not use skip-stopping to massage the PPM figures; if we skip-stop, it is a PPM failure. We only use skip-stopping in circumstances where trains would run later if we did not use it; we do it to reset the delivery of the timetable, and we do it on those bits of the network where the service pattern is so intensive that we do not have enough turnaround time at location. We use it sparingly and our aspiration is to use it as little as possible.

Skip-stopping will be used on any railway in the world as a mechanism for resetting the timetable for the greater good. In the past, it might have been overused or used at the wrong time, so we try to avoid using it at peak times and in the peak direction. However, it is an inevitable action that we have to take on those intensive parts of the network where the headway between trains is often two and a half minutes.

We are doing all we can to reduce skip-stopping. It remains a bugbear of our customers, which is why we are working so hard to fix it.

Jamie Greene: Can you give us any reassurances with regard to the particular bugbear of two consecutive services skip-stopping?

Alex Hynes: That is clearly unwelcome. We use skip-stopping on the more frequent bits of the network, so there will be a service close behind. Using skip-stopping on two consecutive trains defeats the object; indeed, for customers at the skipped stop, it is equivalent to a cancellation, which is absolutely not what we aspire to deliver. As I have said, we are managing down the use of the technique, and we are using it for the overall delivery of a punctual and reliable service on Scotland's railway.

Fulton MacGregor: I have a supplementary to Rhoda Grant's line of questioning. There was a serious cable theft somewhere between my constituency and that of John Mason—I am not sure exactly where on the line it happened. You started to talk about the response to cable theft, so can you explain to the committee how you responded to an incident that was serious—and which could have been even worse—in order to keep people safe?

The Convener: I look forward to hearing your answer, Mr Hynes, but I must remind everyone that we are quite tight for time, so I must ask you to make your comments full but concise.

Fulton MacGregor: I know that it was not a question from our papers, convener, but given that the topic had been raised and that we are talking about a serious incident that might explain why the

line was closed on a particular day, I wanted to bring it up.

Alex Hynes: In the last period, we had three days that were affected by cable theft. The rail industry has been extraordinarily successful at tackling such theft; for example, we secured a change in the law to reduce the trading of scrap metal using cash, and we have also deployed additional security measures including innovative ones such as smart water, where we mark cable so that we can trace it after it has been stolen. As a result, delays to trains through cable theft have come right down.

We saw a spike in incidents in the period in question. When David Dickson and I discussed the first incident, we thought it likely that the thieves would come back—and they did. We are guarding the site, and making permanent changes to the signalling system in the area to reduce the likelihood of its happening again is at the top of our agenda. However, when we operate a network as large as Scotland's railway, it is inevitable that criminals will target some bits of our operation for personal gain. Tackling cable theft is one of the things that we must do as part of ensuring that we provide a reliable service to customers.

Fulton MacGregor: Are you responding to the incident that took place between Coatbridge and Baillieston a couple of months back?

Alex Hynes: I do not recall the incident—I am thinking more of the three incidents that we suffered during the previous period. David Dickson might recall the details.

The Convener: Perhaps you can respond to the committee in writing, so that we can consider how the incident was dealt with. Rhoda Grant has a few more questions before we move on to the next section.

12:15

Rhoda Grant: My questions are on the moving annual average for right-time arrivals. It is now 52.3 per cent, which is a little at odds with what you said earlier. It is 7.5 per cent below the United Kingdom average. Why is that, and what are we doing to increase right-time arrivals?

Alex Hynes: Right-time performance in Scotland is beneath the national average for the UK because we are not targeting having a right-time railway. The contract that we have with the Scottish Government targets the PPM, which is the primary driver of train service performance. It records whether the train ran and whether it arrived within four minutes and 59 seconds of its timetabled arrival. One of the reasons why the Scottish Government is not particularly prioritising on-time performance, timed to the nearest minute,

is that it still has ambitions around improving journey time. Clearly, if we were to target on-time arrival on its own, we could be tempted to extend journey times, but we do not want to extend journey times; we want to reduce them to make rail travel more competitive.

The other thing about a railway that does not target on-time arrival as much as it targets PPM is that that gives us, as the operator, a little bit more wriggle room to hold up connections for customers, where that makes sense, and to help on and off trains customers who need a little bit more help. That is easier to do when we have a PPM target rather than an on-time target. The on-time rate is lower in Scotland than it is across the UK because that is not the focus of our activity.

Rhoda Grant: I said at the beginning of the meeting that I am honorary vice-president of Friends of the Far North Line. That line has seen journey times increase and performance decrease, which is an issue of concern. Going by what you have said in answer to my previous question, I take it that we cannot expect improved performance on right-time arrivals, because you are not focused on that.

Alex Hynes: Customers can expect to see improvements in the public performance measure. Did the train run, and did it arrive within four minutes and 59 seconds of its scheduled arrival time? The overall company performance has improved in recent times, which we should celebrate, but we are also seeing a rise in the agenda of what I call line-of-route issues. Some routes are more challenging to operate—those that have large lengths of single line, for example. Performance on them is lower than the company average, so we need to attack those just as hard as we have attacked the overall company performance.

Rhoda Grant: Network Rail is responsible for more than half of ScotRail delays. What is happening to reduce delay, and how much of it is attributable to infrastructure investment, or to incidences of theft of cable, to which you referred earlier?

Alex Hynes: In any railway in the world, infrastructure will be the primary cause of delay because it impacts on all services, unlike a train failure, which impacts just on that service and subsequent services. It is pleasing to see that the infrastructure of Scotland's railway is becoming more reliable. We have an asset improvement programme and we are investing millions of pounds to make the performance-impacting infrastructure more reliable. David Dickson oversees that investment programme. Compared with this time last year, the infrastructure of Scotland's railway is now more reliable.

David Dickson: To put that in context, if we go back 10 years to 2006-07, we would be looking at there being more than 5,000 asset incidents on Scotland's railway every year. In 2016-17, there were fewer than 3,000. That the number has gone down from more than 5,000 to fewer than 3,000 over 10 years illustrates the scale of improvement in asset performance. Between last year and this year, we have seen improvement, with a reduction of more than 8 per cent in the number of incidents. That has largely fed through from investment in the asset improvement plan, which we have talked about before and which was drawn up specifically to address the poorer-performing times that we saw more than a year ago. Investment is going in.

Outside of the asset improvement plan, we are looking to invest quite significant amounts more in the next year. We will ramp up investment on some of the line-side stuff, including drainage and devegetation work—which have traditionally been issues in Scotland—our fencing and so on. The plan is focused not only on worn-out assets, but on finding better alternatives that might be more reliable. We had set aside £24 million over three years for the asset improvement plan, and we are looking to invest even more to supplement it.

Rhoda Grant is right that Network Rail is responsible for just over 50 per cent of delays. Some of that is about issues with Network Rail south of the border that impact on trains coming up to Scotland. Network Rail Scotland is responsible for about 44 per cent of PPM failures in Scotland, and what happens south of the border is responsible for about 5 per cent of that. That gives you an idea of scale.

We are absolutely committed to improving our asset performance and are seeing that coming through in the figures. I expect that to continue for the rest of the control period and into control period 6.

Peter Chapman: Can you provide an update on preparations for the introduction of high-speed trains on routes from the central belt to Aberdeen and Inverness?

Alex Hynes: We have our first driver-training unit in place in Aberdeen, and we have taken on 20 per cent more drivers at that depot, so benefits are already being provided to the local economy. In May, we will introduce the first intercity service between Aberdeen and the central belt, which will mark the start of the transformation of the intercity network in Scotland. An enormous amount of work is being done behind the scenes. Angus Thom and his colleagues are overseeing that; he can give you an update.

Angus Thom (ScotRail Alliance): The introduction of the high-speed trains is going well. As Alex Hynes said, the first driver-training train is

operating between Aberdeen and Inverness. That is going exceptionally well. Our power cars and the rolling stock—the coaches that the passengers will sit in—are in refurbishment, as per the plan, and more high-speed trains will be delivered from February next year, with the aim of having a timetable change that puts the first four high-speed trains in service in May next year.

It is all looking good. I am looking forward to the trains coming on to the ScotRail network. They are going to be fabulous, and I think that our customers will really value them.

Peter Chapman: What will happen to journey times on their routes?

Angus Thom: Journey times will improve: you heard earlier about the hourly service between Inverness and Perth, which will have an improved journey time. The driver-training train is going about in the far north at the moment, as I explained, and we are seeing some good figures for the performance of that train with regard to how it is accelerating, how it is handling the infrastructure and so on. That allows us to come to a more informed view on how best we can use the investment to improve further our timetabling and what we offer our customers.

John Finnie: I am conscious of time, but I will ask about bikes on trains. I have engaged with Mr Hynes outwith the committee on the issue, and will continue to do so. I saw a slide presentation that said that

“The Class 125s will have a capacity of at least 20 cycles.”

I appreciate that there are different types of trains—I have lots of information about toilets, tanks, braking systems and so on—but I would like Mr Hynes or Mr Thom to comment in general terms about cycle capacity. We talk about integrated transport. If we want to encourage it, we must maximise cycle capacity on our trains.

Alex Hynes: We recognise that there is a strong customer appetite for taking bikes on trains. Obviously, in an environment in which we do not have enough trains, we inevitably end up compromising on the service that we provide to all our customers, including those with bicycles. Our charter says that we guarantee carriage of two bikes on each train, but we acknowledge that, in some cases, we can deliver more. We do not promise that, because even if we get the person with the bike to where they are going, there might be a different type of train on the return journey, so we might struggle.

John Finnie: Do you still promise that there will be 20 bike spaces on the class 125s?

Alex Hynes: I will come to that in a minute. All the trains that we operate will be fully accessible by December 2019, which means that they will

have easy-access areas. The use of tip-up seats creates more space for bikes, as well as for buggies and wheelchairs, which will be an improvement for customers. At the moment, we are seeing what is feasible on the HSTs.

We are having a conversation with the Scottish Government to find out how we can utilise guard's vans on the HSTs for carriage of bikes. There are a number of practical issues that we need to address. For example, because those trains will be longer, the power car might sometimes be off the end of the platform. We need to find a way round that. In addition, the guard's vans have big heavy doors that are difficult for staff and customers to operate. We are seeing what is possible, and we are in active discussions with Transport Scotland to determine how we can meet that particular demand. My view is that, on the intercity services in particular, passenger numbers will grow very significantly once we improve the service, starting in May. Given the demands, we will need to establish whether we can accommodate such provision.

John Finnie: Thank you.

The Convener: There are a couple of questions that Fulton MacGregor was going to ask, which we will submit as written questions after the meeting, because of time constraints. I ask you to respond to them promptly, if possible, and I will circulate them to members. I apologise to Mr MacGregor for that.

We will move on to John Mason's questions.

John Mason: Some time ago, it was suggested that huge profits were flowing from Scotland to the Netherlands. More recently, we had press reports that funds were moving in the opposite direction and that Abellio ScotRail was having to be bailed out—lent money or whatever—from the other end. Could you clarify the financial position?

Alex Hynes: Abellio ScotRail is in a strong financial position: it made a profit in the first nine months of its operation. I hasten to say that Abellio ScotRail has never paid a dividend to its parent company, so any reports that the committee has read about large profits being made and repatriated to the parent company are just not true.

Recently, trading has not been as strong as we would like, which is one reason why the finances have been weaker. One of my jobs is to get the business back into the black. The improvements that we will deliver for customers next year will grow revenue significantly. The fact that we are trading less well than we expected is a revenue issue rather than a cost issue. I am looking forward to delivering those enhancements to customers next year—not just to create happy customers, but to drive revenue. Ultimately,

taxpayers benefit from that, because the Scottish Government owns the franchise—we are just its short-term stewards. If we can get higher revenue, that will result in lower subsidy by the Scottish taxpayer.

John Mason: You have already said that there will be some dramatic increases in your capacity—I think that you said that there will be 20 per cent more drivers, 25 per cent more coaches and 45 per cent more seat journeys. It is clear that if people do not use that extra capacity, your revenue will be under pressure. How confident are you that people will use it?

Alex Hynes: Where we have added new services and more capacity, we have seen growth. Many of the issues that we face are problems that are caused by growth: the trains are crowded because people want to use them. That is why we are investing in 25 per cent more carriages. I am absolutely convinced that the market exists for us once we get right the capacity and the quality of the product. Having provided 45 per cent more seats, it is for us to make sure that they are filled, so we have some great offers for customers so that we can make sure that that is the case.

John Mason: Are you expecting a big jump in the number of passengers when you bring out the new trains, or do you think that numbers will build up gradually? Do you have a plan for that?

Alex Hynes: There is always a ramping-up of numbers. We assume that there will be a ramping-up, but it is our job to use marketing to accelerate it, so we have a really exciting launch campaign planned for next year for the new trains on the Edinburgh to Glasgow route and for the intercity network, in order to stimulate demand. People need to know that the product is there and that it is great. We want existing rail customers to use rail more frequently, but there is also a big untapped market of people who do not currently use rail. We want them on Scotland's railway, as well.

12:30

Jamie Greene: In the interests of time, I will keep my questions very specific and brief. It is important that we look at the new rail funding in ScotRail, which has been extensively covered in the media in the past few weeks. Mr Hynes, can you give me your numerical understanding of the funding for control period 6 and how it compares to that for control period 5?

Alex Hynes: The Scottish Government has published its high-level output specification, so we know what the Scottish Government wants to buy. However, we do not yet know what funds will be available from the Scottish Government, because there is a live negotiation between Westminster and Holyrood. I do not think that it would be

appropriate for me to comment on that live negotiation. However, we are looking forward to being in receipt as soon as possible of the statement of funds that will be available from the Scottish Government.

Jamie Greene: Secondly, there seems to be an anomaly in the figures for how much money is required for the next control period. The ORR has given a figure of £1.9 billion and the Scottish Government has given a figure of £4.2 billion: there is a huge disparity between the numbers. Do you have a view on how much money will be required over the next control period to ensure the continued safety performance of Scottish railways?

Alex Hynes: The rail network is funded by a split between operations, maintenance and renewal of the network, and enhancements of the network. Obviously, there is more network to maintain and renew and more rail traffic on the infrastructure, so Network Rail has successfully argued that in order to maintain high levels of safety performance, we need to spend more money on operations, maintenance and renewal. As I understand it, the issue at debate is how much money is available for enhancements; that is what is currently being discussed between the UK and Scottish Governments. We have more than enough money to maintain a safe and reliable network; the issue is how much is available for the next control period—2019 to 2024—for enhancements, which is what the live negotiation is about.

Jamie Greene: Is it your understanding that the proposal is that there will be enough money for the required maintenance of Scotland's tracks and that the argument is around how much additional money will be given for additional upgrades?

Alex Hynes: Yes.

Jamie Greene: Thank you. The third and final quick question, convener, is—

The Convener: I am sorry, but you have had your three questions. Because of time, I am going to have to move to the final question, which—

Jamie Greene: Can I ask for a response in writing?

The Convener: Yes. You may pose the question, which I ask Mr Hynes to respond to in writing.

Jamie Greene: It would be helpful if Mr Hynes will confirm how much funding is made available per passenger in Scotland.

The Convener: The final question will be from me.

Money was taken out of the service quality incentive regime fund this year to subsidise rail

travel. Can you give me an indication of how much money is in the SQUIRE fund? As you are the person who will present ideas on how it will be spent, have you submitted ideas to the Government? If not, will you submit them by the end of February?

Alex Hynes: We continually propose ideas to the Government because there is always money available in that fund. In September, we launched our free-ticket giveaway: within 24 hours, we gave away 40,000 return tickets, to the value of more than £1 million. We propose to launch a similar type of promotion for customers early in the new year.

Meanwhile, given the existence of the SQUIRE fund, we are also seeing what we can do to improve, for example, the station experience on routes that will get new trains. I am keen not just to introduce new trains; I want to relaunch the product, and that includes the station experience. We are currently talking to Transport Scotland about how we use some of that SQUIRE fund for station enhancements on the bits of the network that will benefit from new trains.

The Convener: My understanding is that the SQUIRE fund should be used not necessarily for ticket giveaways but for improving access to, and experience and use of, stations. Is that how you propose to use the fund now that you are the person who influences how it is spent?

Alex Hynes: We are keen to invest the money in capital projects that will improve the customer experience for a sustained period of time. That is our preference.

The Convener: Just to conclude, I ask you to let the committee have a list of ideas that you have come up with and submitted to Transport Scotland for use of the SQUIRE fund.

I am afraid that we have run out of time. I thank all the witnesses for attending the committee and giving evidence. You have undertaken to respond to the committee in writing on one or two matters. Unfortunately, there are some questions that we were unable to ask you, but the clerks will ensure that they are sent to you in writing, shortly.

12:35

Meeting continued in private until 12:54.

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